

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE DEPARTMENT OF COMMERCE

In the Matter of the Money Transmitter
License of PayPal, Inc., d/b/a Venmo

CONSENT ORDER

Temporary Commissioner of Commerce Grace Arnold has determined as follows:

1. The Commissioner commenced a regulatory action against Respondent PayPal, Inc., and its Venmo product offering by serving it with an order to show cause. The Commissioner alleged that PayPal did not transmit all money received for wire transmission in accordance with the purchaser's instructions in violation of Minn. Stat. §§ 45.027, subd. 7(a)(2), (4), 53B.18(3) (2018).

2. PayPal acknowledges that it was advised of its right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing. PayPal expressly waives those rights. PayPal further acknowledges that it was advised of its right to be represented by legal counsel and that it was represented by counsel throughout the Department's investigation and this administrative proceeding.

3. PayPal has cooperated with the Commissioner during this matter and denies any wrongdoing and disagrees with the Commissioner's allegations, but has agreed to an informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2018) and Minn. Rule 1400.5900. In cases where it held customer funds longer than 5 days, PayPal alleges this was a reasonable fraud protection measure in accordance with the PayPal User Agreement.

4. The following order is in the public interest.

NOW, THEREFORE, IT IS ORDERED, pursuant to Minn. Stat. ch. 45 and 53B, as follows:

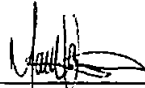
A. PayPal shall comply with all laws, rules, or orders related to the duties and responsibilities entrusted to the Commissioner under Minn. Stat. chapters 45 and 53B; and,

B. PayPal shall pay a \$20,000 civil penalty to the State of Minnesota.

This consent order shall be effective upon signature on behalf of the Commissioner.

Dated: 09/25/2020

GRACE ARNOLD
Temporary Commissioner



MATTHEW VATTER
Assistant Commissioner of Enforcement

Minnesota Department of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

CONSENT TO ENTRY OF ORDER

The undersigned states that he or she has read the foregoing consent order, that he or she fully understands its contents and effect, that he or she is authorized to execute this consent order on behalf of PayPal, Inc., d/b/a Venmo, that he or she has been advised of its right to a hearing, that he or she has been advised of its right to counsel, and that he or she consents to entry of this order by the Commissioner. It is further expressly understood that this order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

PayPal, Inc., d/b/a Venmo

By: [Signature]

Its: Vice President & Secretary
(Title)

STATE OF California
COUNTY OF Santa Clara

This instrument was acknowledged before me on Sept. 1, 2020, by Brian Kawasaki on behalf of PayPal, Inc., d/b/a Venmo.

[Signature]
(Signature of notary officer)

Notary Public
Title (and Rank)
My commission expires: Nov. 19, 2021

