

**STATE OF NEW HAMPSHIRE  
BANKING DEPARTMENT**

In The Matter of: Continental Prison Systems, Inc. (n/k/a General Payment Systems, Inc. and  
a/k/a EZ Card and Kiosk, LLC)  
Case No. 13-272

**CONSENT ORDER**

**WHEREAS**, pursuant to RSA 399-G:2, I<sup>1</sup>, the New Hampshire Banking Department (“Department”) is charged with regulating persons that “engage in the business of money transmission” in New Hampshire or to, from and with New Hampshire consumers.

**WHEREAS**, pursuant to RSA 399-G:13, I, the Department is authorized to examine the business affairs of any licensee or non-licensee money transmitter to determine compliance with RSA 399-G.

**WHEREAS**, Continental Prison Systems, Inc. (n/k/a General Payment Systems, Inc. and a/k/a EZ Card and Kiosk, LLC) (“EZ Card”) is a Nevada and California registered corporation (as General Payment Systems, Inc.) with a principal office location in Lake Forest, California.

**WHEREAS**, General Payment Systems, Inc. registered with the New Hampshire Secretary of State on December 22, 2014 and was administratively dissolved or suspended on August 2, 2016. General Payment Systems, Inc. does not have a New Hampshire Money Transmitter license.

**WHEREAS**, EZ Card registered with the Nevada Secretary of State on February 26, 2008 and its registration was revoked on February 28, 2014. EZ Card does not have a New Hampshire Money Transmitter license.

**WHEREAS**, pursuant to its authority under RSA 399-G:13, I, the Department, through the

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<sup>1</sup> Since the activities that are the subject of this Consent Order occurred prior to January 1, 2016, the citations of RSA 399-G are to the law in effect until January 1, 2016.

Consumer Credit Division, conducted an investigation of EZ Card.

**WHEREAS,**

1. EZ Card contracted with two (2) New Hampshire correctional facilities (each hereinafter, "Agency") to collect payments on behalf of such Agency. EZ Card delivered the funds to the Agency; the Agency credited the funds to the inmate's account. EZ Card would collect payments at its kiosks or through its website and deposit such funds into a settlement account EZ Card maintained. Such funds were then wired from the EZ Card Settlement Account to the Agency on an agreed upon schedule. Each consumer was indemnified by the Agency against any loss resulting from non-performance by EZ Card and EZ Card indemnified the Agency.
2. The collection of funds from consumers was to allow inmates to purchase commissary items and pay court costs.
3. In the event an inmate did not purchase goods or pay for services when such payment was made through EZ Card by a non-inmate consumer, the Agency held the unused funds in a trust account on behalf of the inmate until such time as the inmates made a purchase or made a payment. If funds remain in such trust account, then upon an inmate's release the Agency will refund such balance to the inmate.
4. From January 15, 2013 to July 15, 2015, EZ Card conducted money transmissions for consumers in New Hampshire without a New Hampshire Money Transmitter license and collected \$87,823 in fees.
5. EZ Card fully cooperated with the Department.
6. TouchPay Holdings LLC (d/b/a GTL Financial Services), an active New Hampshire-licensed money transmitter, purchased all contracts with New Hampshire Agencies

from EZ Card on or about July 15, 2015.

**WHEREAS**, EZ Card makes the following acknowledgements:

1. EZ Card acknowledges that were an administrative hearing to be held in this matter, the Department would introduce evidence demonstrating that EZ Card allegedly violated RSA 399-G:3 by conducting unlicensed money transmissions.
2. EZ Card voluntarily enters into and signs this Consent Order without reliance upon any discussions between the Department and EZ Card, without the promise of a benefit of any kind (other than the concessions contained in this Consent Order), and without threats, force, intimidation or coercion of any kind.
3. The conduct described above, if proven, would constitute violations of state law, which could result in penalties pursuant to RSA 399-G:21, IV.
4. EZ Card acknowledges, understands, and agrees that it has the right to notice and an adjudicatory hearing to contest the matters set forth herein, including any appeal, and hereby waives those rights. EZ Card further acknowledged it waives the filing of any civil actions related to this Consent Order.
5. EZ Card understands that its action in entering this Consent Order is a final act and not subject to reconsideration or judicial review or appeal.
6. EZ Card understands the nature of the allegations set forth herein and that it constitutes grounds for potential sanctions, as provided by law.
7. EZ Card represents and warrants that it has all the necessary rights, powers and abilities to carry out the terms of this Consent Order.
8. EZ Card acknowledges that the Department is relying upon EZ Card's representations and warranties stated herein in making its determinations in this matter.

9. EZ Card acknowledges that this Consent Order may be revoked and the Department may pursue any and all remedies available under the law against EZ Card if the Department later learns that EZ Card knowingly or willfully withheld information from the Department.
10. This Consent Order is binding on all heirs, assigns and successors in interest.

**WHEREAS**, EZ Card consents to the Department imposing the following sanctions:

1. EZ Card shall cease and desist from any further money transmitter activity with New Hampshire consumers without a New Hampshire Money Transmitter license.
2. EZ Card shall remit a total penalty in the amount of \$52,000 by bank check made payable to the “State of New Hampshire.” Such payments shall be made as follows:
  - a. The first payment of \$4,333.33 shall be made by January 31, 2017; and
  - b. \$4,333.33 shall be made each month thereafter for eleven (11) months as follows:
    - i. February 28, 2017;
    - ii. March 31, 2017;
    - iii. April 30, 2017;
    - iv. May 31, 2017;
    - v. June 30, 2017;
    - vi. July 31, 2017;
    - vii. August 31, 2017;
    - viii. September 30, 2017;
    - ix. October 31, 2017;
    - x. November 30, 2017; and
    - xi. December 31, 2017.



\_\_\_\_\_/s/\_\_\_\_\_  
Ronald Hodge, Chief Executive Officer  
Continental Prison Systems, Inc.  
n/k/a General Payment Systems, Inc.  
a/k/a EZ Card and Kiosk, LLC

\_\_\_\_\_  
01/24/17  
Date

**SO ORDERED.**

\_\_\_\_\_/s/\_\_\_\_\_  
Gerald H. Little  
Bank Commissioner  
New Hampshire Banking Department

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01/27/17  
Date