

MAR 06 2008

NO. D-1-GV-08-000419

At 1:38 P.M.
Amalia Rodriguez-Mendoza, Clerk

STATE OF TEXAS,
Plaintiff,

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IN THE DISTRICT COURT OF

v.

TRAVIS COUNTY, TEXAS

TRAVEL CURRENCY, INC. AND
RAINEY THREADGILL,
D/B/A CURRENCY SOURCE,
ORDER CURRENCY, PURCHASE
CURRENCY, ORDER WIRES, AND
TRAVEL WIRELESS
Defendants.

353rd JUDICIAL DISTRICT

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

On this date, came for hearing the above-entitled and numbered cause in which the STATE OF TEXAS (hereinafter "Plaintiff" or "State"), acting by and through Attorney General of Texas, GREG ABBOTT, is Plaintiff, and TRAVEL CURRENCY, INC. AND RAINEY THREADGILL, D/B/A CURRENCY SOURCE, ORDER CURRENCY, PURCHASE CURRENCY, ORDER WIRES, AND TRAVEL WIRELESS ("Defendants") are Defendants. Plaintiff and Defendants agree to the entry of this AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION.

STIPULATIONS

1. The parties agree to entry of this Judgment and, at their request, the court **FINDS** that:
 - A. It has jurisdiction over the subject matter of this action;
 - B. It has jurisdiction over the Defendants;
 - C. Venue is proper in Travis County, Texas;
 - D. The activities of Defendants constitute trade and/or commerce;
 - E. Entry of this judgment is in the public interest;

- F. The civil fines and penalties awarded to the State of Texas constitute claims to, and for the benefit of, a governmental unit, as defined under 11 U.S.C. §101(27), and are not compensation for actual pecuniary loss;
- G. Defendants or their corporate representatives have read this Order and agree to its entry, as reflected by their signatures below;
- H. Defendants waive any right to appeal; and
- I. Defendants acknowledge notice of this permanent injunction and acceptance of the same and waive issuance of a writ of injunction.

DEFINITIONS

- 2. For purposes of this Agreed Final Judgment and Permanent Injunction, the following definitions shall apply:
 - A. **“Clear and Conspicuous” or “Clearly and Conspicuously”** means that the required disclosure is in such size, color, contrast, location, duration, and audibility that it is readily noticeable, readable, and understandable. A statement may not contradict or be inconsistent with any other information with which it is presented. If a statement modifies, explains, or clarifies other information with which it is presented, it must be presented in close proximity to the information it modifies, in a manner that is readily noticeable, readable, and understandable, and it must not be obscured in any manner. For print communications, the message shall be in a type size and location sufficiently noticeable for a consumer to read and comprehend it, in print that contrasts with the background against which it appears. In communications disseminated orally, the message shall be delivered in a volume and cadence

sufficient for a consumer to comprehend it. In communications made through an electronic medium (such as television, video, radio, and interactive media such as the Internet, online services, and software), the message shall be presented simultaneously in both the audio and visual portions of the communication. In any communication presented solely through visual or audio means, the message may be made through the same means by which the communication is presented. Any audio message shall be delivered in a volume and cadence sufficient for a consumer to hear and comprehend it. Any visual image shall be of a size and shade, with a degree of contrast to the background against which it appears, and shall appear on the screen for a duration and in a location sufficiently noticeable for a consumer to read and comprehend it. The message shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the message shall be used in any communication.

B. **“Express verifiable consent”** shall mean one of the following methods:

- 1) A written acknowledgment signed by the consumer;
- 2) A voice recording that is clearly audible and easy-to-understand;
- 3) An electronic acknowledgment that requires the consumer to affirmatively click on a check box or button, or return an e-mail message, acknowledging receipt of an explanation of the term or condition, and acceptance of the same; or
- 4) A telephone interactive voice response system or similar mechanism that provides the consumer with a prerecorded explanation of the term or

condition and requires the consumer to acknowledge and accept the term or condition by pressing a particular number on his or her telephone keypad.

- C. **“Money transfer service(s)”** means receiving money, currency, or other payment in order to transmit such money, currency, or other payment, or its equivalent by wire, computer modem, facsimile, physical transport, or any other means or through the use of a financial intermediary, the Federal Reserve System, or another funds transfer network.
- D. **“Supplier”** means a bank or other foreign exchange services business, such as American Express or Associated Foreign Exchange, from which Defendants purchase money transfer services instruments (such as wire transfers) in order to process a requested money transfer service.

PERMANENT INJUNCTION

3. **IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** that Defendants, their officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with Defendants who receive actual notice of this injunction shall be permanently enjoined, restrained, and prohibited from engaging in the following conduct:

- A. Misrepresenting the costs or fees associated with Defendants’ money transfer services;
- B. Disclosing foreign exchange rates to consumers that are multi-million dollar rates or are otherwise not available to consumers for money transfer services without clearly and conspicuously disclosing, in close proximity to the rates, the fact if true that such rates are only for multi-million dollar transactions, and any other limitations on the

availability of those rates to consumers;

- C. Disclosing any foreign exchange rate to a consumer without providing an option to lock in that exchange rate at the time of the representation;
- D. Failing to disclose in writing to a consumer who chooses to lock in an exchange rate the specific rate that is locked in and the time in which it is valid;
- E. Representing that the fees associated with Defendants' money transfer services are limited to a flat rate amount if Defendants charge any additional fees for their money transfer services;
- F. Failing to clearly and conspicuously disclose, prior to initiating or processing a debit from a consumer's bank account or otherwise accepting payment for Defendants' money transfer services, the following in a written disclosure that is separate and apart from any other terms and conditions:
 - 1) The amount of currency that will be transferred, stated in U.S. Dollars;
 - 2) Any fees that will be charged for the transfer service, stated in U.S. Dollars;
 - 3) The rate of exchange for the transfer service (if converting the money into foreign currency);
 - 4) The amount to be paid in the foreign currency (if converting the money into foreign currency);
 - 5) The fact, if true, that foreign banks may charge additional fees which may be removed from the transferred amount;
 - 6) The fact, if true, that Defendants will charge additional amounts to a consumer who provides incomplete or incorrect information regarding their

order, and the specific amounts or rate that Defendants will charge in the event such incomplete or incorrect information is provided;

- 7) The fact, if true, that once a consumer has ordered Defendants' money transfer services, Defendants may not be able to cancel their requested transaction, and the fact, if true, that additional fees may be taken by banks processing the cancellation;
 - 8) The fact, if true, that Defendants require payment prior to processing an order, and as such will debit the consumer's bank account prior to ordering the requested money transfer service, which likely will result in delay for the actual completion of the consumer's requested service;
 - 9) The period of time in which a consumer must respond in order to receive the transfer service with those terms and conditions; and
 - 10) Defendants' address, and a contact name, phone number, and e-mail address which consumers can use to inquire about the status of their transfer.
- G. Failing to obtain a consumer's express verifiable consent to the terms and conditions in paragraph 3.F. above, prior to initiating or processing a debit from a consumer's bank account or otherwise accepting payment for Defendants' money transfer services;
- H. Failing to honor the terms and conditions of Defendants' money transfer service disclosed and agreed to pursuant to paragraph 3.F. and 3.G.; provided, however, that Defendants may refuse to honor the disclosed exchange rate if a consumer fails to accept the terms within the time period disclosed in paragraph 3.F.6. In such an

event, Defendants shall provide new disclosures pursuant to paragraph 3.F. with the modified exchange rate. Nothing in this agreement shall permit Defendants to charge or collect any amounts from consumers not disclosed and consented to pursuant to paragraphs 3.F. and 3.G.

- I. Initiating or processing a debit from a consumer's bank account or otherwise accepting payment from a consumer for Defendants' money transfer services prior to ordering the consumer's requested service from one of their suppliers without first clearly and conspicuously disclosing that Defendants will not order the consumer's requested service until they receive payment;
- J. Failing to honor a consumer's cancellation request if made prior to Defendants ordering the consumer's requested service from one of their suppliers;
- K. Failing to use all reasonable efforts to honor a consumer's cancellation request made after Defendants have ordered the consumer's requested service from one of their suppliers. Such reasonable efforts shall include, but are not limited to, immediately contacting the supplier to attempt cancellation, and contacting foreign banks to request a return of the transferred funds;
- L. Charging or collecting additional amounts from a consumer who provides incorrect or incomplete information regarding their order unless Defendants first send to the consumer a written accounting of the additional time and other resources Defendants spent processing that order because of the incorrect and incomplete information;
- M. Processing an order from a consumer who provides incomplete information without first disclosing to the consumer that he or she provided incomplete information,

which may result in additional costs or an inability to complete the requested transfer;

- N. Failing to provide a consumer with a written or electronic receipt demonstrating that Defendants completed the money transfer service. Such receipt shall clearly and conspicuously disclose all information disclosed pursuant to paragraph 3.F. above, and shall further include a unique tracking number consumers can use to reference their transfer with Defendants;
- O. Failing to maintain complete records of all customers of Defendants' money transfer service. Such records shall include, but are not limited to, complete copies of the records reflecting the customer's requested service, copies of all forms of consent collected pursuant to paragraph 3.F., copies of all receipts provided by Defendants, copies of all confirmations received from any supplier used by Defendants, and notes of any customer contact with Defendants, including notes of phone conversations and copies of written correspondence. Defendants shall provide copies of all customer records to the Texas Attorney General's Office within ten (10) days of receiving a request for such records from that office;
- P. Failing to clearly and conspicuously disclose on any websites and other advertisements used by Defendants, and prior to processing any order from a consumer, any states in which Defendants will not do business; and
- Q. Failing to implement and enforce policies and procedures to monitor all employees for compliance with this agreement, and with state and federal law.

RESTITUTION

4. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendants shall

provide full restitution to consumers who have complained, or who file complaints within ninety (90) days of the date the Court signs this order, with the Better Business Bureau (“BBB”) and the Office of the Texas Attorney General, regarding Defendants money transfer services. Such restitution shall consist of full refunds of all disputed charges and fees associated with the money transfer service. In lieu of such refunds, Defendants may provide evidence to the Texas Attorney General that they have fully resolved the consumer’s complaint to the satisfaction of the consumer. Such restitution shall be made within one hundred twenty (120) days of the entry of this judgment. Within one hundred fifty days (150) after entry of this judgment, Defendants shall provide to Assistant Attorney General Paul Singer, a report containing: (1) a list of all consumers, including name, address, and phone number, who filed complaints with the Texas Attorney General or the Better Business Bureau; (2) the nature of the complaint raised by each consumer; and (3) the amount or form of restitution provided to each consumer.

CIVIL PENALTIES AND ATTORNEYS’ FEES

5. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Plaintiff shall have judgment against Defendants in the total amount of ONE HUNDRED THIRTY THOUSAND DOLLARS (\$130,000.00), which will be allocated as follows:

- A. ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) shall be allocated to the State as civil penalties.
- B. THIRTY THOUSAND DOLLARS (\$30,000.00) shall be allocated to the Attorney General’s Office as reimbursement for its costs and attorneys’ fees.

The amount allocated as attorneys fees (\$30,000.00) shall be paid as follows: Ten Thousand Dollars (\$10,000.00) shall be paid upon or before the filing of this Agreed Final Judgment; Three Thousand

Three Hundred Thirty-three dollars and thirty-three cents (\$3,333.33) shall be paid on or before February 15, 2008; Three Thousand Three Hundred Thirty-three dollars and thirty-three cents (\$3,333.33) shall be paid on or before March 17, 2008; Three Thousand Three Hundred Thirty-three dollars and thirty-three cents (\$3,333.33) shall be paid on or before April 15, 2008; Three Thousand Three Hundred Thirty-three dollars and thirty-three cents (\$3,333.33) shall be paid on or before May 15, 2008; Three Thousand Three Hundred Thirty-three dollars and thirty-three cents (\$3,333.33) shall be paid on or before June 16, 2008; and Three Thousand Three Hundred Thirty-three dollars and thirty-five cents (\$3,333.35) shall be paid on or before July 15, 2008. Each payment shall be paid in the form of a certified check made payable to the Office of the Attorney General of Texas, bearing the Attorney General number #072436447 and shall be delivered to the Office of the Attorney General, Consumer Protection and Public Health Division, 300 W. 15th St., 9th Floor, Austin, Texas 78701. The amount allocated as civil penalties (\$100,000.00) shall be due and payable to the State within thirty (30) days of the Office of the Attorney General issuing a written notice to Defendants that they have failed to achieve and maintain substantial compliance with all injunctive requirements set forth in this Judgment. Provided, however, that if Defendants have achieved and maintained substantial compliance with all injunctive requirements set forth in this Judgment for one year following the entry of the Judgment, the State shall forgive the payment of civil penalties in the amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00).

MISCELLANEOUS

6. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the State of Texas shall have all writs of execution and other process necessary to enforce this Agreed Final Judgment and Permanent Injunction. Defendants, by their signature below, hereby acknowledge notice of this

permanent injunction and acceptance of same; therefore, no writ need be issued.

7. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this Judgment shall be binding upon Defendants, and their successors and assigns. If Defendants merge with any other business entities or sell, assign, or otherwise transfer substantially all of their assets, Defendants shall provide reasonable prior notice to the surviving corporation or the purchaser, assignee, or transferee of this Judgment and its binding effect upon the surviving corporation, purchaser, assignee, or transferee.

8. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that nothing in this Judgment shall be construed as a waiver of any private rights, causes of action, or remedies of any person against Defendants with respect to their practices alleged herein.

9. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this Judgment shall be deemed in effect from the day it is approved by the District Court. To the extent that the provisions of this Judgment conflict with any Texas, local, or federal law which now exists, or is later enacted or amended, such law and not this Judgment shall apply only to the extent such conflict exists. For the purposes of this Judgment, a conflict exists if conduct prohibited by this Judgment is required by such Texas, local, or federal law, or if conduct required by this Judgment is prohibited by such Texas, local, or federal law.

10. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the parties are responsible for paying their own costs of court.

11. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendants shall not represent to the public that this Judgment constitutes approval by Plaintiff or this Court of any of Defendants' actions or business activities.

12. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that all relief not expressly granted herein is denied.

SIGNED this 6 day of March, 2007.³

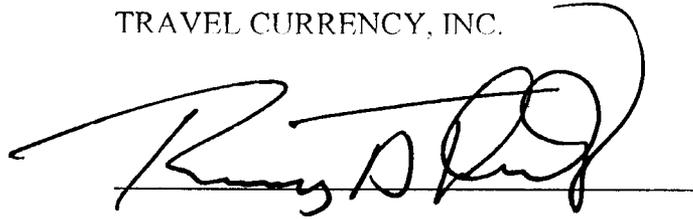

PRESIDING JUDGE

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

GREG ABBOTT
Attorney General of Texas

TRAVEL CURRENCY, INC.

KENT C. SULLIVAN
First Assistant Attorney General



JEFF L. ROSE
Deputy First Assistant Attorney General

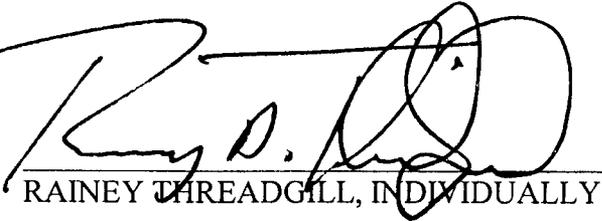
By: Rainey Threadgill

PAUL D. CARMONA
Chief, Consumer Protection and Public Health

Title: Owner



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RAINEY THREADGILL, INDIVIDUALLY