

House Engrossed Senate Bill

money transmission; money transmitter licensure

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

# SENATE BILL 1580

AN ACT

AMENDING SECTIONS 6-123.01 AND 6-126, ARIZONA REVISED STATUTES; REPEALING TITLE 6, CHAPTER 12, ARTICLE 1, ARIZONA REVISED STATUTES; AMENDING TITLE 6, CHAPTER 12, ARIZONA REVISED STATUTES, BY ADDING A NEW ARTICLE 1; PROVIDING FOR RENUMBERING; AMENDING TITLE 6, CHAPTER 12, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 6-1241; AMENDING SECTION 6-1242, ARIZONA REVISED STATUTES, AS RENUMBERED; AMENDING SECTION 6-1305, ARIZONA REVISED STATUTES; REPEALING SECTION 6-1306, ARIZONA REVISED STATUTES; AMENDING SECTIONS 13-2317 AND 41-5605, ARIZONA REVISED STATUTES; RELATING TO MONEY TRANSMISSION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-123.01, Arizona Revised Statutes, is amended  
3 to read:

4 6-123.01. Fingerprint requirements; fees

5 A. Before receiving and holding a license, permit, certificate or  
6 permission to organize a bank, savings and loan association or credit  
7 union, the deputy director may require an applicant, licensee, active  
8 manager or responsible individual, ~~or~~ an organizer, director or officer of  
9 any corporate applicant or licensee, **ANY INDIVIDUAL IN CONTROL OF A**  
10 **LICENSEE OR APPLICANT, ANY INDIVIDUAL WHO SEEKS TO ACQUIRE CONTROL OF A**  
11 **LICENSEE OR EACH KEY INDIVIDUAL** to submit a full set of fingerprints and  
12 fees to the department. The department of insurance and financial  
13 institutions shall submit the fingerprints and fees to the department of  
14 public safety, or the nationwide mortgage licensing system and registry  
15 established by the secure and fair enforcement for mortgage licensing act  
16 of 2008 (P.L. 110-289; 122 Stat. 2810; 12 United States Code sections 5101  
17 through 5116) or its successor, for the purpose of obtaining a state and  
18 federal criminal records check pursuant to section 41-1750 and Public Law  
19 92-544. The department of public safety may exchange this fingerprint  
20 data with the federal bureau of investigation.

21 B. The fees that the department collects under subsection A of this  
22 section shall be credited pursuant to section 35-148.

23 C. The applicant is responsible for providing the department with  
24 readable fingerprints. The applicant shall pay any costs that are  
25 attributable to refingerprinting due to the unreadability of any  
26 fingerprints and any fees that are required for the resubmission of  
27 fingerprints.

28 D. The department may issue a temporary license or certificate or  
29 grant temporary permission to organize to an original applicant before the  
30 department receives the results of a criminal records check if there is  
31 not evidence or reasonable suspicion that the applicant has a criminal  
32 history background that would be cause for denial of a license,  
33 certificate or permission to organize. The department may terminate the  
34 temporary license or certificate or permission to organize if a  
35 fingerprint card is returned as unreadable and the applicant fails to  
36 submit new fingerprints within ten days after being notified by the  
37 department that the original card was unreadable or if the results of the  
38 criminal records check reveal grounds for the denial of the license or  
39 certificate or permission to organize. The temporary license or  
40 certificate or permission to organize shall not be effective longer than  
41 one hundred eighty days.

42 E. The deputy director may require a current licensee, organizer,  
43 director, active manager, responsible individual or officer of any  
44 corporate licensee to submit a full set of fingerprints to the department.  
45 The department of insurance and financial institutions shall submit the

1 fingerprints and fees to the department of public safety for the purpose  
2 of obtaining a state and federal criminal records check pursuant to  
3 section 41-1750 and Public Law 92-544. The department of public safety  
4 may exchange this fingerprint data with the federal bureau of  
5 investigation.

6 F. This section does not affect the department's authority to  
7 otherwise issue, deny, cancel, terminate, suspend or revoke a license.

8 Sec. 2. Section 6-126, Arizona Revised Statutes, is amended to  
9 read:

10 6-126. Application fees for financial institutions and  
11 enterprises

12 A. The following nonrefundable fees are payable to the department  
13 with the filing of the following:

- 14 1. To apply for a banking permit, \$1,000.
- 15 2. To apply for an amendment to a banking or savings and loan  
16 association permit, \$1,000.
- 17 3. To establish each banking branch office, \$750.
- 18 4. To move a banking office to other than an established office of  
19 a bank, \$1,000.
- 20 5. To apply for a savings and loan association permit, \$5,000.
- 21 6. To establish each savings and loan association branch office,  
22 \$1,500.
- 23 7. To move an office of a savings and loan association to other  
24 than an established office, \$1,000.
- 25 8. To organize and establish a credit union, \$100.
- 26 9. To establish each credit union branch or to move a credit union  
27 office to other than an established office of a credit union, \$250.
- 28 10. To organize and establish any other financial institutions for  
29 which an application or investigation fee is not otherwise provided by  
30 law, \$1,000.
- 31 11. To acquire control of a financial institution other than a  
32 consumer lender, \$5,000.
- 33 12. To apply for a trust company license, \$1,000.
- 34 13. To apply for a commercial mortgage banker, mortgage banker,  
35 escrow agent or consumer lender license, \$1,000.
- 36 14. To apply for a mortgage broker, commercial mortgage broker,  
37 sales finance company or debt management company license, \$500.
- 38 15. To apply for a collection agency license, \$1,500.
- 39 16. To apply for a branch office of an escrow agent, consumer  
40 lender, commercial mortgage banker, mortgage banker or trust company,  
41 \$500.
- 42 17. To apply for a branch office of a mortgage broker, commercial  
43 mortgage broker, debt management company or sales finance company, \$250.

- 1           18. To apply for approval for the merger or consolidation of two or  
2 more financial institutions, \$5,000 per institution.
- 3           19. To apply for approval to convert from a national bank or  
4 federal savings and loan charter to a state chartered institution, \$1,000.
- 5           20. To apply for approval to convert from a federal credit union to  
6 a state chartered credit union, \$500.
- 7           21. To apply for approval to merge or consolidate two or more  
8 credit unions, \$500 per credit union.
- 9           22. To change the licensee name on a financial institution or  
10 enterprise license, except for a loan originator or appraiser license, not  
11 more than \$250.
- 12           23. To apply for a ~~money transmitter~~ license PURSUANT TO CHAPTER  
13 12, ARTICLE 1 OF THIS TITLE, \$1,500 plus \$25 for each branch office and  
14 authorized delegate to a maximum of \$4,500.
- 15           24. To acquire control of ~~any money transmitter~~ A PERSON THAT IS  
16 LICENSED PURSUANT TO CHAPTER 12, ARTICLE 1 OF THIS TITLE or A controlling  
17 person pursuant to chapter 12 of this title, \$2,500.
- 18           25. To receive the following publications:
- 19           (a) Quarterly bank and savings and loan statement of condition, not  
20 more than \$10 per copy.
- 21           (b) Monthly summary of actions report, not more than \$5 per copy.
- 22           (c) A list of licensees, a monthly pending actions report and all  
23 other in-house prepared reports or listings made available to the public,  
24 not more than \$1 per page.
- 25           26. To apply for a loan originator license, an amount to be  
26 determined by the deputy director.
- 27           27. To apply for a loan originator license transfer, an amount to  
28 be determined by the deputy director.
- 29           28. To apply for a conversion from a mortgage banker license to a  
30 mortgage broker license, an amount to be determined by the deputy  
31 director.
- 32           29. For a premium finance company, \$300 plus \$300 for each branch  
33 office.
- 34           30. For an advance fee loan broker, \$50.
- 35           B. On application for a license or permit for an enterprise or  
36 consumer lender, the applicant shall pay the first year's annual  
37 assessment listed in subsection D of this section, prorated according to  
38 the number of quarters remaining until the date of the next annual  
39 assessment or renewal. If the result of the application ends in a denial,  
40 the department shall refund the prorated annual assessment that the  
41 applicant paid. Annual renewal fees are nonrefundable.

1 C. On issuance of a license or permit for a financial institution,  
2 the department shall collect the first year's annual assessment or renewal  
3 fee for the financial institution, except for a consumer lender that paid  
4 on application, prorated according to the number of quarters remaining  
5 until the date of the next annual assessment or renewal.

6 D. The following annual assessments and renewal fees shall be paid  
7 each year:

8 1. For an escrow agent or trust company, \$1,000 plus \$250 for each  
9 branch office.

10 2. For a debt management company or sales finance company, \$500  
11 plus \$200 for each branch office.

12 3. For a collection agency, \$600.

13 4. For an inactive mortgage broker or commercial mortgage broker,  
14 \$250.

15 5. For a mortgage banker that negotiates or closes in the aggregate  
16 one hundred loans or less in the immediately preceding calendar year,  
17 \$750, and for a mortgage banker that negotiates or closes in the aggregate  
18 over one hundred loans in the immediately preceding calendar year,  
19 \$1,250. In addition, a mortgage banker shall pay \$250 for each branch  
20 office.

21 6. For a commercial mortgage banker, \$1,250. In addition, a  
22 commercial mortgage banker shall pay \$250 for each branch office.

23 7. For a mortgage broker or commercial mortgage broker that  
24 negotiates or closes in the aggregate fifty loans or less in the  
25 immediately preceding calendar year, \$250 and for a mortgage broker or  
26 commercial mortgage broker that negotiates or closes in the aggregate more  
27 than fifty loans in the immediately preceding calendar year, \$500. In  
28 addition, a mortgage broker or commercial mortgage broker shall pay \$200  
29 for each branch office.

30 8. For a consumer lender, \$1,000 plus \$200 for each branch office.

31 9. For a ~~money transmitter~~ [LICENSEE PURSUANT TO CHAPTER 12, ARTICLE](#)  
32 [1 OF THIS TITLE](#), \$500 plus \$25 for each branch office and each authorized  
33 delegate to a maximum of \$2,500.

34 10. For a loan originator, an amount to be determined by the deputy  
35 director.

36 11. For a loan originator change to inactive status, an amount to  
37 be determined by the deputy director.

38 12. For a premium finance company, \$300 plus \$300 for each branch  
39 office.

40 13. For an advance fee loan broker, \$25.

41 Sec. 3. [Repeal](#)

42 Title 6, chapter 12, article 1, Arizona Revised Statutes, is  
43 repealed.

1           Sec. 4. Title 6, chapter 12, Arizona Revised Statutes, is amended  
2 by adding a new article 1, to read:

3                           ARTICLE 1. MONEY TRANSMISSION

4           6-1201. Definitions

5           IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

6           1. "ACTING IN CONCERT" MEANS PERSONS KNOWINGLY ACTING TOGETHER WITH  
7 A COMMON GOAL OF JOINTLY ACQUIRING CONTROL OF A LICENSEE WHETHER OR NOT  
8 PURSUANT TO AN EXPRESS AGREEMENT.

9           2. "AUTHORIZED DELEGATE" MEANS A PERSON THAT A LICENSEE DESIGNATES  
10 TO ENGAGE IN MONEY TRANSMISSION ON BEHALF OF THE LICENSEE.

11           3. "AVERAGE DAILY MONEY TRANSMISSION LIABILITY" MEANS THE AMOUNT OF  
12 THE LICENSEE'S OUTSTANDING MONEY TRANSMISSION OBLIGATIONS AT THE END OF  
13 EACH DAY IN QUARTERS ENDING MARCH 31, JUNE 30, SEPTEMBER 30 AND  
14 DECEMBER 31, ADDED TOGETHER AND DIVIDED BY THE TOTAL NUMBER OF DAYS IN  
15 EACH QUARTER.

16           4. "CLOSED LOOP STORED VALUE" MEANS STORED VALUE THAT IS REDEEMABLE  
17 BY THE ISSUER ONLY FOR GOODS OR SERVICES PROVIDED BY THE ISSUER OR ITS  
18 AFFILIATE OR FRANCHISEES OF THE ISSUER OR ITS AFFILIATE, EXCEPT TO THE  
19 EXTENT REQUIRED BY APPLICABLE LAW TO BE REDEEMABLE IN CASH FOR ITS CASH  
20 VALUE.

21           5. "CONTROL" MEANS:

22           (a) THE POWER TO VOTE, DIRECTLY OR INDIRECTLY, AT LEAST TWENTY-FIVE  
23 PERCENT OF THE OUTSTANDING VOTING SHARES OR VOTING INTERESTS OF A LICENSEE  
24 OR PERSON IN CONTROL OF A LICENSEE.

25           (b) THE POWER TO ELECT OR APPOINT A MAJORITY OF KEY INDIVIDUALS OR  
26 EXECUTIVE OFFICERS, MANAGERS, DIRECTORS, TRUSTEES OR OTHER PERSONS  
27 EXERCISING MANAGERIAL AUTHORITY OF A PERSON IN CONTROL OF A LICENSEE.

28           (c) THE POWER TO EXERCISE, DIRECTLY OR INDIRECTLY, A CONTROLLING  
29 INFLUENCE OVER THE MANAGEMENT OR POLICIES OF A LICENSEE OR PERSON IN  
30 CONTROL OF A LICENSEE.

31           6. "ELIGIBLE RATING" MEANS A CREDIT RATING OF ANY OF THE THREE  
32 HIGHEST RATING CATEGORIES PROVIDED BY AN ELIGIBLE RATING SERVICE AND EACH  
33 CATEGORY MAY INCLUDE RATING CATEGORY MODIFIERS SUCH AS "PLUS" OR "MINUS"  
34 FOR STANDARD AND POOR'S OR THE EQUIVALENT FOR ANY OTHER ELIGIBLE RATING  
35 SERVICE.

36           7. "ELIGIBLE RATING SERVICE" MEANS ANY NATIONALLY RECOGNIZED  
37 STATISTICAL RATING ORGANIZATION AS DEFINED BY THE UNITED STATES SECURITIES  
38 AND EXCHANGE COMMISSION AND ANY OTHER ORGANIZATION DESIGNATED BY THE  
39 DIRECTOR.

40           8. "FEDERALLY INSURED DEPOSITORY FINANCIAL INSTITUTION" MEANS A  
41 BANK, CREDIT UNION, SAVINGS AND LOAN ASSOCIATION, TRUST COMPANY, SAVINGS  
42 ASSOCIATION, SAVINGS BANK, INDUSTRIAL BANK OR INDUSTRIAL LOAN COMPANY  
43 ORGANIZED UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED  
44 STATES, WHEN THE BANK, CREDIT UNION, SAVINGS AND LOAN ASSOCIATION, TRUST

1 COMPANY, SAVINGS ASSOCIATION, SAVINGS BANK, INDUSTRIAL BANK OR INDUSTRIAL  
2 LOAN COMPANY HAS FEDERALLY INSURED DEPOSITS.

3 9. "INDIVIDUAL" MEANS A NATURAL PERSON.

4 10. "IN THIS STATE":

5 (a) MEANS AT A PHYSICAL LOCATION WITHIN THIS STATE IF A TRANSACTION  
6 IS REQUESTED IN PERSON.

7 (b) INCLUDES ANY OF THE FOLLOWING IF A PERSON REQUESTS A  
8 TRANSACTION ELECTRONICALLY OR BY TELEPHONE:

9 (i) THE LOCATION OF THE PERSON'S RESIDENTIAL ADDRESS IF THE PERSON  
10 IS AN INDIVIDUAL.

11 (ii) A PERSON'S PRINCIPAL PLACE OF BUSINESS OR OTHER PHYSICAL  
12 ADDRESS LOCATION WITHIN THIS STATE IF THE PERSON IS A BUSINESS ENTITY.

13 (iii) ANY ADDRESS WITHIN THIS STATE THAT IS ASSOCIATED WITH AN  
14 ACCOUNT BASED ON RECORDS THAT THE MONEY TRANSMISSION PROVIDER HAS OR  
15 INFORMATION THAT THE PERSON PROVIDES.

16 11. "KEY INDIVIDUAL" MEANS ANY INDIVIDUAL ULTIMATELY RESPONSIBLE  
17 FOR ESTABLISHING OR DIRECTING POLICIES AND PROCEDURES OF THE LICENSEE,  
18 SUCH AS AN EXECUTIVE OFFICER, MANAGER, DIRECTOR OR TRUSTEE.

19 12. "LICENSEE" MEANS A PERSON LICENSED UNDER THIS ARTICLE.

20 13. "MATERIAL LITIGATION" MEANS LITIGATION THAT, ACCORDING TO  
21 UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, IS SIGNIFICANT TO  
22 A PERSON'S FINANCIAL HEALTH AND WOULD BE REQUIRED TO BE DISCLOSED IN THE  
23 PERSON'S ANNUAL AUDITED FINANCIAL STATEMENTS, REPORT TO SHAREHOLDERS OR  
24 SIMILAR RECORDS.

25 14. "MONETARY VALUE" MEANS A MEDIUM OF EXCHANGE, WHETHER OR NOT  
26 REDEEMABLE IN MONEY.

27 15. "MONEY":

28 (a) MEANS A MEDIUM OF EXCHANGE THAT IS AUTHORIZED OR ADOPTED BY THE  
29 UNITED STATES OR A FOREIGN GOVERNMENT.

30 (b) INCLUDES A MONETARY UNIT OF ACCOUNT ESTABLISHED BY AN  
31 INTERGOVERNMENTAL ORGANIZATION OR BY AGREEMENT BETWEEN TWO OR MORE  
32 GOVERNMENTS.

33 16. "MONEY SERVICES BUSINESS ACCREDITED STATE" MEANS A STATE AGENCY  
34 THAT IS ACCREDITED BY A CONFERENCE OF STATE BANK SUPERVISORS AND MONEY  
35 TRANSMITTER REGULATORS ASSOCIATION FOR MONEY TRANSMISSION LICENSING AND  
36 SUPERVISION.

37 17. "MONEY TRANSMISSION":

38 (a) MEANS ANY OF THE FOLLOWING:

39 (i) SELLING OR ISSUING PAYMENT INSTRUMENTS TO A PERSON LOCATED IN  
40 THIS STATE.

41 (ii) SELLING OR ISSUING STORED VALUE TO A PERSON LOCATED IN THIS  
42 STATE.

43 (iii) RECEIVING MONEY FOR TRANSMISSION FROM A PERSON LOCATED IN  
44 THIS STATE.

1 (b) DOES NOT INCLUDE PROVIDING SOLELY ONLINE TELECOMMUNICATIONS  
2 SERVICES OR NETWORK ACCESS.

3 18. "MULTISTATE LICENSING PROCESS" MEANS A PROCEDURE AMONG STATE  
4 REGULATORS RELATING TO THE COORDINATED PROCESSING OF APPLICATIONS FOR  
5 MONEY TRANSMISSION LICENSES, APPLICATIONS FOR THE ACQUISITION OF CONTROL  
6 OF A LICENSEE, CONTROL DETERMINATIONS OR NOTICE AND INFORMATION  
7 REQUIREMENTS FOR A CHANGE OF KEY INDIVIDUALS.

8 19. "NMLS" MEANS THE NATIONWIDE MULTISTATE LICENSING SYSTEM AND  
9 REGISTRY THAT IS DEVELOPED BY A CONFERENCE OF STATE BANK SUPERVISORS AND  
10 THE AMERICAN ASSOCIATION OF RESIDENTIAL MORTGAGE REGULATORS AND THAT IS  
11 OWNED AND OPERATED BY A STATE REGULATORY REGISTRY FOR THE LICENSING AND  
12 REGISTRATION OF PERSONS IN FINANCIAL SERVICES INDUSTRIES.

13 20. "OUTSTANDING MONEY TRANSMISSION OBLIGATION" MEANS EITHER OF THE  
14 FOLLOWING:

15 (a) ANY PAYMENT INSTRUMENT OR STORED VALUE ISSUED OR SOLD BY THE  
16 LICENSEE TO A PERSON LOCATED IN THE UNITED STATES OR REPORTED AS SOLD BY  
17 AN AUTHORIZED DELEGATE OF THE LICENSEE TO A PERSON THAT IS LOCATED IN THE  
18 UNITED STATES THAT HAS NOT YET BEEN PAID OR REFUNDED BY OR FOR THE  
19 LICENSEE OR ESCHEATED IN ACCORDANCE WITH APPLICABLE ABANDONED PROPERTY  
20 LAWS.

21 (b) ANY MONEY RECEIVED FOR TRANSMISSION BY THE LICENSEE OR AN  
22 AUTHORIZED DELEGATE IN THE UNITED STATES FROM A PERSON LOCATED IN THE  
23 UNITED STATES THAT HAS NOT BEEN RECEIVED BY THE PAYEE OR REFUNDED TO THE  
24 SENDER OR ESCHEATED IN ACCORDANCE WITH APPLICABLE ABANDONED PROPERTY LAWS.

25 21. "PASSIVE INVESTOR" MEANS A PERSON THAT:

26 (a) DOES NOT HAVE THE POWER TO ELECT A MAJORITY OF KEY INDIVIDUALS  
27 OR EXECUTIVE OFFICERS, MANAGERS, DIRECTORS, TRUSTEES OR OTHER PERSONS  
28 EXERCISING MANAGERIAL AUTHORITY OF A PERSON IN CONTROL OF A LICENSEE.

29 (b) IS NOT EMPLOYED BY AND DOES NOT HAVE ANY MANAGERIAL DUTIES OF  
30 THE LICENSEE OR PERSON IN CONTROL OF A LICENSEE.

31 (c) DOES NOT HAVE THE POWER TO EXERCISE, DIRECTLY OR INDIRECTLY, A  
32 CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF A LICENSEE OR  
33 PERSON IN CONTROL OF A LICENSEE.

34 (d) DOES EITHER OF THE FOLLOWING:

35 (i) ATTESTS TO SUBDIVISIONS (a), (b) AND (c) OF THIS PARAGRAPH IN A  
36 FORM AND IN A MEDIUM PRESCRIBED BY THE DIRECTOR.

37 (ii) COMMITS TO THE PASSIVITY CHARACTERISTICS OF SUBDIVISIONS (a),  
38 (b) AND (c) OF THIS PARAGRAPH IN A WRITTEN DOCUMENT.

39 22. "PAYMENT INSTRUMENT":

40 (a) MEANS A WRITTEN OR ELECTRONIC CHECK, DRAFT, MONEY ORDER,  
41 TRAVELER'S CHECK OR OTHER WRITTEN OR ELECTRONIC INSTRUMENT FOR THE  
42 TRANSMISSION OR PAYMENT OF MONEY OR MONETARY VALUE, WHETHER OR NOT  
43 NEGOTIABLE.

44 (b) DOES NOT INCLUDE STORED VALUE OR ANY INSTRUMENT THAT IS EITHER:



1 (i) REDEEMABLE BY THE ISSUER ONLY FOR GOODS OR SERVICES PROVIDED BY  
2 THE ISSUER OR ITS AFFILIATE OR FRANCHISEES OF THE ISSUER OR ITS AFFILIATE,  
3 EXCEPT TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE REDEEMABLE IN CASH  
4 FOR ITS CASH VALUE.

5 (ii) NOT SOLD TO THE PUBLIC BUT ISSUED AND DISTRIBUTED AS PART OF A  
6 LOYALTY, REWARDS OR PROMOTIONAL PROGRAM.

7 23. "PERSON" MEANS ANY INDIVIDUAL, GENERAL PARTNERSHIP, LIMITED  
8 PARTNERSHIP, LIMITED LIABILITY COMPANY, CORPORATION, TRUST, ASSOCIATION,  
9 JOINT STOCK CORPORATION OR OTHER CORPORATE ENTITY IDENTIFIED BY THE  
10 DIRECTOR.

11 24. "RECEIVING MONEY FOR TRANSMISSION" OR "MONEY RECEIVED FOR  
12 TRANSMISSION" MEANS RECEIVING MONEY OR MONETARY VALUE IN THE UNITED STATES  
13 FOR TRANSMISSION WITHIN OR OUTSIDE THE UNITED STATES BY ELECTRONIC OR  
14 OTHER MEANS.

15 25. "STORED VALUE":

16 (a) MEANS MONETARY VALUE REPRESENTING A CLAIM AGAINST THE ISSUER  
17 THAT IS EVIDENCED BY AN ELECTRONIC OR DIGITAL RECORD AND THAT IS INTENDED  
18 AND ACCEPTED FOR USE AS A MEANS OF REDEMPTION FOR MONEY OR MONETARY VALUE  
19 OR PAYMENT FOR GOODS OR SERVICES.

20 (b) INCLUDES PREPAID ACCESS AS DEFINED IN 31 CODE OF FEDERAL  
21 REGULATIONS SECTION 1010.100.

22 (c) DOES NOT INCLUDE A PAYMENT INSTRUMENT OR CLOSED LOOP STORED  
23 VALUE OR STORED VALUE NOT SOLD TO THE PUBLIC BUT ISSUED AND DISTRIBUTED AS  
24 PART OF A LOYALTY, REWARDS OR PROMOTIONAL PROGRAM.

25 26. "TANGIBLE NET WORTH" MEANS THE AGGREGATE ASSETS OF A LICENSEE  
26 EXCLUDING ALL INTANGIBLE ASSETS, MINUS LIABILITIES, AS DETERMINED IN  
27 ACCORDANCE WITH UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

28 6-1202. Exemptions

29 A. THIS ARTICLE DOES NOT APPLY TO ANY OF THE FOLLOWING:

30 1. AN OPERATOR OF A PAYMENT SYSTEM THAT PROVIDES PROCESSING,  
31 CLEARING OR SETTLEMENT SERVICES BETWEEN OR AMONG PERSONS EXEMPTED BY THIS  
32 SECTION OR LICENSEES IN CONNECTION WITH WIRE TRANSFERS, CREDIT CARD  
33 TRANSACTIONS, DEBIT CARD TRANSACTIONS, STORED VALUE TRANSACTIONS,  
34 AUTOMATED CLEARINGHOUSE TRANSFERS OR SIMILAR TRANSFERS OF MONEY.

35 2. A PERSON APPOINTED AS AN AGENT OF A PAYEE TO COLLECT AND PROCESS  
36 A PAYMENT FROM A PAYOR TO THE PAYEE FOR GOODS OR SERVICES, OTHER THAN  
37 MONEY TRANSMISSION, PROVIDED TO THE PAYOR BY THE PAYEE, IF ALL OF THE  
38 FOLLOWING APPLY:

39 (a) A WRITTEN AGREEMENT EXISTS BETWEEN THE PAYEE AND THE AGENT  
40 DIRECTING THE AGENT TO COLLECT AND PROCESS PAYMENTS FROM PAYORS ON THE  
41 PAYEE'S BEHALF.

42 (b) THE PAYEE HOLDS THE AGENT OUT TO THE PUBLIC AS ACCEPTING  
43 PAYMENTS FOR GOODS OR SERVICES ON THE PAYEE'S BEHALF.

44 (c) PAYMENT FOR THE GOODS AND SERVICES IS TREATED AS RECEIVED BY  
45 THE PAYEE ON RECEIPT BY THE AGENT SO THAT THE PAYOR'S OBLIGATION IS

1 EXTINGUISHED AND THERE IS NO RISK OF LOSS TO THE PAYOR IF THE AGENT FAILS  
2 TO REMIT THE MONEY TO THE PAYEE.

3 3. A PERSON THAT ACTS AS AN INTERMEDIARY BY PROCESSING PAYMENTS  
4 BETWEEN AN ENTITY THAT HAS DIRECTLY INCURRED AN OUTSTANDING MONEY  
5 TRANSMISSION OBLIGATION TO A SENDER AND THE SENDER'S DESIGNATED RECIPIENT,  
6 IF THE ENTITY MEETS ALL OF THE FOLLOWING CRITERIA:

7 (a) IS PROPERLY LICENSED OR EXEMPT FROM THE LICENSING REQUIREMENTS  
8 UNDER THIS ARTICLE.

9 (b) PROVIDES A RECEIPT, ELECTRONIC RECORD OR OTHER WRITTEN  
10 CONFIRMATION TO THE SENDER IDENTIFYING THE ENTITY AS THE PROVIDER OF MONEY  
11 TRANSMISSION IN THE TRANSACTION.

12 (c) BEARS SOLE RESPONSIBILITY TO SATISFY THE OUTSTANDING MONEY  
13 TRANSMISSION OBLIGATION TO THE SENDER, INCLUDING THE OBLIGATION TO MAKE  
14 THE SENDER WHOLE IN CONNECTION WITH ANY FAILURE TO TRANSMIT THE MONEY TO  
15 THE SENDER'S DESIGNATED RECIPIENT.

16 4. THE UNITED STATES OR A DEPARTMENT, AN AGENCY OR AN  
17 INSTRUMENTALITY OF THE UNITED STATES OR ITS AGENT.

18 5. MONEY TRANSMISSION BY THE UNITED STATES POSTAL SERVICE OR BY AN  
19 AGENT OF THE UNITED STATES POSTAL SERVICE.

20 6. A STATE, COUNTY, CITY OR TOWN OR ANY OTHER GOVERNMENTAL AGENCY  
21 OR GOVERNMENTAL SUBDIVISION OR INSTRUMENTALITY OF A STATE OR ITS AGENT.

22 7. A FEDERALLY INSURED DEPOSITORY FINANCIAL INSTITUTION, BANK  
23 HOLDING COMPANY, OFFICE OF AN INTERNATIONAL BANKING CORPORATION, FOREIGN  
24 BANK THAT ESTABLISHES A FEDERAL BRANCH PURSUANT TO 12 UNITED STATES CODE  
25 SECTION 3102, A CORPORATION ORGANIZED AS A BANK SERVICE COMPANY PURSUANT  
26 TO 12 UNITED STATES CODE SECTIONS 1861 THROUGH 1867 OR A CORPORATION  
27 ORGANIZED PURSUANT TO 12 UNITED STATES CODE SECTIONS 611 THROUGH 633.

28 8. ELECTRONIC FUNDS TRANSFER OF GOVERNMENTAL BENEFITS FOR A  
29 FEDERAL, STATE, COUNTY OR GOVERNMENTAL AGENCY BY A CONTRACTOR ON BEHALF OF  
30 THE UNITED STATES OR A DEPARTMENT, AGENCY OR INSTRUMENTALITY OF THE UNITED  
31 STATES OR ON BEHALF OF A STATE OR GOVERNMENTAL SUBDIVISION, AGENCY OR  
32 INSTRUMENTALITY OF A STATE.

33 9. A BOARD OF TRADE DESIGNATED AS A CONTRACT MARKET UNDER THE  
34 COMMODITY EXCHANGE ACT (7 UNITED STATES CODE SECTIONS 1 THROUGH 26) OR A  
35 PERSON THAT, IN THE ORDINARY COURSE OF BUSINESS, PROVIDES CLEARANCE AND  
36 SETTLEMENT SERVICES FOR A BOARD OF TRADE TO THE EXTENT OF ITS OPERATION AS  
37 OR FOR THE BOARD OF TRADE.

38 10. A REGISTERED FUTURES COMMISSION MERCHANT UNDER THE FEDERAL  
39 COMMODITIES LAWS TO THE EXTENT OF ITS OPERATION AS A MERCHANT.

40 11. A PERSON REGISTERED AS A SECURITIES BROKER OR DEALER UNDER  
41 FEDERAL OR STATE SECURITIES LAWS TO THE EXTENT OF THE PERSON'S OPERATION.

42 12. AN INDIVIDUAL EMPLOYED BY A LICENSEE, AN AUTHORIZED DELEGATE OR  
43 ANY PERSON EXEMPT FROM THE LICENSING REQUIREMENTS OF THIS ARTICLE WHEN  
44 ACTING WITHIN THE SCOPE OF EMPLOYMENT AND UNDER THE SUPERVISION OF THE

1 LICENSEE, AUTHORIZED DELEGATE OR EXEMPT PERSON AS AN EMPLOYEE AND NOT AS  
2 AN INDEPENDENT CONTRACTOR.

3 13. A PERSON EXPRESSLY APPOINTED AS A THIRD-PARTY SERVICE PROVIDER  
4 TO OR AGENT OF AN ENTITY EXEMPT UNDER PARAGRAPH 7 OF THIS SUBSECTION  
5 SOLELY TO THE EXTENT THAT BOTH:

6 (a) THE SERVICE PROVIDER OR AGENT IS ENGAGING IN MONEY TRANSMISSION  
7 ON BEHALF OF AND PURSUANT TO A WRITTEN AGREEMENT WITH THE EXEMPT ENTITY  
8 THAT SETS FORTH THE SPECIFIC FUNCTIONS THAT THE SERVICE PROVIDER OR AGENT  
9 IS TO PERFORM.

10 (b) THE EXEMPT ENTITY ASSUMES ALL RISK OF LOSS AND ALL LEGAL  
11 RESPONSIBILITY FOR SATISFYING THE OUTSTANDING MONEY TRANSMISSION  
12 OBLIGATIONS OWED TO PURCHASERS AND HOLDERS OF THE OUTSTANDING MONEY  
13 TRANSMISSION OBLIGATIONS ON RECEIPT OF THE PURCHASER'S OR HOLDER'S MONEY  
14 OR MONETARY VALUE BY THE SERVICE PROVIDER OR AGENT.

15 14. A PERSON EXEMPT BY REGULATION OR ORDER IF THE DIRECTOR FINDS  
16 SUCH EXEMPTION TO BE IN THE PUBLIC INTEREST AND THAT REGULATING THE PERSON  
17 IS NOT NECESSARY FOR THE PURPOSES OF THIS ARTICLE.

18 B. THE DIRECTOR MAY REQUIRE THAT ANY PERSON CLAIMING TO BE EXEMPT  
19 FROM LICENSING PURSUANT TO THIS SECTION PROVIDE INFORMATION AND  
20 DOCUMENTATION TO THE DIRECTOR DEMONSTRATING THAT THE PERSON QUALIFIES FOR  
21 ANY CLAIMED EXEMPTION.

22 6-1203. Implementation; fees

23 A. TO IMPLEMENT THIS ARTICLE, THE DIRECTOR MAY:

24 1. ENTER INTO AGREEMENTS OR RELATIONSHIPS WITH OTHER GOVERNMENT  
25 OFFICIALS OR FEDERAL AND STATE REGULATORY AGENCIES AND REGULATORY  
26 ASSOCIATIONS IN ORDER TO IMPROVE EFFICIENCIES AND REDUCE REGULATORY BURDEN  
27 BY STANDARDIZING METHODS OR PROCEDURES, PROVIDING FOR LICENSURE BY  
28 RECIPROCITY AND SHARING RESOURCES, RECORDS OR RELATED INFORMATION OBTAINED  
29 UNDER THIS ARTICLE.

30 2. USE, HIRE, CONTRACT OR EMPLOY ANALYTICAL SYSTEMS, METHODS OR  
31 SOFTWARE TO EXAMINE OR INVESTIGATE ANY PERSON SUBJECT TO THIS ARTICLE.

32 3. ACCEPT THE FOLLOWING FROM OTHER STATE OR FEDERAL GOVERNMENT  
33 AGENCIES OR OFFICIALS:

34 (a) LICENSING, EXAMINATION OR INVESTIGATION REPORTS MADE BY OTHER  
35 STATE OR FEDERAL GOVERNMENT AGENCIES OR OFFICIALS.

36 (b) AUDIT REPORTS MADE BY AN INDEPENDENT CERTIFIED PUBLIC  
37 ACCOUNTANT OR OTHER QUALIFIED THIRD-PARTY AUDITOR FOR AN APPLICANT OR  
38 LICENSEE AND INCORPORATE THE AUDIT REPORT IN ANY REPORT OF EXAMINATION OR  
39 INVESTIGATION.

40 B. THE DIRECTOR SHALL ADMINISTER, INTERPRET AND ENFORCE THIS  
41 ARTICLE AND ADOPT RULES TO IMPLEMENT THIS ARTICLE. THE DIRECTOR MAY  
42 IMPOSE FEES TO ADMINISTER AND ENFORCE THIS ARTICLE.

43 6-1204. Examinations; investigations; records

44 A. THE DIRECTOR MAY CONDUCT AN EXAMINATION OR INVESTIGATION AND  
45 TAKE ACTION AUTHORIZED BY THIS TITLE OR BY A RULE ADOPTED OR ORDER ISSUED

1 UNDER THIS TITLE TO ADMINISTER AND ENFORCE THIS ARTICLE AND OTHER  
2 APPLICABLE LAW, INCLUDING THE BANK SECRECY ACT (P.L. 91-508; 84 STAT.  
3 1114) AND THE PATRIOT ACT (P.L. 107-56; 115 STAT. 272).

4 B. PERSONS WHOSE ACTIVITY IS REGULATED UNDER THIS ARTICLE SHALL  
5 PROVIDE, AND THE DIRECTOR SHALL HAVE FULL AND COMPLETE ACCESS TO, ALL  
6 RECORDS THE DIRECTOR MAY REASONABLY REQUIRE TO CONDUCT A COMPLETE  
7 EXAMINATION OR INVESTIGATION. THE RECORDS MUST BE PROVIDED AT THE  
8 LOCATION AND IN THE FORMAT SPECIFIED BY THE DIRECTOR. THE DIRECTOR MAY  
9 USE MULTISTATE RECORD PRODUCTION STANDARDS AND EXAMINATION PROCEDURES WHEN  
10 THE STANDARDS REASONABLY ACHIEVE THE REQUIREMENTS OF THIS SUBSECTION.

11 6-1205. Multistate supervision

12 A. THE DIRECTOR MAY PARTICIPATE IN MULTISTATE SUPERVISORY PROCESSES  
13 ESTABLISHED BETWEEN STATES FOR ALL LICENSEES THAT HOLD LICENSES IN THIS  
14 STATE AND OTHER STATES. AS A PARTICIPANT IN MULTISTATE SUPERVISION, THE  
15 DIRECTOR SHALL:

16 1. COOPERATE, COORDINATE AND SHARE INFORMATION WITH OTHER STATE AND  
17 FEDERAL REGULATORS IN ACCORDANCE WITH THIS TITLE.

18 2. ENTER INTO WRITTEN COOPERATION, COORDINATION OR  
19 INFORMATION-SHARING CONTRACTS OR AGREEMENTS WITH ORGANIZATIONS THAT HAVE  
20 STATE OR FEDERAL GOVERNMENTAL AGENCIES AS MEMBERS.

21 3. COOPERATE, COORDINATE AND SHARE INFORMATION WITH ORGANIZATIONS  
22 THAT HAVE STATE OR FEDERAL GOVERNMENTAL AGENCIES AS MEMBERS IF THE  
23 ORGANIZATIONS AGREE IN WRITING TO MAINTAIN THE CONFIDENTIALITY AND  
24 SECURITY OF THE SHARED INFORMATION PURSUANT TO SECTION 6-129.

25 B. THE DIRECTOR MAY NOT WAIVE AND THIS SECTION DOES NOT CONSTITUTE  
26 A WAIVER OF THE DIRECTOR'S AUTHORITY TO CONDUCT AN EXAMINATION OR  
27 INVESTIGATION OR OTHERWISE TAKE ACTION AUTHORIZED BY THIS TITLE OR A RULE  
28 ADOPTED OR ORDER ISSUED UNDER THIS TITLE TO ENFORCE COMPLIANCE WITH AN  
29 APPLICABLE STATE OR FEDERAL LAW.

30 C. A JOINT EXAMINATION OR INVESTIGATION OR ACCEPTANCE OF AN  
31 EXAMINATION OR INVESTIGATION REPORT DOES NOT WAIVE AN EXAMINATION  
32 ASSESSMENT PROVIDED FOR IN THIS TITLE.

33 6-1206. Relationship to federal law

34 A. IF A STATE MONEY TRANSMISSION JURISDICTION IS CONDITIONED ON A  
35 FEDERAL LAW, ANY INCONSISTENCIES BETWEEN THIS ARTICLE AND THE FEDERAL LAW  
36 RELATING TO MONEY TRANSMISSION SHALL BE GOVERNED BY THE APPLICABLE FEDERAL  
37 LAW TO THE EXTENT OF THE INCONSISTENCY.

38 B. IF THERE IS AN INCONSISTENCY BETWEEN THIS ARTICLE AND A FEDERAL  
39 LAW THAT GOVERNS PURSUANT TO SUBSECTION A OF THIS SECTION, THE DIRECTOR  
40 MAY PROVIDE INTERPRETIVE GUIDANCE THAT IDENTIFIES BOTH OF THE FOLLOWING:

41 1. THE INCONSISTENCY.

42 2. THE APPROPRIATE MEANS OF COMPLIANCE WITH FEDERAL LAW.

1           6-1207. Licensure; prohibition; applicability

2           A. A PERSON MAY NOT ENGAGE IN THE BUSINESS OF MONEY TRANSMISSION OR  
3 ADVERTISE, SOLICIT OR HOLD ITSELF OUT AS PROVIDING MONEY TRANSMISSION  
4 UNLESS THE PERSON IS LICENSED UNDER THIS ARTICLE.

5           B. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO EITHER OF THE  
6 FOLLOWING:

7           1. A PERSON THAT IS AN AUTHORIZED DELEGATE OF A PERSON LICENSED  
8 UNDER THIS ARTICLE THAT IS ACTING WITHIN THE SCOPE OF AUTHORITY CONFERRED  
9 BY A WRITTEN CONTRACT WITH THE LICENSEE.

10          2. A PERSON THAT IS EXEMPT PURSUANT TO SECTION 6-1202 AND DOES NOT  
11 ENGAGE IN MONEY TRANSMISSION OUTSIDE THE SCOPE OF THE EXEMPTION.

12          C. A LICENSE ISSUED UNDER SECTION 6-1211 IS NOT TRANSFERABLE OR  
13 ASSIGNABLE.

14           6-1208. Consistent licensure

15          A. TO ESTABLISH CONSISTENT LICENSURE BETWEEN THIS STATE AND OTHER  
16 STATES, THE DIRECTOR MAY DO BOTH OF THE FOLLOWING:

17          1. IMPLEMENT ALL LICENSING PROVISIONS OF THIS ARTICLE IN A MANNER  
18 THAT IS CONSISTENT WITH OTHER STATES THAT HAVE ADOPTED LAWS THAT ARE  
19 SUBSTANTIVELY SIMILAR TO THIS ARTICLE OR MULTISTATE LICENSING PROCESSES.

20          2. PARTICIPATE IN NATIONWIDE PROTOCOLS FOR LICENSING COOPERATION  
21 AND COORDINATION AMONG STATE REGULATORS IF THE PROTOCOLS ARE CONSISTENT  
22 WITH THIS ARTICLE.

23          B. THE DIRECTOR MAY ESTABLISH RELATIONSHIPS OR CONTRACTS WITH NMLS  
24 OR OTHER ENTITIES DESIGNATED BY NMLS TO ENABLE THE DIRECTOR TO DO ALL OF  
25 THE FOLLOWING:

26           1. COLLECT AND MAINTAIN RECORDS.

27           2. COORDINATE MULTISTATE LICENSING PROCESSES AND SUPERVISION  
28 PROCESSES.

29           3. PROCESS FEES.

30           4. FACILITATE COMMUNICATION BETWEEN THIS STATE AND LICENSEES OR  
31 OTHER PERSONS SUBJECT TO THIS ARTICLE.

32          C. THE DIRECTOR MAY USE NMLS FOR ALL ASPECTS OF LICENSURE PURSUANT  
33 TO THIS ARTICLE, INCLUDING LICENSE APPLICATIONS, APPLICATIONS FOR  
34 ACQUISITIONS OF CONTROL, SURETY BONDS, REPORTING, CRIMINAL HISTORY  
35 BACKGROUND CHECKS, CREDIT CHECKS, FEE PROCESSING AND EXAMINATIONS.

36          D. THE DIRECTOR MAY USE NMLS FORMS, PROCESSES AND FUNCTIONALITIES  
37 PURSUANT TO THIS ARTICLE. IF NMLS DOES NOT PROVIDE FUNCTIONALITY, FORMS  
38 OR PROCESSES FOR A PROVISION OF THIS ARTICLE, THE DIRECTOR MAY STRIVE TO  
39 IMPLEMENT THE REQUIREMENTS IN A MANNER THAT FACILITATES UNIFORMITY WITH  
40 RESPECT TO LICENSING, SUPERVISION, REPORTING AND REGULATION OF LICENSEES  
41 THAT ARE LICENSED IN MULTIPLE JURISDICTIONS.

42          E. FOR THE PURPOSE OF PARTICIPATING IN NMLS, THE DIRECTOR MAY WAIVE  
43 OR MODIFY, IN WHOLE OR IN PART, BY RULE OR ORDER, ANY OR ALL OF THE  
44 REQUIREMENTS AND ESTABLISH NEW REQUIREMENTS AS REASONABLY NECESSARY TO  
45 PARTICIPATE IN NMLS.

1           6-1209. Application for licensure

2           A. AN APPLICANT FOR A LICENSE SHALL APPLY IN A FORM PRESCRIBED BY  
3 THE DIRECTOR AND PAY ALL APPLICABLE NONREFUNDABLE FEES AS PRESCRIBED IN  
4 SECTION 6-126. THE APPLICATION MUST CONTAIN ALL OF THE FOLLOWING:

5           1. THE LEGAL NAME AND RESIDENTIAL AND BUSINESS ADDRESSES OF THE  
6 APPLICANT AND ANY FICTITIOUS OR TRADE NAME USED BY THE APPLICANT IN  
7 CONDUCTING THE APPLICANT'S BUSINESS.

8           2. A LIST OF ANY CRIMINAL CONVICTIONS OF THE APPLICANT AND ANY  
9 MATERIAL LITIGATION IN WHICH THE APPLICANT HAS BEEN INVOLVED IN THE  
10 TEN-YEAR PERIOD PRECEDING THE SUBMISSION OF THE APPLICATION.

11           3. A DESCRIPTION OF ANY MONEY TRANSMISSION PREVIOUSLY PROVIDED BY  
12 THE APPLICANT AND THE MONEY TRANSMISSION THAT THE APPLICANT SEEKS TO  
13 PROVIDE IN THIS STATE.

14           4. A LIST OF THE APPLICANT'S PROPOSED AUTHORIZED DELEGATES AND THE  
15 LOCATIONS IN THIS STATE WHERE THE APPLICANT AND ITS AUTHORIZED DELEGATES  
16 PROPOSE TO ENGAGE IN MONEY TRANSMISSION.

17           5. A LIST OF OTHER STATES IN WHICH THE APPLICANT IS LICENSED TO  
18 ENGAGE IN MONEY TRANSMISSION AND ANY LICENSE REVOCATIONS OR SUSPENSIONS OR  
19 OTHER DISCIPLINARY ACTION TAKEN AGAINST THE APPLICANT IN ANOTHER STATE.

20           6. INFORMATION CONCERNING ANY BANKRUPTCY OR RECEIVERSHIP  
21 PROCEEDINGS AFFECTING THE LICENSEE OR A PERSON IN CONTROL OF THE LICENSEE.

22           7. A SAMPLE FORM OF A CONTRACT FOR AUTHORIZED DELEGATES, IF  
23 APPLICABLE.

24           8. A SAMPLE FORM OF A PAYMENT INSTRUMENT OR STORED VALUE, AS  
25 APPLICABLE.

26           9. THE NAME AND ADDRESS OF ANY FEDERALLY INSURED DEPOSITORY  
27 FINANCIAL INSTITUTION THROUGH WHICH THE APPLICANT PLANS TO CONDUCT MONEY  
28 TRANSMISSION.

29           10. ANY OTHER INFORMATION THE DIRECTOR REASONABLY REQUIRES WITH  
30 RESPECT TO THE APPLICANT.

31           B. IN ADDITION TO THE REQUIREMENTS PRESCRIBED IN SUBSECTION A OF  
32 THIS SECTION, IF AN APPLICANT IS A CORPORATION, LIMITED LIABILITY COMPANY,  
33 PARTNERSHIP OR OTHER LEGAL ENTITY, THE APPLICANT SHALL ALSO PROVIDE ALL OF  
34 THE FOLLOWING:

35           1. THE DATE OF THE APPLICANT'S INCORPORATION OR FORMATION AND THE  
36 STATE OR COUNTRY OF INCORPORATION OR FORMATION.

37           2. IF APPLICABLE, A CERTIFICATE OF GOOD STANDING FROM THE STATE OR  
38 COUNTRY IN WHICH THE APPLICANT IS INCORPORATED OR FORMED.

39           3. A BRIEF DESCRIPTION OF THE STRUCTURE OR ORGANIZATION OF THE  
40 APPLICANT, INCLUDING ANY PARENTS OR SUBSIDIARIES OF THE APPLICANT, AND  
41 WHETHER ANY PARENTS OR SUBSIDIARIES ARE PUBLICLY TRADED.

42           4. THE LEGAL NAME, ANY FICTITIOUS OR TRADE NAME, ALL BUSINESS AND  
43 RESIDENTIAL ADDRESSES AND THE EMPLOYMENT, AS APPLICABLE, IN THE TEN-YEAR  
44 PERIOD IMMEDIATELY PRECEDING THE SUBMISSION OF THE APPLICATION OF EACH KEY  
45 INDIVIDUAL AND PERSON IN CONTROL OF THE APPLICANT.

1           5. A LIST OF ANY CRIMINAL CONVICTIONS AND MATERIAL LITIGATION IN  
2 WHICH A PERSON IN CONTROL OF THE APPLICANT THAT IS NOT AN INDIVIDUAL HAS  
3 BEEN INVOLVED IN THE TEN-YEAR PERIOD IMMEDIATELY PRECEDING THE SUBMISSION  
4 OF THE APPLICATION.

5           6. A COPY OF AUDITED FINANCIAL STATEMENTS OF THE APPLICANT FOR THE  
6 MOST RECENT FISCAL YEAR AND FOR THE TWO-YEAR PERIOD IMMEDIATELY PRECEDING  
7 THE SUBMISSION OF THE APPLICATION OR, IF DETERMINED TO BE ACCEPTABLE TO  
8 THE DIRECTOR, UNAUDITED FINANCIAL STATEMENTS FOR THE MOST RECENT FISCAL  
9 YEAR OR OTHER PERIOD ACCEPTABLE TO THE DIRECTOR.

10          7. A COPY OF UNAUDITED FINANCIAL STATEMENTS OF THE APPLICANT FOR  
11 THE MOST RECENT FISCAL QUARTER.

12          8. IF THE APPLICANT IS A PUBLICLY TRADED CORPORATION, A COPY OF THE  
13 MOST RECENT REPORT FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE  
14 COMMISSION PURSUANT TO 15 UNITED STATES CODE SECTION 78m.

15          9. IF THE APPLICANT IS A WHOLLY OWNED SUBSIDIARY OF:

16           (a) A CORPORATION PUBLICLY TRADED IN THE UNITED STATES, A COPY OF  
17 AUDITED FINANCIAL STATEMENTS FOR THE PARENT CORPORATION FOR THE MOST  
18 RECENT FISCAL YEAR OR A COPY OF THE PARENT CORPORATION'S MOST RECENT  
19 REPORT FILED PURSUANT TO 15 UNITED STATES CODE SECTION 78m.

20           (b) A CORPORATION PUBLICLY TRADED OUTSIDE THE UNITED STATES, A COPY  
21 OF SIMILAR DOCUMENTATION FILED WITH THE REGULATOR OF THE PARENT  
22 CORPORATION'S DOMICILE OUTSIDE THE UNITED STATES.

23          10. THE NAME AND ADDRESS OF THE APPLICANT'S REGISTERED AGENT IN  
24 THIS STATE.

25          11. ANY OTHER INFORMATION THE DIRECTOR REASONABLY REQUIRES.

26          C. THE DIRECTOR MAY WAIVE ONE OR MORE REQUIREMENTS OF SUBSECTIONS A  
27 AND B OF THIS SECTION OR ALLOW AN APPLICANT TO SUBMIT OTHER INFORMATION IN  
28 LIEU OF THE REQUIRED INFORMATION.

29          6-1210. Information requirements for certain individuals

30          A. ANY INDIVIDUAL IN CONTROL OF A LICENSEE OR APPLICANT, ANY  
31 INDIVIDUAL WHO SEEKS TO ACQUIRE CONTROL OF A LICENSEE AND EACH KEY  
32 INDIVIDUAL SHALL SUBMIT BOTH:

33           1. A FULL SET OF FINGERPRINTS PURSUANT TO SECTION 6-123.01.

34           2. THE INDIVIDUAL'S PERSONAL HISTORY AND EXPERIENCE TO THE DIRECTOR  
35 IN A FORM PRESCRIBED BY THE DIRECTOR SO THE DIRECTOR MAY OBTAIN THE  
36 FOLLOWING:

37           (a) AN INDEPENDENT CREDIT REPORT FROM A CONSUMER REPORTING AGENCY  
38 IF THE INDIVIDUAL HAS A SOCIAL SECURITY NUMBER.

39           (b) INFORMATION RELATED TO ANY CRIMINAL CONVICTIONS OR PENDING  
40 CHARGES.

41           (c) INFORMATION RELATED TO ANY REGULATORY OR ADMINISTRATIVE ACTION  
42 AND ANY CIVIL LITIGATION INVOLVING CLAIMS OF FRAUD, MISREPRESENTATION,  
43 CONVERSION, MISMANAGEMENT OF FUNDS, BREACH OF FIDUCIARY DUTY OR BREACH OF  
44 CONTRACT.

1 B. A PERSON IS PRESUMED TO EXERCISE A CONTROLLING INFLUENCE WHEN  
2 THE PERSON HOLDS THE POWER TO VOTE, DIRECTLY OR INDIRECTLY, AT LEAST TEN  
3 PERCENT OF THE OUTSTANDING VOTING SHARES OR VOTING INTERESTS OF A LICENSEE  
4 OR PERSON IN CONTROL OF A LICENSEE. A PERSON PRESUMED TO EXERCISE A  
5 CONTROLLING INFLUENCE MAY REBUT THE PRESUMPTION OF CONTROL IF THE PERSON  
6 IS A PASSIVE INVESTOR.

7 C. IF THE INDIVIDUAL HAS RESIDED OUTSIDE OF THE UNITED STATES AT  
8 ANY TIME IN THE LAST TEN YEARS, THE INDIVIDUAL SHALL ALSO PROVIDE AN  
9 INVESTIGATIVE BACKGROUND REPORT PREPARED BY AN INDEPENDENT SEARCH FIRM  
10 THAT MEETS THE FOLLOWING REQUIREMENTS:

11 1. AT A MINIMUM, THE SEARCH FIRM SHALL DO BOTH OF THE FOLLOWING:

12 (a) DEMONSTRATE THAT IT HAS SUFFICIENT KNOWLEDGE, RESOURCES AND  
13 EMPLOYS ACCEPTED AND REASONABLE METHODOLOGIES TO CONDUCT THE RESEARCH OF  
14 THE BACKGROUND REPORT.

15 (b) NOT BE AFFILIATED WITH OR HAVE AN INTEREST IN THE INDIVIDUAL IT  
16 IS RESEARCHING.

17 2. AT A MINIMUM, THE INVESTIGATIVE BACKGROUND REPORT SHALL BE  
18 WRITTEN IN ENGLISH AND SHALL CONTAIN THE FOLLOWING:

19 (a) IF AVAILABLE IN THE INDIVIDUAL'S CURRENT JURISDICTION OF  
20 RESIDENCY, A COMPREHENSIVE CREDIT REPORT OR ANY EQUIVALENT INFORMATION  
21 OBTAINED OR GENERATED BY THE INDEPENDENT SEARCH FIRM TO ACCOMPLISH THE  
22 REPORT, INCLUDING A SEARCH OF THE COURT DATA IN THE COUNTRIES, PROVINCES,  
23 STATES, CITIES, TOWNS AND CONTIGUOUS AREAS WHERE THE INDIVIDUAL RESIDED  
24 AND WORKED.

25 (b) CRIMINAL RECORDS INFORMATION FOR THE PAST TEN YEARS, INCLUDING  
26 FELONIES, MISDEMEANORS OR SIMILAR CONVICTIONS FOR VIOLATIONS OF LAW IN THE  
27 COUNTRIES, PROVINCES, STATES, CITIES, TOWNS AND CONTIGUOUS AREAS WHERE THE  
28 INDIVIDUAL RESIDED AND WORKED.

29 (c) EMPLOYMENT HISTORY.

30 (d) MEDIA HISTORY, INCLUDING AN ELECTRONIC SEARCH OF NATIONAL AND  
31 LOCAL PUBLICATIONS, WIRE SERVICES AND BUSINESS APPLICATIONS.

32 (e) FINANCIAL SERVICES-RELATED REGULATORY HISTORY, INCLUDING MONEY  
33 TRANSMISSION, SECURITIES, BANKING, INSURANCE AND MORTGAGE-RELATED  
34 INDUSTRIES.

35 6-1211. License issuance

36 A. WHEN AN APPLICATION FOR AN ORIGINAL LICENSE UNDER THIS ARTICLE  
37 INCLUDES ALL OF THE REQUIRED ITEMS AND ADDRESSES, THE APPLICATION IS  
38 COMPLETE AND THE DIRECTOR SHALL PROMPTLY NOTIFY THE APPLICANT IN A RECORD  
39 OF THE DATE ON WHICH THE APPLICATION IS DETERMINED TO BE COMPLETE. THE  
40 DIRECTOR SHALL APPROVE OR DENY THE APPLICATION WITHIN ONE HUNDRED TWENTY  
41 DAYS AFTER THE COMPLETION DATE. IF THE APPLICATION IS NOT APPROVED OR  
42 DENIED WITHIN ONE HUNDRED TWENTY DAYS AFTER THE COMPLETION DATE, ALL OF  
43 THE FOLLOWING APPLY:

44 1. THE APPLICATION IS APPROVED.



1           2. THE LICENSE TAKES EFFECT AS OF THE FIRST BUSINESS DAY AFTER  
2 EXPIRATION OF THE ONE HUNDRED TWENTY-DAY PERIOD.

3           3. THE DIRECTOR FOR GOOD CAUSE MAY EXTEND THE APPLICATION PERIOD.

4           B. THE DIRECTOR'S DETERMINATION THAT AN APPLICATION IS COMPLETE AND  
5 IS ACCEPTED FOR PROCESSING MEANS ONLY THAT THE APPLICATION, ON ITS FACE,  
6 APPEARS TO INCLUDE ALL OF THE ITEMS, INCLUDING THE CRIMINAL BACKGROUND  
7 CHECK RESPONSE FROM THE FEDERAL BUREAU OF INVESTIGATION, AND TO ADDRESS  
8 ALL OF THE MATTERS THAT ARE REQUIRED, AND IS NOT AN ASSESSMENT OF THE  
9 SUBSTANCE OF THE APPLICATION OR OF THE SUFFICIENCY OF THE INFORMATION  
10 PROVIDED.

11           C. WHEN AN APPLICATION IS FILED AND CONSIDERED COMPLETE UNDER THIS  
12 SECTION, THE DIRECTOR SHALL INVESTIGATE THE APPLICANT'S FINANCIAL  
13 CONDITION AND RESPONSIBILITY, FINANCIAL AND BUSINESS EXPERIENCE, CHARACTER  
14 AND GENERAL FITNESS. THE DIRECTOR MAY CONDUCT AN ON-SITE INVESTIGATION OF  
15 THE APPLICANT, THE REASONABLE COST OF WHICH THE APPLICANT MUST PAY. THE  
16 DIRECTOR SHALL ISSUE A LICENSE TO AN APPLICANT UNDER THIS SECTION IF THE  
17 DIRECTOR FINDS THAT ALL OF THE FOLLOWING CONDITIONS HAVE BEEN FULFILLED:

18           1. THE APPLICANT HAS COMPLIED WITH SECTIONS 6-1209 AND 6-1210.

19           2. THE FINANCIAL CONDITION AND RESPONSIBILITY, FINANCIAL AND  
20 BUSINESS EXPERIENCE, COMPETENCE, CHARACTER AND GENERAL FITNESS OF THE  
21 APPLICANT AND THE COMPETENCE, EXPERIENCE, CHARACTER AND GENERAL FITNESS OF  
22 THE KEY INDIVIDUALS AND PERSONS IN CONTROL OF THE APPLICANT INDICATE THAT  
23 IT IS IN THE INTEREST OF THE PUBLIC TO ALLOW THE APPLICANT TO ENGAGE IN  
24 MONEY TRANSMISSION.

25           D. IF AN APPLICANT AVAILS ITSELF OR IS OTHERWISE SUBJECT TO A  
26 MULTISTATE LICENSING PROCESS, EITHER:

27           1. THE DIRECTOR MAY ACCEPT THE INVESTIGATION RESULTS OF A LEAD  
28 INVESTIGATIVE STATE FOR THE PURPOSE OF SUBSECTION C OF THIS SECTION IF THE  
29 LEAD INVESTIGATIVE STATE HAS SUFFICIENT STAFFING, EXPERTISE AND MINIMUM  
30 STANDARDS.

31           2. IF THIS STATE IS A LEAD INVESTIGATIVE STATE, THE DIRECTOR MAY  
32 INVESTIGATE THE APPLICANT PURSUANT TO SUBSECTION C OF THIS SECTION AND THE  
33 TIME FRAMES ESTABLISHED BY AGREEMENT THROUGH THE MULTISTATE LICENSING  
34 PROCESS APPLY, EXCEPT THAT THE TIME FRAME MUST ALSO COMPLY WITH THE  
35 APPLICATION PERIOD IN SUBSECTION A OF THIS SECTION.

36           E. THE DIRECTOR SHALL ISSUE A FORMAL WRITTEN NOTICE OF THE DENIAL  
37 OF A LICENSE APPLICATION WITHIN THIRTY DAYS AFTER THE DECISION IS MADE TO  
38 DENY THE APPLICATION. THE DIRECTOR SHALL SET FORTH IN THE NOTICE OF  
39 DENIAL THE SPECIFIC REASONS FOR THE DENIAL OF THE APPLICATION AND INFORM  
40 THE APPLICANT OF ITS RIGHT TO APPEAL PURSUANT TO TITLE 41, CHAPTER 6,  
41 ARTICLE 10.

42           F. THE INITIAL LICENSE TERM SHALL BEGIN ON THE DAY THE APPLICATION  
43 IS APPROVED. THE LICENSE SHALL EXPIRE ON DECEMBER 31 OF THE YEAR IN WHICH  
44 THE LICENSE TERM BEGAN EXCEPT THAT IF THE INITIAL LICENSE DATE IS BETWEEN

1 NOVEMBER 1 AND DECEMBER 31, THE INITIAL LICENSE TERM SHALL RUN THROUGH  
2 DECEMBER 31 OF THE FOLLOWING YEAR.

3 6-1212. License renewal

4 A. A LICENSE UNDER THIS ARTICLE SHALL BE RENEWED ANNUALLY.

5 B. AN APPLICANT FOR LICENSE RENEWAL SHALL PAY ALL APPLICABLE FEES  
6 AS PRESCRIBED IN SECTION 6-126 NOT MORE THAN SIXTY DAYS BEFORE THE LICENSE  
7 EXPIRES.

8 C. THE RENEWAL TERM SHALL BE FOR A PERIOD OF ONE YEAR AND SHALL  
9 BEGIN ON JANUARY 1 OF EACH YEAR AFTER THE INITIAL LICENSE TERM AND SHALL  
10 EXPIRE ON DECEMBER 31 OF THE YEAR THE RENEWAL TERM BEGINS.

11 D. A LICENSEE SHALL SUBMIT A RENEWAL REPORT WITH THE RENEWAL FEE IN  
12 A FORM PRESCRIBED BY THE DIRECTOR. THE RENEWAL REPORT MUST SPECIFY  
13 INFORMATION THAT IS MATERIALLY DIFFERENT FROM THE INFORMATION THAT THE  
14 LICENSEE SUBMITTED IN THE ORIGINAL LICENSE APPLICATION IF THE LICENSEE HAS  
15 NOT PREVIOUSLY REPORTED THE INFORMATION TO THE DIRECTOR.

16 E. A LICENSEE MAY RENEW AN EXPIRED LICENSE NOT LATER THAN JANUARY  
17 31 SUBJECT TO A LATE FEE OF \$500.

18 F. THE DIRECTOR MAY USE NMLS TO PROCESS LICENSE RENEWALS IF  
19 FUNCTIONALITY IS CONSISTENT WITH THIS SECTION.

20 6-1213. License maintenance

21 A. IF A LICENSEE DOES NOT CONTINUE TO MEET THE QUALIFICATIONS OR  
22 SATISFY THE REQUIREMENTS THAT APPLY TO AN APPLICANT FOR A NEW MONEY  
23 TRANSMISSION LICENSE PURSUANT TO THIS ARTICLE, THE DIRECTOR MAY SUSPEND OR  
24 REVOKE THE LICENSEE'S LICENSE.

25 B. AN APPLICANT FOR A MONEY TRANSMISSION LICENSE MUST DEMONSTRATE  
26 THAT THE APPLICANT MEETS OR WILL MEET THE REQUIREMENTS PRESCRIBED IN  
27 SECTIONS 6-1227, 6-1228 AND 6-1229.

28 6-1214. Acquisition of control

29 A. ANY PERSON OR GROUP OF PERSONS ACTING IN CONCERT, SEEKING TO  
30 ACQUIRE CONTROL OF A LICENSEE, SHALL OBTAIN THE WRITTEN APPROVAL OF THE  
31 DIRECTOR BEFORE ACQUIRING CONTROL. AN INDIVIDUAL IS NOT DEEMED TO ACQUIRE  
32 CONTROL OF A LICENSEE AND IS NOT SUBJECT TO THIS SECTION WHEN THE  
33 INDIVIDUAL BECOMES A KEY INDIVIDUAL IN THE ORDINARY COURSE OF BUSINESS.

34 B. A PERSON OR GROUP OF PERSONS ACTING IN CONCERT, SEEKING TO  
35 ACQUIRE CONTROL OF A LICENSEE, IN COOPERATION WITH THE LICENSEE SHALL:

- 36 1. SUBMIT AN APPLICATION IN A FORM PRESCRIBED BY THE DIRECTOR.  
37 2. SUBMIT A NONREFUNDABLE FEE AS PRESCRIBED IN SECTION 6-126.

38 C. ON REQUEST, THE DIRECTOR MAY ALLOW A LICENSEE OR THE PERSON OR  
39 GROUP OF PERSONS ACTING IN CONCERT TO SUBMIT SOME OR ALL INFORMATION  
40 REQUIRED BY THE DIRECTOR PURSUANT TO SUBSECTION B, PARAGRAPH 1 OF THIS  
41 SECTION WITHOUT USING NMLS.

42 D. THE APPLICATION REQUIRED BY SUBSECTION B, PARAGRAPH 1 OF THIS  
43 SECTION SHALL INCLUDE INFORMATION REQUIRED BY SECTION 6-1210 FOR ANY NEW  
44 KEY INDIVIDUALS THAT HAVE NOT PREVIOUSLY COMPLETED THE REQUIREMENTS OF  
45 SECTION 6-1210 FOR A LICENSEE.

1 E. WHEN AN APPLICATION FOR ACQUISITION OF CONTROL UNDER THIS  
2 SECTION APPEARS TO INCLUDE ALL OF THE ITEMS AND ADDRESS ALL OF THE MATTERS  
3 THAT ARE REQUIRED, THE APPLICATION SHALL BE CONSIDERED COMPLETE. THE  
4 DIRECTOR SHALL PROMPTLY NOTIFY THE APPLICANT IN A RECORD OF THE DATE ON  
5 WHICH THE APPLICATION WAS DETERMINED TO BE COMPLETE AND ALL OF THE  
6 FOLLOWING APPLY:

7 1. THE DIRECTOR SHALL APPROVE OR DENY THE APPLICATION WITHIN SIXTY  
8 DAYS AFTER THE COMPLETION DATE.

9 2. IF THE APPLICATION IS NOT APPROVED OR DENIED WITHIN SIXTY DAYS  
10 AFTER THE COMPLETION DATE:

11 (a) THE APPLICATION IS APPROVED.

12 (b) THE PERSON OR GROUP OF PERSONS ACTING IN CONCERT IS NOT  
13 PROHIBITED FROM ACQUIRING CONTROL.

14 3. THE DIRECTOR MAY EXTEND THE APPLICATION PERIOD FOR GOOD CAUSE.

15 F. A DETERMINATION BY THE DIRECTOR THAT AN APPLICATION IS COMPLETE  
16 AND IS ACCEPTED FOR PROCESSING MEANS ONLY THAT THE APPLICATION APPEARS TO  
17 INCLUDE ALL OF THE ITEMS AND ADDRESS ALL OF THE MATTERS THAT ARE REQUIRED  
18 AND IS NOT AN ASSESSMENT OF THE SUBSTANCE OF THE APPLICATION OR OF THE  
19 SUFFICIENCY OF THE INFORMATION PROVIDED.

20 G. WHEN AN APPLICATION IS FILED AND CONSIDERED COMPLETE UNDER  
21 SUBSECTION E OF THIS SECTION, THE DIRECTOR SHALL INVESTIGATE THE FINANCIAL  
22 CONDITION AND RESPONSIBILITY, FINANCIAL AND BUSINESS EXPERIENCE, CHARACTER  
23 AND GENERAL FITNESS OF THE PERSON OR GROUP OF PERSONS ACTING IN CONCERT,  
24 SEEKING TO ACQUIRE CONTROL. THE DIRECTOR SHALL APPROVE AN ACQUISITION OF  
25 CONTROL PURSUANT TO THIS SECTION IF THE DIRECTOR FINDS THAT ALL OF THE  
26 FOLLOWING CONDITIONS HAVE BEEN FULFILLED:

27 1. THE REQUIREMENTS OF SUBSECTIONS B AND D OF THIS SECTION HAVE  
28 BEEN MET, AS APPLICABLE.

29 2. THE FINANCIAL CONDITION AND RESPONSIBILITY, FINANCIAL AND  
30 BUSINESS EXPERIENCE, COMPETENCE, CHARACTER AND GENERAL FITNESS OF THE  
31 PERSON OR GROUP OF PERSONS ACTING IN CONCERT, SEEKING TO ACQUIRE CONTROL  
32 AND THE COMPETENCE, EXPERIENCE, CHARACTER AND GENERAL FITNESS OF THE KEY  
33 INDIVIDUALS AND PERSONS THAT WOULD BE IN CONTROL OF THE LICENSEE AFTER THE  
34 ACQUISITION OF CONTROL INDICATE THAT IT IS IN THE INTEREST OF THE PUBLIC  
35 TO ALLOW THE PERSON OR GROUP OF PERSONS ACTING IN CONCERT TO CONTROL THE  
36 LICENSEE.

37 H. IF AN APPLICANT PARTICIPATES IN A MULTISTATE LICENSING PROCESS:

38 1. THE DIRECTOR MAY ACCEPT THE INVESTIGATION RESULTS OF A LEAD  
39 INVESTIGATIVE STATE FOR THE PURPOSE OF SUBSECTION G OF THIS SECTION IF THE  
40 LEAD INVESTIGATIVE STATE HAS SUFFICIENT STAFFING, EXPERTISE AND MINIMUM  
41 STANDARDS.

42 2. IF THIS STATE IS A LEAD INVESTIGATIVE STATE, THE DIRECTOR MAY  
43 INVESTIGATE THE APPLICANT PURSUANT TO SUBSECTION G OF THIS SECTION AND THE  
44 TIME FRAMES ESTABLISHED BY AGREEMENT THROUGH THE MULTISTATE LICENSING  
45 PROCESS APPLY.

1 I. THE DIRECTOR SHALL ISSUE A FORMAL WRITTEN NOTICE OF THE DENIAL  
2 OF AN APPLICATION TO ACQUIRE CONTROL WITHIN THIRTY DAYS AFTER THE DECISION  
3 IS MADE TO DENY THE APPLICATION. THE DIRECTOR SHALL SET FORTH IN THE  
4 NOTICE OF DENIAL THE SPECIFIC REASONS FOR THE DENIAL OF THE APPLICATION  
5 AND INFORM THE APPLICANT OF ITS RIGHT TO APPEAL PURSUANT TO TITLE 41,  
6 CHAPTER 6, ARTICLE 10.

7 J. THE REQUIREMENTS OF SUBSECTIONS A AND B OF THIS SECTION DO NOT  
8 APPLY TO ANY OF THE FOLLOWING:

9 1. A PERSON THAT ACTS AS A PROXY FOR THE SOLE PURPOSE OF VOTING AT  
10 A DESIGNATED MEETING OF THE SHAREHOLDERS OR HOLDERS OF VOTING SHARES OR  
11 VOTING INTERESTS OF A LICENSEE OR A PERSON IN CONTROL OF A LICENSEE.

12 2. A PERSON THAT ACQUIRES CONTROL OF A LICENSEE BY DEVISE OR  
13 DESCENT.

14 3. A PERSON THAT ACQUIRES CONTROL OF A LICENSEE AS A PERSONAL  
15 REPRESENTATIVE, CUSTODIAN, GUARDIAN, CONSERVATOR OR TRUSTEE OR AS AN  
16 OFFICER APPOINTED BY A COURT OF COMPETENT JURISDICTION OR BY OPERATION OF  
17 LAW.

18 4. A PERSON THAT IS EXEMPT UNDER SECTION 6-1202, SUBSECTION A,  
19 PARAGRAPH 7.

20 5. A PERSON THAT THE DIRECTOR DETERMINES IS NOT SUBJECT TO  
21 SUBSECTION A OF THIS SECTION BASED ON THE PUBLIC INTEREST.

22 6. A PUBLIC OFFERING OF SECURITIES OF A LICENSEE OR A PERSON IN  
23 CONTROL OF A LICENSEE.

24 7. AN INTERNAL REORGANIZATION OF A PERSON IN CONTROL OF THE  
25 LICENSEE IN WHICH THE ULTIMATE PERSON IN CONTROL OF THE LICENSEE REMAINS  
26 THE SAME.

27 K. PERSONS PRESCRIBED IN SUBSECTION J, PARAGRAPHS 2, 3, 4, 6 AND 7  
28 OF THIS SECTION, IN COOPERATION WITH THE LICENSEE, SHALL NOTIFY THE  
29 DIRECTOR WITHIN FIFTEEN DAYS AFTER THE ACQUISITION OF CONTROL.

30 L. THE REQUIREMENTS OF SUBSECTIONS A AND B OF THIS SECTION DO NOT  
31 APPLY TO A PERSON THAT RECEIVES APPROVAL TO ENGAGE IN MONEY TRANSMISSION  
32 UNDER THIS ARTICLE OR IS IDENTIFIED AS A PERSON IN CONTROL IN A PRIOR  
33 APPLICATION FILED WITH AND APPROVED BY THE DIRECTOR OR BY A MONEY SERVICES  
34 BUSINESS ACCREDITED STATE PURSUANT TO A MULTISTATE LICENSING PROCESS, IF:

35 1. THE PERSON HAS NOT HAD A LICENSE REVOKED OR SUSPENDED OR  
36 CONTROLLED A LICENSEE THAT HAS HAD A LICENSE REVOKED OR SUSPENDED WHILE  
37 THE PERSON WAS IN CONTROL OF THE LICENSEE IN THE PREVIOUS FIVE YEARS.

38 2. THE PERSON IS A LICENSEE AND WELL MANAGED AND RECEIVES AT LEAST  
39 A SATISFACTORY RATING FOR COMPLIANCE AT ITS MOST RECENT EXAMINATION BY AN  
40 MONEY SERVICES BUSINESS ACCREDITED STATE IF A RATING WAS GIVEN.

41 3. THE LICENSEE TO BE ACQUIRED IS PROJECTED TO MEET THE  
42 REQUIREMENTS OF SECTIONS 6-1227, 6-1228 AND 6-1229 AFTER THE ACQUISITION  
43 OF CONTROL IS COMPLETED AND IF THE PERSON ACQUIRING CONTROL IS A LICENSEE,  
44 THAT LICENSEE IS ALSO PROJECTED TO MEET THE REQUIREMENTS OF SECTIONS  
45 6-1227, 6-1228 AND 6-1229 AFTER THE ACQUISITION OF CONTROL IS COMPLETED.

1 4. THE LICENSEE TO BE ACQUIRED WILL NOT IMPLEMENT ANY MATERIAL  
2 CHANGES TO ITS BUSINESS PLAN AS A RESULT OF THE ACQUISITION OF CONTROL AND  
3 IF THE PERSON ACQUIRING CONTROL IS A LICENSEE, THAT LICENSEE WILL NOT  
4 IMPLEMENT ANY MATERIAL CHANGES TO ITS BUSINESS PLAN AS A RESULT OF THE  
5 ACQUISITION OF CONTROL.

6 5. THE PERSON PROVIDES NOTICE OF THE ACQUISITION IN COOPERATION  
7 WITH THE LICENSEE AND ATTESTS TO PARAGRAPHS 1 THROUGH 4 OF THIS SUBSECTION  
8 IN A FORM PRESCRIBED BY THE DIRECTOR. IF THE NOTICE IS NOT DISAPPROVED  
9 WITHIN THIRTY DAYS AFTER THE DATE ON WHICH THE NOTICE WAS DETERMINED TO BE  
10 COMPLETE, THE NOTICE IS DEEMED APPROVED.

11 M. BEFORE FILING AN APPLICATION FOR APPROVAL TO ACQUIRE CONTROL OF  
12 A LICENSEE, A PERSON MAY REQUEST IN WRITING A DETERMINATION FROM THE  
13 DIRECTOR AS TO WHETHER THE PERSON WOULD BE CONSIDERED A PERSON IN CONTROL  
14 OF A LICENSEE ON CONSUMMATION OF A PROPOSED TRANSACTION. IF THE DIRECTOR  
15 DETERMINES THAT THE PERSON WOULD NOT BE A PERSON IN CONTROL OF A LICENSEE,  
16 THE PROPOSED PERSON AND TRANSACTION IS NOT SUBJECT TO THE REQUIREMENTS OF  
17 SUBSECTIONS A AND B OF THIS SECTION.

18 N. IF A MULTISTATE LICENSING PROCESS INCLUDES A DETERMINATION  
19 PURSUANT TO SUBSECTION M OF THIS SECTION AND AN APPLICANT IS SUBJECT TO  
20 THE MULTISTATE LICENSING PROCESS:

21 1. THE DIRECTOR MAY ACCEPT THE CONTROL DETERMINATION OF A LEAD  
22 INVESTIGATIVE STATE WITH SUFFICIENT STAFFING, EXPERTISE AND MINIMUM  
23 STANDARDS.

24 2. IF THIS STATE IS A LEAD INVESTIGATIVE STATE, THE DIRECTOR MAY  
25 INVESTIGATE THE APPLICANT SUBJECT TO THE TIME FRAMES ESTABLISHED BY  
26 AGREEMENT THROUGH THE MULTISTATE LICENSING PROCESS.

27 6-1215. Notice and information requirements for a change of  
28 key individuals

29 A. A LICENSEE ADDING OR REPLACING ANY KEY INDIVIDUAL SHALL PROVIDE  
30 BOTH OF THE FOLLOWING:

31 1. NOTICE IN A MANNER PRESCRIBED BY THE DIRECTOR WITHIN FIFTEEN  
32 DAYS AFTER THE EFFECTIVE DATE OF THE KEY INDIVIDUAL'S ADDITION OR  
33 REPLACEMENT.

34 2. INFORMATION AS REQUIRED BY SECTION 6-1210 WITHIN FORTY-FIVE DAYS  
35 AFTER THE EFFECTIVE DATE OF THE KEY INDIVIDUAL'S ADDITION OR REPLACEMENT.

36 B. WITHIN NINETY DAYS AFTER THE DATE ON WHICH THE NOTICE PROVIDED  
37 PURSUANT TO SUBSECTION A OF THIS SECTION IS DETERMINED TO BE COMPLETE, THE  
38 DIRECTOR MAY ISSUE A NOTICE OF DISAPPROVAL OF A KEY INDIVIDUAL IF THE  
39 COMPETENCE OR EXPERIENCE OF THE INDIVIDUAL IS NOT IN THE BEST INTERESTS OF  
40 THE PUBLIC OR THE CUSTOMERS OF THE LICENSEE TO ALLOW THE INDIVIDUAL TO BE  
41 A KEY INDIVIDUAL OF THE LICENSEE.

42 C. A NOTICE OF DISAPPROVAL SHALL CONTAIN A STATEMENT OF THE BASIS  
43 FOR DISAPPROVAL AND SHALL BE SENT TO THE LICENSEE AND THE DISAPPROVED  
44 INDIVIDUAL. A LICENSEE MAY APPEAL A NOTICE OF DISAPPROVAL PURSUANT TO  
45 TITLE 41, CHAPTER 6, ARTICLE 10.

1 D. IF THE NOTICE PROVIDED PURSUANT TO SUBSECTION A OF THIS SECTION  
2 IS NOT DISAPPROVED WITHIN NINETY DAYS AFTER THE DATE ON WHICH THE NOTICE  
3 IS DETERMINED TO BE COMPLETE, THE KEY INDIVIDUAL IS APPROVED.

4 E. IF A MULTISTATE LICENSING PROCESS INCLUDES A KEY INDIVIDUAL  
5 NOTICE REVIEW AND DISAPPROVAL PROCESS PURSUANT TO THIS SECTION AND THE  
6 LICENSEE IS SUBJECT TO THE MULTISTATE LICENSING PROCESS:

7 1. THE DIRECTOR MAY ACCEPT THE DETERMINATION OF ANOTHER STATE IF  
8 THE INVESTIGATING STATE HAS SUFFICIENT STAFFING, EXPERTISE AND MINIMUM  
9 STANDARDS FOR THE PURPOSES OF THIS SECTION.

10 2. IF THIS STATE IS A LEAD INVESTIGATIVE STATE, THE DIRECTOR MAY  
11 INVESTIGATE THE APPLICANT SUBJECT TO THE TIME FRAMES ESTABLISHED BY  
12 AGREEMENT THROUGH THE MULTISTATE LICENSING PROCESS.

13 6-1216. Report of condition

14 A. EACH LICENSEE SHALL SUBMIT A REPORT OF CONDITION WITHIN  
15 FORTY-FIVE DAYS AFTER THE END OF THE CALENDAR QUARTER OR WITHIN ANY  
16 EXTENDED TIME AS THE DIRECTOR PRESCRIBES.

17 B. THE REPORT OF CONDITION SHALL INCLUDE:

18 1. A CONSOLIDATED FINANCIAL STATEMENT, INCLUDING A BALANCE SHEET  
19 AND INCOME AND EXPENSE STATEMENTS AT THE LICENSEE LEVEL.

20 2. NATIONWIDE AND STATE-SPECIFIC MONEY TRANSMISSION TRANSACTION  
21 INFORMATION IN EVERY JURISDICTION IN THE UNITED STATES WHERE THE LICENSEE  
22 IS LICENSED TO ENGAGE IN MONEY TRANSMISSION.

23 3. A PERMISSIBLE INVESTMENTS REPORT.

24 4. TRANSACTION DESTINATION COUNTRY REPORTING FOR MONEY RECEIVED FOR  
25 TRANSMISSION. THIS PARAGRAPH APPLIES ONLY TO A REPORT OF CONDITION  
26 SUBMITTED WITHIN FORTY-FIVE DAYS AFTER THE END OF THE FOURTH CALENDAR  
27 QUARTER.

28 5. ANY OTHER INFORMATION THE DIRECTOR REASONABLY REQUIRES WITH  
29 RESPECT TO THE LICENSEE.

30 C. THE DIRECTOR MAY USE NMLS FOR THE SUBMISSION OF THE REPORT  
31 REQUIRED BY THIS SECTION AND IS AUTHORIZED TO CHANGE OR UPDATE AS  
32 NECESSARY THE REQUIREMENTS OF THIS SECTION TO CARRY OUT THE PURPOSES OF  
33 THIS ARTICLE AND MAINTAIN CONSISTENCY WITH NMLS REPORTING.

34 6-1217. Audited financials

35 A. WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR OR WITHIN  
36 ANY EXTENDED TIME AS THE DIRECTOR PRESCRIBES, EACH LICENSEE SHALL FILE  
37 WITH THE DIRECTOR BOTH OF THE FOLLOWING:

38 1. AN AUDITED FINANCIAL STATEMENT OF THE LICENSEE FOR THE FISCAL  
39 YEAR PREPARED IN ACCORDANCE WITH UNITED STATES GENERALLY ACCEPTED  
40 ACCOUNTING PRINCIPLES.

41 2. ANY OTHER INFORMATION THE DIRECTOR REASONABLY REQUIRES.

42 B. THE AUDITED FINANCIAL STATEMENTS SHALL BE PREPARED BY AN  
43 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT OR INDEPENDENT PUBLIC ACCOUNTANT  
44 WHO IS SATISFACTORY TO THE DIRECTOR.

1 C. THE AUDITED FINANCIAL STATEMENTS SHALL INCLUDE OR BE ACCOMPANIED  
2 BY A CERTIFICATE OF OPINION OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT  
3 OR INDEPENDENT PUBLIC ACCOUNTANT THAT IS SATISFACTORY IN FORM AND CONTENT  
4 TO THE DIRECTOR. IF THE CERTIFICATE OR OPINION IS QUALIFIED, THE DIRECTOR  
5 MAY ORDER THE LICENSEE TO TAKE ANY ACTION AS THE DIRECTOR MAY FIND  
6 NECESSARY TO ENABLE THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT OR  
7 INDEPENDENT PUBLIC ACCOUNTANT TO REMOVE THE QUALIFICATION.

8 6-1218. Authorized delegate reporting

9 A. EACH LICENSEE SHALL SUBMIT A REPORT OF AUTHORIZED DELEGATES  
10 WITHIN FORTY-FIVE DAYS AFTER THE END OF THE CALENDAR QUARTER. THE  
11 DIRECTOR MAY USE NMLS FOR THE SUBMISSION OF THE REPORT REQUIRED BY THIS  
12 SUBSECTION IF FUNCTIONALITY COMPLIES WITH THIS SECTION.

13 B. THE AUTHORIZED DELEGATE REPORT SHALL INCLUDE THE FOLLOWING  
14 INFORMATION FOR EACH AUTHORIZED DELEGATE:

- 15 1. THE COMPANY LEGAL NAME.
- 16 2. THE TAXPAYER EMPLOYER IDENTIFICATION NUMBER.
- 17 3. THE PRINCIPAL PROVIDER IDENTIFIER.
- 18 4. THE PHYSICAL ADDRESS, IF ANY.
- 19 5. THE MAILING ADDRESS.
- 20 6. ANY BUSINESS CONDUCTED IN OTHER STATES.
- 21 7. ANY FICTITIOUS OR TRADE NAME.
- 22 8. THE CONTACT PERSON NAME, TELEPHONE NUMBER AND EMAIL ADDRESS.
- 23 9. THE START DATE AS THE LICENSEE'S AUTHORIZED DELEGATE.
- 24 10. THE END DATE AS THE LICENSEE'S AUTHORIZED DELEGATE, IF  
25 APPLICABLE.
- 26 11. ANY OTHER INFORMATION THE DIRECTOR REASONABLY REQUIRES WITH  
27 RESPECT TO THE AUTHORIZED DELEGATE.

28 6-1219. Reports

29 A. A LICENSEE SHALL FILE A REPORT WITH THE DIRECTOR WITHIN ONE  
30 BUSINESS DAY AFTER THE LICENSEE HAS REASON TO KNOW OF THE OCCURRENCE OF  
31 ANY OF THE FOLLOWING:

- 32 1. THE FILING OF A PETITION BY OR AGAINST THE LICENSEE UNDER THE  
33 UNITED STATES BANKRUPTCY CODE (11 UNITED STATES CODE SECTIONS 101  
34 THROUGH 112) FOR BANKRUPTCY OR REORGANIZATION.
- 35 2. THE FILING OF A PETITION BY OR AGAINST THE LICENSEE FOR  
36 RECEIVERSHIP, THE COMMENCEMENT OF ANY OTHER JUDICIAL OR ADMINISTRATIVE  
37 PROCEEDING FOR ITS DISSOLUTION OR REORGANIZATION OR THE MAKING OF A  
38 GENERAL ASSIGNMENT FOR THE BENEFIT OF ITS CREDITORS.
- 39 3. THE COMMENCEMENT OF A PROCEEDING TO REVOKE OR SUSPEND THE  
40 LICENSEE'S LICENSE IN A STATE OR COUNTRY IN WHICH THE LICENSEE ENGAGES IN  
41 BUSINESS OR IS LICENSED.

42 B. A LICENSEE SHALL FILE A REPORT WITH THE DIRECTOR WITHIN THREE  
43 BUSINESS DAYS AFTER THE LICENSEE HAS REASON TO KNOW OF THE OCCURRENCE OF  
44 EITHER OF THE FOLLOWING:

1           1. A FELONY CHARGE OR CONVICTION OF THE LICENSEE OR OF A KEY  
2 INDIVIDUAL OR PERSON IN CONTROL OF THE LICENSEE.

3           2. A FELONY CHARGE OR CONVICTION OF AN AUTHORIZED DELEGATE.

4           6-1220. Bank secrecy act reports

5           A LICENSEE AND AN AUTHORIZED DELEGATE SHALL FILE ALL REPORTS  
6 REQUIRED BY FEDERAL CURRENCY REPORTING, RECORDKEEPING AND SUSPICIOUS  
7 ACTIVITY REPORTING REQUIREMENTS AS SET FORTH IN THE BANK SECRECY ACT  
8 (P.L. 91-508; 84 STAT. 1114) AND OTHER FEDERAL AND STATE LAWS RELATING TO  
9 MONEY LAUNDERING. THE TIMELY FILING OF A COMPLETE AND ACCURATE REPORT  
10 REQUIRED UNDER THIS SECTION WITH THE APPROPRIATE FEDERAL AGENCY IS DEEMED  
11 COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION.

12           6-1221. Records

13           A. TO HELP THE DIRECTOR DETERMINE THE LICENSEE'S COMPLIANCE WITH  
14 THIS ARTICLE, A LICENSEE SHALL MAINTAIN THE FOLLOWING RECORDS FOR AT LEAST  
15 FIVE YEARS:

16           1. A RECORD OF EACH OUTSTANDING MONEY TRANSMISSION OBLIGATION SOLD.

17           2. A GENERAL LEDGER POSTED AT LEAST MONTHLY THAT CONTAINS ALL  
18 ASSET, LIABILITY, CAPITAL, INCOME AND EXPENSE ACCOUNTS.

19           3. BANK STATEMENTS AND BANK RECONCILIATION RECORDS.

20           4. RECORDS OF OUTSTANDING MONEY TRANSMISSION OBLIGATIONS.

21           5. RECORDS OF EACH OUTSTANDING MONEY TRANSMISSION OBLIGATION PAID  
22 DURING THE FIVE-YEAR PERIOD.

23           6. A LIST OF THE LAST KNOWN NAMES AND ADDRESSES OF ALL OF THE  
24 LICENSEE'S AUTHORIZED DELEGATES.

25           7. ANY OTHER RECORDS THE DIRECTOR REASONABLY REQUIRES BY RULE.

26           B. THE ITEMS SPECIFIED IN SUBSECTION A OF THIS SECTION MAY BE  
27 MAINTAINED IN ANY FORM OF RECORD.

28           C. RECORDS SPECIFIED IN SUBSECTION A OF THIS SECTION MAY BE  
29 MAINTAINED OUTSIDE OF THIS STATE IF THEY ARE MADE ACCESSIBLE TO THE  
30 DIRECTOR WITH SEVEN BUSINESS DAYS' NOTICE THAT IS SENT IN A RECORD.

31           6-1222. Relationship between licensees and authorized  
32 delegates

33           A. BEFORE A LICENSEE IS AUTHORIZED TO CONDUCT BUSINESS THROUGH AN  
34 AUTHORIZED DELEGATE OR ALLOWS A PERSON TO ACT AS THE LICENSEE'S AUTHORIZED  
35 DELEGATE, THE LICENSEE MUST:

36           1. ADOPT, AND UPDATE AS NECESSARY, WRITTEN POLICIES AND PROCEDURES  
37 REASONABLY DESIGNED TO ENSURE THAT THE LICENSEE'S AUTHORIZED DELEGATES  
38 COMPLY WITH APPLICABLE STATE AND FEDERAL LAW.

39           2. ENTER INTO A WRITTEN CONTRACT THAT COMPLIES WITH SUBSECTION C OF  
40 THIS SECTION.

41           3. CONDUCT A REASONABLE RISK-BASED BACKGROUND INVESTIGATION  
42 SUFFICIENT FOR THE LICENSEE TO DETERMINE WHETHER THE AUTHORIZED DELEGATE  
43 COMPLIES WITH APPLICABLE STATE AND FEDERAL LAW.

44           B. AN AUTHORIZED DELEGATE MUST COMPLY WITH THIS ARTICLE.



1 C. THE WRITTEN CONTRACT REQUIRED BY SUBSECTION A OF THIS SECTION  
2 MUST BE SIGNED BY THE LICENSEE AND THE AUTHORIZED DELEGATE AND MUST:

3 1. APPOINT THE PERSON SIGNING THE CONTRACT AS THE LICENSEE'S  
4 AUTHORIZED DELEGATE WITH THE AUTHORITY TO CONDUCT MONEY TRANSMISSION ON  
5 BEHALF OF THE LICENSEE.

6 2. DESCRIBE THE NATURE AND SCOPE OF THE RELATIONSHIP BETWEEN THE  
7 LICENSEE AND THE AUTHORIZED DELEGATE AND THE RESPECTIVE RIGHTS AND  
8 RESPONSIBILITIES OF THE PARTIES.

9 3. REQUIRE THE AUTHORIZED DELEGATE TO AGREE TO FULLY COMPLY WITH  
10 ALL APPLICABLE STATE AND FEDERAL LAWS RELATING TO MONEY TRANSMISSION.

11 4. REQUIRE THE AUTHORIZED DELEGATE TO REMIT AND HANDLE MONEY AND  
12 MONETARY VALUE IN ACCORDANCE WITH THE TERMS OF THE CONTRACT BETWEEN THE  
13 LICENSEE AND THE AUTHORIZED DELEGATE. FOR THE PURPOSES OF THIS PARAGRAPH,  
14 "REMIT" MEANS TO MAKE DIRECT PAYMENTS OF MONEY TO A LICENSEE OR THE  
15 LICENSEE'S REPRESENTATIVE OR TO DEPOSIT MONEY IN A BANK IN AN ACCOUNT  
16 SPECIFIED BY THE LICENSEE.

17 5. IMPOSE A TRUST ON MONEY AND MONETARY VALUE NET OF FEES RECEIVED  
18 FOR MONEY TRANSMISSION FOR THE BENEFIT OF THE LICENSEE.

19 6. REQUIRE THE AUTHORIZED DELEGATE TO PREPARE AND MAINTAIN RECORDS  
20 AS REQUIRED BY THIS ARTICLE OR AS REASONABLY REQUESTED BY THE DIRECTOR.

21 7. ACKNOWLEDGE THAT THE AUTHORIZED DELEGATE CONSENTS TO EXAMINATION  
22 OR INVESTIGATION BY THE DIRECTOR.

23 8. STATE THAT THE LICENSEE IS SUBJECT TO REGULATION BY THE DIRECTOR  
24 AND THAT THE DIRECTOR MAY SUSPEND OR REVOKE AN AUTHORIZED DELEGATE  
25 DESIGNATION.

26 9. ACKNOWLEDGE RECEIPT OF THE WRITTEN POLICIES AND PROCEDURES  
27 REQUIRED UNDER SUBSECTION A, PARAGRAPH 1 OF THIS SECTION.

28 D. WITHIN FIVE BUSINESS DAYS AFTER A LICENSEE'S LICENSE IS  
29 SUSPENDED, REVOKED, SURRENDERED OR EXPIRED, THE LICENSEE MUST PROVIDE  
30 DOCUMENTATION TO THE DIRECTOR THAT THE LICENSEE HAS PROVIDED NOTICE OF THE  
31 SUSPENSION, REVOCATION, SURRENDER OR EXPIRATION TO ALL APPLICABLE  
32 AUTHORIZED DELEGATES OF THE LICENSEE WHOSE NAMES ARE IN A RECORD FILED  
33 WITH THE DIRECTOR. ON SUSPENSION, REVOCATION, SURRENDER OR EXPIRATION OF  
34 A LICENSE, APPLICABLE AUTHORIZED DELEGATES SHALL IMMEDIATELY CEASE TO  
35 PROVIDE MONEY TRANSMISSION AS AN AUTHORIZED DELEGATE OF THE LICENSEE.

36 E. AN AUTHORIZED DELEGATE OF A LICENSEE HOLDS IN TRUST FOR THE  
37 BENEFIT OF THE LICENSEE ALL MONEY NET OF FEES RECEIVED FROM MONEY  
38 TRANSMISSION. IF ANY AUTHORIZED DELEGATE COMMINGLES ANY MONEY RECEIVED  
39 FROM MONEY TRANSMISSION WITH ANY OTHER MONEY OR PROPERTY OWNED OR  
40 CONTROLLED BY THE AUTHORIZED DELEGATE, ALL COMMINGLED MONEY AND OTHER  
41 PROPERTY SHALL BE CONSIDERED HELD IN TRUST IN FAVOR OF THE LICENSEE IN AN  
42 AMOUNT EQUAL TO THE AMOUNT OF MONEY NET OF FEES RECEIVED FROM MONEY  
43 TRANSMISSION.

44 F. AN AUTHORIZED DELEGATE MAY NOT USE A SUBDELEGATE TO CONDUCT  
45 MONEY TRANSMISSION ON BEHALF OF A LICENSEE.

1           6-1223. Unauthorized activities

2           A PERSON MAY NOT ENGAGE IN THE BUSINESS OF MONEY TRANSMISSION ON  
3 BEHALF OF A PERSON THAT IS NOT LICENSED UNDER THIS ARTICLE OR THAT IS NOT  
4 EXEMPT PURSUANT TO SECTION 6-1202. A PERSON THAT ENGAGES IN THE ACTIVITY  
5 IN VIOLATION OF THIS SECTION IS JOINTLY AND SEVERALLY LIABLE WITH THE  
6 UNLICENSED OR NONEXEMPT PERSON.

7           6-1224. Timely transmission

8           A. EVERY LICENSEE SHALL FORWARD ALL MONEY RECEIVED FOR TRANSMISSION  
9 IN ACCORDANCE WITH THE TERMS OF THE AGREEMENT BETWEEN THE LICENSEE AND THE  
10 SENDER UNLESS THE LICENSEE HAS A REASONABLE BELIEF OR A REASONABLE BASIS  
11 TO BELIEVE THAT THE SENDER MAY BE A VICTIM OF FRAUD OR THAT A CRIME OR  
12 VIOLATION OF LAW HAS OCCURRED, IS OCCURRING OR MAY OCCUR.

13           B. IF A LICENSEE FAILS TO FORWARD MONEY RECEIVED FOR TRANSMISSION  
14 PURSUANT TO THIS SECTION, THE LICENSEE MUST RESPOND TO INQUIRIES BY THE  
15 SENDER WITH THE REASON FOR THE FAILURE UNLESS PROVIDING A RESPONSE WOULD  
16 VIOLATE A STATE OR FEDERAL LAW.

17           6-1225. Refunds; exceptions

18           A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, EVERY  
19 LICENSEE SHALL REFUND TO THE SENDER WITHIN TEN DAYS AFTER RECEIPT OF THE  
20 SENDER'S WRITTEN REQUEST FOR A REFUND OF MONEY RECEIVED FOR TRANSMISSION  
21 UNLESS ANY OF THE FOLLOWING OCCURS:

22           1. THE MONEY IS FORWARDED WITHIN TEN DAYS AFTER THE DATE ON WHICH  
23 THE MONEY IS RECEIVED FOR TRANSMISSION.

24           2. INSTRUCTIONS HAVE BEEN GIVEN COMMITTING AN EQUIVALENT AMOUNT OF  
25 MONEY TO THE PERSON DESIGNATED BY THE SENDER WITHIN TEN DAYS AFTER THE  
26 DATE ON WHICH THE MONEY IS RECEIVED FOR TRANSMISSION.

27           3. THE AGREEMENT BETWEEN THE LICENSEE AND THE SENDER INSTRUCTS THE  
28 LICENSEE TO FORWARD THE MONEY AT A TIME THAT IS MORE THAN TEN DAYS AFTER  
29 THE DATE ON WHICH THE MONEY IS RECEIVED FOR TRANSMISSION. IF MONIES HAVE  
30 NOT YET BEEN FORWARDED IN ACCORDANCE WITH THE TERMS OF THE AGREEMENT  
31 BETWEEN THE LICENSEE AND THE SENDER, THIS PARAGRAPH DOES NOT APPLY.

32           4. THE REFUND IS REQUESTED FOR A TRANSACTION THAT THE LICENSEE HAS  
33 NOT COMPLETED BASED ON A REASONABLE BELIEF THAT A CRIME OR VIOLATION OF  
34 LAW HAS OCCURRED, IS OCCURRING OR MAY OCCUR.

35           5. THE REFUND REQUEST DOES NOT ENABLE THE LICENSEE TO IDENTIFY  
36 EITHER:

37           (a) THE SENDER'S NAME AND ADDRESS OR TELEPHONE NUMBER.

38           (b) THE PARTICULAR TRANSACTION TO BE REFUNDED IF THE SENDER HAS  
39 MULTIPLE TRANSACTIONS OUTSTANDING.

40           B. THIS SECTION DOES NOT APPLY TO:

41           1. MONEY RECEIVED FOR TRANSMISSION SUBJECT TO THE FEDERAL  
42 REMITTANCE RULE (12 CODE OF FEDERAL REGULATIONS SECTIONS 1005.30 THROUGH  
43 1005.36).

1           2. MONEY RECEIVED FOR TRANSMISSION PURSUANT TO A WRITTEN AGREEMENT  
2 BETWEEN THE LICENSEE AND PAYEE TO PROCESS PAYMENTS FOR GOODS OR SERVICES  
3 PROVIDED BY THE PAYEE.

4           6-1226. Receipts; requirements; exceptions; definition

5           A. EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION, EVERY  
6 LICENSEE OR ITS AUTHORIZED DELEGATE SHALL PROVIDE THE SENDER A RECEIPT FOR  
7 MONEY RECEIVED FOR TRANSMISSION. FOR A TRANSACTION CONDUCTED IN PERSON,  
8 THE RECEIPT MAY BE PROVIDED ELECTRONICALLY IF THE SENDER REQUESTS OR  
9 AGREES TO RECEIVE AN ELECTRONIC RECEIPT. FOR A TRANSACTION CONDUCTED  
10 ELECTRONICALLY OR BY TELEPHONE, A RECEIPT MAY BE PROVIDED ELECTRONICALLY.  
11 ALL ELECTRONIC RECEIPTS SHALL BE PROVIDED IN A RETAINABLE FORM. THE  
12 RECEIPT SHALL BE IN ENGLISH AND IN THE LANGUAGE PRINCIPALLY USED BY THE  
13 LICENSEE OR AUTHORIZED DELEGATE TO ADVERTISE, SOLICIT OR NEGOTIATE, EITHER  
14 ORALLY OR IN WRITING, FOR A TRANSACTION CONDUCTED IN PERSON,  
15 ELECTRONICALLY OR BY TELEPHONE, IF OTHER THAN ENGLISH. THE RECEIPT SHALL  
16 CONTAIN THE FOLLOWING INFORMATION, AS APPLICABLE:

17           1. THE NAME OF THE SENDER TO THE EXTENT THE LICENSEE OR ITS  
18 AUTHORIZED DELEGATE IS REQUIRED TO CAPTURE THIS INFORMATION PRIOR TO  
19 TRANSMISSION.

20           2. THE NAME OF THE DESIGNATED RECIPIENT UNLESS THE LICENSEE CAN  
21 DETERMINE THE RECIPIENT VIA THE UNIQUE TRANSACTION OR IDENTIFICATION  
22 NUMBER AS PRESCRIBED IN PARAGRAPH 4 OF THIS SUBSECTION, IN WHICH CASE THE  
23 NAME OF THE RECIPIENT IS NOT REQUIRED.

24           3. THE DATE OF THE TRANSACTION.

25           4. THE UNIQUE TRANSACTION OR IDENTIFICATION NUMBER.

26           5. THE NAME OF THE LICENSEE OR ITS AUTHORIZED DELEGATE, THE NMLS  
27 UNIQUE IDENTIFIER, THE LICENSEE'S OR ITS AUTHORIZED DELEGATE'S BUSINESS  
28 ADDRESS AND THE LICENSEE'S OR ITS AUTHORIZED DELEGATE'S CUSTOMER SERVICE  
29 TELEPHONE NUMBER.

30           6. THE AMOUNT OF THE TRANSACTION IN UNITED STATES DOLLARS.

31           7. ANY FEE CHARGED BY THE LICENSEE TO THE SENDER FOR THE  
32 TRANSACTION.

33           8. ANY TAXES COLLECTED BY THE LICENSEE FROM THE SENDER FOR THE  
34 TRANSACTION.

35           B. EVERY LICENSEE OR AUTHORIZED DELEGATE SHALL INCLUDE ON A RECEIPT  
36 OR DISCLOSE ON THE LICENSEE'S WEBSITE OR MOBILE APPLICATION THE NAME AND  
37 TELEPHONE NUMBER OF THE DEPARTMENT AND A STATEMENT THAT THE LICENSEE'S  
38 CUSTOMERS CAN CONTACT THE DEPARTMENT WITH QUESTIONS OR COMPLAINTS ABOUT  
39 THE LICENSEE'S MONEY TRANSMISSION SERVICES.

40           C. THIS SECTION DOES NOT APPLY TO:

41           1. MONEY RECEIVED FOR TRANSMISSION SUBJECT TO THE FEDERAL  
42 REMITTANCE RULE (12 CODE OF FEDERAL REGULATIONS SECTIONS 1005.30 THROUGH  
43 1005.36).

44           2. MONEY RECEIVED FOR TRANSMISSION THAT IS NOT PRIMARILY FOR  
45 PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

1           3. MONEY RECEIVED FOR TRANSMISSION PURSUANT TO A WRITTEN AGREEMENT  
2 BETWEEN THE LICENSEE AND PAYEE TO PROCESS PAYMENTS FOR GOODS OR SERVICES  
3 PROVIDED BY THE PAYEE.

4           D. FOR THE PURPOSES OF THIS SECTION, "RECEIPT" MEANS A PAPER  
5 RECEIPT, ELECTRONIC RECORD OR OTHER WRITTEN CONFIRMATION.

6           6-1227. Net worth requirements; exemption

7           A. A LICENSEE SHALL MAINTAIN AT ALL TIMES A TANGIBLE NET WORTH AS  
8 FOLLOWS:

9           1. THE GREATER OF \$100,000 OR THREE PERCENT OF TOTAL ASSETS FOR THE  
10 FIRST \$100,000,000.

11           2. TWO PERCENT OF ADDITIONAL ASSETS FOR \$100,000,000 TO  
12 \$1,000,000,000.

13           3. ONE-HALF PERCENT OF ADDITIONAL ASSETS FOR OVER \$1,000,000,000.

14           B. TANGIBLE NET WORTH MUST BE DEMONSTRATED AT INITIAL APPLICATION  
15 BY THE APPLICANT'S MOST RECENT AUDITED OR UNAUDITED FINANCIAL STATEMENTS  
16 PURSUANT TO SECTION 6-1209, SUBSECTION B, PARAGRAPH 6.

17           C. THE DIRECTOR MAY EXEMPT, IN PART OR IN WHOLE, AN APPLICANT OR  
18 LICENSEE FROM THIS SECTION.

19           6-1228. Surety bond

20           A. AN APPLICANT FOR A MONEY TRANSMISSION LICENSE MUST PROVIDE AND A  
21 LICENSEE AT ALL TIMES MUST MAINTAIN A SURETY BOND IN A FORM SATISFACTORY  
22 TO THE DIRECTOR.

23           B. EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION, THE AMOUNT  
24 OF THE REQUIRED SECURITY SHALL BE THE GREATER OF \$25,000 OR AN AMOUNT  
25 EQUAL TO ONE HUNDRED PERCENT OF THE LICENSEE'S AVERAGE DAILY MONEY  
26 TRANSMISSION LIABILITY IN THIS STATE CALCULATED FOR THE MOST RECENTLY  
27 COMPLETED THREE-MONTH PERIOD, UP TO A MAXIMUM OF \$500,000.

28           C. IF A LICENSEE'S TANGIBLE NET WORTH EXCEEDS TEN PERCENT OF TOTAL  
29 ASSETS, THE LICENSEE MAY MAINTAIN A SURETY BOND OF \$25,000.

30           D. A LICENSEE THAT MAINTAINS A BOND IN THE MAXIMUM AMOUNT PROVIDED  
31 FOR IN SUBSECTION B OF THIS SECTION IS NOT REQUIRED TO CALCULATE THE  
32 LICENSEE'S AVERAGE DAILY MONEY TRANSMISSION LIABILITY IN THIS STATE FOR  
33 PURPOSES OF THIS SECTION.

34           E. A LICENSEE MAY EXCEED THE MAXIMUM REQUIRED BOND AMOUNT PURSUANT  
35 TO SECTION 6-1230, SUBSECTION A, PARAGRAPH 6.

36           6-1229. Maintenance of permissible investments

37           A. A LICENSEE SHALL MAINTAIN AT ALL TIMES PERMISSIBLE INVESTMENTS  
38 THAT HAVE A MARKET VALUE COMPUTED IN ACCORDANCE WITH UNITED STATES  
39 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OF NOT LESS THAN THE AGGREGATE  
40 AMOUNT OF ALL OF ITS OUTSTANDING MONEY TRANSMISSION OBLIGATIONS.

41           B. EXCEPT FOR PERMISSIBLE INVESTMENTS ENUMERATED IN SECTION 6-1230,  
42 SUBSECTION A, THE DIRECTOR MAY LIMIT THE EXTENT TO WHICH A SPECIFIC  
43 INVESTMENT MAINTAINED BY A LICENSEE WITHIN A CLASS OF PERMISSIBLE  
44 INVESTMENTS MAY BE CONSIDERED A PERMISSIBLE INVESTMENT IF THE SPECIFIC

1 INVESTMENT REPRESENTS UNDUE RISK TO CUSTOMERS NOT REFLECTED IN THE MARKET  
2 VALUE OF INVESTMENTS.

3 C. PERMISSIBLE INVESTMENTS, EVEN IF COMMINGLED WITH OTHER ASSETS OF  
4 THE LICENSEE, ARE HELD IN TRUST FOR THE BENEFIT OF THE PURCHASERS AND  
5 HOLDERS OF THE LICENSEE'S OUTSTANDING MONEY TRANSMISSION OBLIGATIONS IN  
6 THE EVENT OF INSOLVENCY, THE FILING OF A PETITION BY OR AGAINST THE  
7 LICENSEE UNDER THE UNITED STATES BANKRUPTCY CODE (11 UNITED STATES CODE  
8 SECTIONS 101 THROUGH 112) FOR BANKRUPTCY OR REORGANIZATION, THE FILING OF  
9 A PETITION BY OR AGAINST THE LICENSEE FOR RECEIVERSHIP, THE COMMENCEMENT  
10 OF ANY OTHER JUDICIAL OR ADMINISTRATIVE PROCEEDING FOR ITS DISSOLUTION OR  
11 REORGANIZATION OR IN AN ACTION BY A CREDITOR AGAINST THE LICENSEE THAT IS  
12 NOT A BENEFICIARY OF THIS STATUTORY TRUST. A PERMISSIBLE INVESTMENT  
13 IMPRESSED WITH A TRUST PURSUANT TO THIS SUBSECTION IS NOT SUBJECT TO  
14 ATTACHMENT, LEVY OF EXECUTION OR SEQUESTRATION BY ORDER OF ANY COURT,  
15 EXCEPT FOR A BENEFICIARY OF THIS STATUTORY TRUST.

16 D. ON THE ESTABLISHMENT OF A STATUTORY TRUST PURSUANT TO  
17 SUBSECTION C OF THIS SECTION OR WHEN ANY MONEY IS DRAWN ON A LETTER OF  
18 CREDIT PURSUANT TO SECTION 6-1230, SUBSECTION A, PARAGRAPH 7, THE DIRECTOR  
19 SHALL NOTIFY THE APPLICABLE REGULATOR OF EACH STATE IN WHICH THE LICENSEE  
20 IS LICENSED TO ENGAGE IN MONEY TRANSMISSION OF THE ESTABLISHMENT OF THE  
21 TRUST OR THE MONEY DRAWN ON THE LETTER OF CREDIT. NOTICE IS SATISFIED IF  
22 PERFORMED PURSUANT TO A MULTISTATE AGREEMENT OR THROUGH NMLS. MONEY DRAWN  
23 ON A LETTER OF CREDIT AND ANY OTHER PERMISSIBLE INVESTMENTS HELD IN TRUST  
24 FOR THE BENEFIT OF THE PURCHASERS AND HOLDERS OF THE LICENSEE'S  
25 OUTSTANDING MONEY TRANSMISSION OBLIGATIONS ARE DEEMED HELD IN TRUST FOR  
26 THE BENEFIT OF SUCH PURCHASERS AND HOLDERS ON A PRO RATA AND EQUITABLE  
27 BASIS IN ACCORDANCE WITH STATUTES PURSUANT TO WHICH PERMISSIBLE  
28 INVESTMENTS ARE REQUIRED TO BE HELD IN THIS STATE AND OTHER STATES, AS  
29 APPLICABLE. A STATUTORY TRUST IS TERMINATED ON EXTINGUISHMENT OF ALL OF  
30 THE LICENSEE'S OUTSTANDING MONEY TRANSMISSION OBLIGATIONS.

31 E. THE DIRECTOR MAY ALLOW OTHER TYPES OF INVESTMENTS THAT THE  
32 DIRECTOR DETERMINES ARE OF SUFFICIENT LIQUIDITY AND QUALITY TO BE A  
33 PERMISSIBLE INVESTMENT. THE DIRECTOR MAY PARTICIPATE IN EFFORTS WITH  
34 OTHER STATE REGULATORS TO DETERMINE THAT OTHER TYPES OF INVESTMENTS ARE OF  
35 SUFFICIENT LIQUIDITY AND QUALITY TO BE A PERMISSIBLE INVESTMENT.

36 6-1230. Types of permissible investments

37 A. THE FOLLOWING INVESTMENTS ARE PERMISSIBLE UNDER SECTION 6-1229:

38 1. CASH, INCLUDING DEMAND DEPOSITS, SAVINGS DEPOSITS AND MONIES IN  
39 SUCH ACCOUNTS HELD FOR THE BENEFIT OF THE LICENSEE'S CUSTOMERS IN A  
40 FEDERALLY INSURED DEPOSITORY FINANCIAL INSTITUTION, AND CASH EQUIVALENTS,  
41 INCLUDING AUTOMATED CLEARINGHOUSE ITEMS IN TRANSIT TO THE LICENSEE AND  
42 AUTOMATED CLEARINGHOUSE ITEMS OR INTERNATIONAL WIRES IN TRANSIT TO A  
43 PAYEE, CASH IN TRANSIT BY ARMORED CAR, CASH IN SMART SAFES, CASH IN  
44 LICENSEE-OWNED LOCATIONS, DEBIT CARD OR CREDIT CARD-FUNDED TRANSMISSION

1 RECEIVABLES OWED BY ANY BANK OR MONEY MARKET MUTUAL FUNDS RATED "AAA" BY  
2 STANDARD AND POOR'S OR THE EQUIVALENT FROM ANY ELIGIBLE RATING SERVICE.

3 2. CERTIFICATES OF DEPOSIT OR SENIOR DEBT OBLIGATIONS OF AN INSURED  
4 DEPOSITORY INSTITUTION AS DEFINED IN THE FEDERAL DEPOSIT INSURANCE ACT  
5 (12 UNITED STATES CODE SECTION 1813) OR AS DEFINED IN THE FEDERAL CREDIT  
6 UNION ACT (12 UNITED STATES CODE SECTION 1752).

7 3. AN OBLIGATION OF THE UNITED STATES OR A COMMISSION, AGENCY OR  
8 INSTRUMENTALITY OF THE UNITED STATES.

9 4. AN OBLIGATION THAT IS GUARANTEED FULLY AS TO PRINCIPAL AND  
10 INTEREST BY THE UNITED STATES.

11 5. AN OBLIGATION OF A STATE OR A GOVERNMENTAL SUBDIVISION, AGENCY  
12 OR INSTRUMENTALITY OF A STATE.

13 6. ONE HUNDRED PERCENT OF THE SURETY BOND PROVIDED FOR UNDER  
14 SECTION 6-1228 THAT EXCEEDS THE AVERAGE DAILY MONEY TRANSMISSION LIABILITY  
15 IN THIS STATE.

16 7. THE FULL DRAWABLE AMOUNT OF AN IRREVOCABLE STANDBY LETTER OF  
17 CREDIT FOR WHICH THE STATED BENEFICIARY IS THE DIRECTOR THAT STIPULATES  
18 THAT THE BENEFICIARY ONLY NEEDS TO DRAW A SIGHT DRAFT UNDER THE LETTER OF  
19 CREDIT AND PRESENT IT TO OBTAIN MONEY UP TO THE LETTER OF CREDIT AMOUNT  
20 WITHIN SEVEN DAYS AFTER PRESENTATION OF THE ITEMS REQUIRED BY SUBSECTION C  
21 OF THIS SECTION. THE LETTER OF CREDIT MUST:

22 (a) BE ISSUED BY A FEDERALLY INSURED DEPOSITORY FINANCIAL  
23 INSTITUTION, A FOREIGN BANK THAT IS AUTHORIZED UNDER FEDERAL LAW TO  
24 MAINTAIN A FEDERAL AGENCY OR FEDERAL BRANCH OFFICE IN A STATE OR A FOREIGN  
25 BANK THAT IS AUTHORIZED UNDER STATE LAW TO MAINTAIN A BRANCH IN A STATE  
26 THAT:

27 (i) BEARS AN ELIGIBLE RATING OR WHOSE PARENT COMPANY BEARS AN  
28 ELIGIBLE RATING.

29 (ii) IS REGULATED, SUPERVISED AND EXAMINED BY UNITED STATES FEDERAL  
30 OR STATE AUTHORITIES THAT HAVE REGULATORY AUTHORITY OVER BANKS, CREDIT  
31 UNIONS AND TRUST COMPANIES.

32 (b) BE IRREVOCABLE AND UNCONDITIONAL AND INDICATE THAT IT IS NOT  
33 SUBJECT TO ANY CONDITION OR QUALIFICATIONS OUTSIDE OF THE LETTER OF  
34 CREDIT.

35 (c) NOT CONTAIN REFERENCE TO ANY OTHER AGREEMENTS, DOCUMENTS OR  
36 ENTITIES OR OTHERWISE PROVIDE FOR ANY SECURITY INTEREST IN THE LICENSEE.

37 (d) CONTAIN AN ISSUE DATE AND EXPIRATION DATE AND EXPRESSLY PROVIDE  
38 FOR AUTOMATIC EXTENSION, WITHOUT A WRITTEN AMENDMENT, FOR AN ADDITIONAL  
39 PERIOD OF ONE YEAR AFTER THE PRESENT OR FUTURE EXPIRATION DATE, UNLESS THE  
40 ISSUER OF THE LETTER OF CREDIT NOTIFIES THE DIRECTOR IN WRITING BY  
41 CERTIFIED OR REGISTERED MAIL OR COURIER MAIL OR OTHER RECEIPTED MEANS, AT  
42 LEAST SIXTY DAYS BEFORE ANY EXPIRATION DATE, THAT THE IRREVOCABLE LETTER  
43 OF CREDIT WILL NOT BE EXTENDED.

44 B. FOR A NOTICE OF EXPIRATION OR NONEXTENSION OF A LETTER OF CREDIT  
45 ISSUED UNDER SUBSECTION A, PARAGRAPH 7, SUBDIVISION (d) OF THIS SECTION,

1 AT LEAST FIFTEEN DAYS BEFORE THE EXPIRATION OF THE LETTER OF CREDIT, THE  
2 LICENSEE SHALL DEMONSTRATE TO THE SATISFACTION OF THE DIRECTOR THAT THE  
3 LICENSEE MAINTAINS PERMISSIBLE INVESTMENTS PURSUANT TO SECTION 6-1229,  
4 SUBSECTION A. IF THE LICENSEE DOES NOT COMPLY WITH THIS SUBSECTION, THE  
5 DIRECTOR MAY DRAW ON THE LETTER OF CREDIT IN AN AMOUNT UP TO THE AMOUNT  
6 NECESSARY TO MEET THE LICENSEE'S REQUIREMENTS TO MAINTAIN PERMISSIBLE  
7 INVESTMENTS PURSUANT TO SECTION 6-1229, SUBSECTION A. THE DRAW SHALL BE  
8 OFFSET AGAINST THE LICENSEE'S OUTSTANDING MONEY TRANSMISSION OBLIGATIONS.  
9 THE DRAWN MONEY SHALL BE HELD IN TRUST BY THE DIRECTOR OR THE DIRECTOR'S  
10 DESIGNATED AGENT, TO THE EXTENT AUTHORIZED BY LAW, AS AGENT FOR THE  
11 BENEFIT OF THE PURCHASERS AND HOLDERS OF THE LICENSEE'S OUTSTANDING MONEY  
12 TRANSMISSION OBLIGATIONS.

13 C. THE LETTER OF CREDIT ISSUED UNDER SUBSECTION A, PARAGRAPH 7,  
14 SUBDIVISION (d) OF THIS SECTION SHALL PROVIDE THAT THE ISSUER OF THE  
15 LETTER OF CREDIT WILL HONOR A PRESENTATION MADE BY THE BENEFICIARY TO THE  
16 ISSUER OF THE FOLLOWING DOCUMENTS ON OR BEFORE THE EXPIRATION DATE OF THE  
17 LETTER OF CREDIT:

18 1. THE ORIGINAL LETTER OF CREDIT, INCLUDING ANY AMENDMENTS.

19 2. A WRITTEN STATEMENT FROM THE BENEFICIARY STATING THAT ANY OF THE  
20 FOLLOWING EVENTS HAVE OCCURRED:

21 (a) THE FILING OF A PETITION BY OR AGAINST THE LICENSEE UNDER THE  
22 UNITED STATES BANKRUPTCY CODE (11 UNITED STATES CODE SECTIONS 101  
23 THROUGH 112) FOR BANKRUPTCY OR REORGANIZATION.

24 (b) THE FILING OF A PETITION BY OR AGAINST THE LICENSEE FOR  
25 RECEIVERSHIP OR THE COMMENCEMENT OF ANY OTHER JUDICIAL OR ADMINISTRATIVE  
26 PROCEEDING FOR ITS DISSOLUTION OR REORGANIZATION.

27 (c) THE SEIZURE OF ASSETS OF A LICENSEE BY THE DIRECTOR PURSUANT TO  
28 AN EMERGENCY ORDER ISSUED IN ACCORDANCE WITH APPLICABLE LAW, ON THE BASIS  
29 OF AN ACTION, VIOLATION OR CONDITION THAT HAS CAUSED OR IS LIKELY TO CAUSE  
30 THE INSOLVENCY OF THE LICENSEE.

31 (d) THE BENEFICIARY HAS RECEIVED NOTICE OF EXPIRATION OR  
32 NONEXTENSION OF A LETTER OF CREDIT AND THE LICENSEE FAILS TO DEMONSTRATE  
33 TO THE SATISFACTION OF THE BENEFICIARY THAT THE LICENSEE WILL MAINTAIN  
34 PERMISSIBLE INVESTMENTS PURSUANT TO SECTION 6-1229, SUBSECTION A ON THE  
35 EXPIRATION OR NONEXTENSION OF THE LETTER OF CREDIT.

36 D. THE DIRECTOR MAY DESIGNATE AN AGENT TO SERVE ON THE DIRECTOR'S  
37 BEHALF AS BENEFICIARY TO A LETTER OF CREDIT IF THE AGENT AND LETTER OF  
38 CREDIT MEET REQUIREMENTS ESTABLISHED BY THE DIRECTOR. THE DIRECTOR'S  
39 AGENT MAY SERVE AS AGENT FOR MULTIPLE LICENSING AUTHORITIES FOR A SINGLE  
40 IRREVOCABLE LETTER OF CREDIT IF THE PROCEEDS OF THE DRAWABLE AMOUNT FOR  
41 THE PURPOSES OF SUBSECTION A, PARAGRAPH 7 OF THIS SECTION ARE ASSIGNED TO  
42 THE DIRECTOR.

43 E. THE DIRECTOR MAY PARTICIPATE IN MULTISTATE PROCESSES DESIGNED TO  
44 FACILITATE ISSUING AND ADMINISTERING LETTERS OF CREDIT, INCLUDING SERVICES  
45 PROVIDED BY THE NMLS AND A STATE REGULATORY REGISTRY.

1 F. UNLESS OTHERWISE ALLOWED BY THE DIRECTOR, THE FOLLOWING  
2 INVESTMENTS ARE PERMISSIBLE UNDER SECTION 6-1229:

3 1. RECEIVABLES THAT ARE PAYABLE TO A LICENSEE FROM ITS AUTHORIZED  
4 DELEGATES IN THE ORDINARY COURSE OF BUSINESS THAT ARE LESS THAN SEVEN DAYS  
5 OLD, UP TO FIFTY PERCENT OF THE AGGREGATE VALUE OF THE LICENSEE'S TOTAL  
6 PERMISSIBLE INVESTMENTS. OF THE RECEIVABLES PERMISSIBLE UNDER THIS  
7 PARAGRAPH, RECEIVABLES THAT ARE PAYABLE TO A LICENSEE FROM A SINGLE  
8 AUTHORIZED DELEGATE IN THE ORDINARY COURSE OF BUSINESS MAY NOT EXCEED TEN  
9 PERCENT OF THE AGGREGATE VALUE OF THE LICENSEE'S TOTAL PERMISSIBLE  
10 INVESTMENTS.

11 2. THE FOLLOWING INVESTMENTS, UP TO TWENTY PERCENT PER CATEGORY AND  
12 COMBINED UP TO FIFTY PERCENT OF THE AGGREGATE VALUE OF THE LICENSEE'S  
13 TOTAL PERMISSIBLE INVESTMENTS:

14 (a) A SHORT-TERM INVESTMENT BEARING AN ELIGIBLE RATING. FOR THE  
15 PURPOSES OF THIS SUBDIVISION, "SHORT-TERM" MEANS UP TO SIX MONTHS.

16 (b) COMMERCIAL PAPER BEARING AN ELIGIBLE RATING.

17 (c) A BILL, NOTE, BOND OR DEBENTURE BEARING AN ELIGIBLE RATING.

18 (d) UNITED STATES TRI-PARTY REPURCHASE AGREEMENTS COLLATERALIZED AT  
19 ONE HUNDRED PERCENT OR MORE WITH UNITED STATES GOVERNMENT OR AGENCY  
20 SECURITIES, MUNICIPAL BONDS OR OTHER SECURITIES BEARING AN ELIGIBLE  
21 RATING.

22 (e) MONEY MARKET MUTUAL FUNDS RATED LESS THAN "AAA" AND EQUAL TO OR  
23 HIGHER THAN "A-" BY STANDARD AND POOR'S, OR THE EQUIVALENT FROM ANY OTHER  
24 ELIGIBLE RATING SERVICE.

25 (f) A MUTUAL FUND OR OTHER INVESTMENT FUND COMPOSED SOLELY AND  
26 EXCLUSIVELY OF ONE OR MORE PERMISSIBLE INVESTMENTS LISTED IN SUBSECTION A,  
27 PARAGRAPH 1, 2, 3, 4 OR 5 OF THIS SECTION.

28 3. CASH, INCLUDING DEMAND DEPOSITS AND SAVINGS DEPOSITS AND MONEY  
29 IN SUCH ACCOUNTS HELD FOR THE BENEFIT OF THE LICENSEE'S CUSTOMERS, AT  
30 FOREIGN DEPOSITORY INSTITUTIONS, UP TO TEN PERCENT OF THE AGGREGATE VALUE  
31 OF THE LICENSEE'S TOTAL PERMISSIBLE INVESTMENTS IF THE LICENSEE HAS  
32 RECEIVED A SATISFACTORY RATING IN ITS MOST RECENT EXAMINATION AND THE  
33 FOREIGN DEPOSITORY INSTITUTION:

34 (a) HAS AN ELIGIBLE RATING.

35 (b) IS REGISTERED UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT.

36 (c) IS NOT LOCATED IN ANY COUNTRY SUBJECT TO SANCTIONS FROM THE  
37 OFFICE OF FOREIGN ASSETS CONTROL.

38 (d) IS NOT LOCATED IN A HIGH-RISK OR NONCOOPERATIVE JURISDICTION AS  
39 DETERMINED BY THE DIRECTOR.

40 G. FOR THE PURPOSES OF THIS SECTION:

41 1. LONG-TERM CREDIT RATINGS ARE ELIGIBLE IF THE RATING IS EQUAL TO  
42 OR HIGHER THAN AN "A-" BY STANDARD AND POOR'S OR THE EQUIVALENT FROM ANY  
43 OTHER ELIGIBLE RATING SERVICE. IF RATINGS DIFFER AMONG ELIGIBLE RATING  
44 SERVICES, THE HIGHEST RATING APPLIES WHEN DETERMINING WHETHER A SECURITY  
45 BEARS AN ELIGIBLE RATING.



1           2. SHORT-TERM CREDIT RATINGS ARE ELIGIBLE IF THE RATING IS EQUAL TO  
2 OR HIGHER THAN A-2 OR SP-2 BY STANDARD AND POOR'S OR THE EQUIVALENT FROM  
3 ANY OTHER ELIGIBLE RATING SERVICE. IF RATINGS DIFFER AMONG ELIGIBLE  
4 RATING SERVICES, THE HIGHEST RATING APPLIES WHEN DETERMINING WHETHER A  
5 SECURITY BEARS AN ELIGIBLE RATING.

6           6-1231. License suspension and revocation

7           A. THE DIRECTOR MAY SUSPEND OR REVOKE A LICENSE IF:

8           1. THE LICENSEE VIOLATES THIS ARTICLE.

9           2. THE LICENSEE DOES NOT COOPERATE WITH AN EXAMINATION OR  
10 INVESTIGATION BY THE DIRECTOR.

11           3. THE LICENSEE ENGAGES IN FRAUD, INTENTIONAL MISREPRESENTATION OR  
12 GROSS NEGLIGENCE.

13           4. AN AUTHORIZED DELEGATE IS CONVICTED OF A VIOLATION OF A STATE OR  
14 FEDERAL ANTI-MONEY LAUNDERING STATUTE OR VIOLATES THIS ARTICLE AS A RESULT  
15 OF THE LICENSEE'S WILFUL MISCONDUCT.

16           5. THE COMPETENCE, EXPERIENCE, CHARACTER OR GENERAL FITNESS OF THE  
17 LICENSEE, PERSON IN CONTROL OF A LICENSEE OR KEY INDIVIDUAL INDICATES THAT  
18 IT IS NOT IN THE PUBLIC INTEREST TO ALLOW THE PERSON TO PROVIDE MONEY  
19 TRANSMISSION.

20           6. THE LICENSEE ENGAGES IN AN UNSAFE OR UNSOUND PRACTICE.

21           7. THE LICENSEE IS INSOLVENT, SUSPENDS PAYMENT OF ITS OBLIGATIONS  
22 OR MAKES A GENERAL ASSIGNMENT FOR THE BENEFIT OF ITS CREDITORS.

23           8. THE LICENSEE DOES NOT REMOVE AN AUTHORIZED DELEGATE AFTER THE  
24 DIRECTOR ISSUES AND SERVES ON THE LICENSEE A FINAL ORDER THAT INCLUDES A  
25 FINDING THAT THE AUTHORIZED DELEGATE HAS VIOLATED THIS ARTICLE.

26           9. THE LICENSEE HAS MADE A MATERIAL MISSTATEMENT OR SUPPRESSED OR  
27 WITHHELD INFORMATION ON AN APPLICATION FOR A LICENSE OR ANY DOCUMENT  
28 REQUIRED TO BE FILED WITH THE DIRECTOR.

29           B. IN DETERMINING WHETHER A LICENSEE IS ENGAGING IN AN UNSAFE OR  
30 UNSOUND PRACTICE, THE DIRECTOR MAY CONSIDER THE SIZE AND CONDITION OF THE  
31 LICENSEE'S MONEY TRANSMISSION, THE MAGNITUDE OF THE LOSS, THE GRAVITY OF  
32 THE VIOLATION OF THIS ARTICLE AND THE PREVIOUS CONDUCT OF THE LICENSEE.

33           C. A LICENSEE MAY APPEAL ANY SUSPENSION OR REVOCATION PURSUANT TO  
34 TITLE 41, CHAPTER 6, ARTICLE 10.

35           6-1232. Authorized delegate suspension and revocation

36           A. THE DIRECTOR MAY SUSPEND OR REVOKE THE DESIGNATION OF AN  
37 AUTHORIZED DELEGATE IF THE DIRECTOR FINDS THAT:

38           1. THE AUTHORIZED DELEGATE VIOLATED THIS ARTICLE.

39           2. THE AUTHORIZED DELEGATE DID NOT COOPERATE WITH AN EXAMINATION OR  
40 INVESTIGATION BY THE DIRECTOR.

41           3. THE AUTHORIZED DELEGATE ENGAGED IN FRAUD, INTENTIONAL  
42 MISREPRESENTATION OR GROSS NEGLIGENCE.

43           4. THE AUTHORIZED DELEGATE IS CONVICTED OF A VIOLATION OF A STATE  
44 OR FEDERAL ANTI-MONEY LAUNDERING STATUTE.

1           5. THE COMPETENCE, EXPERIENCE, CHARACTER OR GENERAL FITNESS OF THE  
2 AUTHORIZED DELEGATE OR A PERSON IN CONTROL OF THE AUTHORIZED DELEGATE  
3 INDICATES THAT IT IS NOT IN THE PUBLIC INTEREST TO ALLOW THE AUTHORIZED  
4 DELEGATE TO PROVIDE MONEY TRANSMISSION.

5           6. THE AUTHORIZED DELEGATE IS ENGAGING IN AN UNSAFE OR UNSOUND  
6 PRACTICE. TO DETERMINE WHETHER AN AUTHORIZED DELEGATE IS ENGAGING IN AN  
7 UNSAFE OR UNSOUND PRACTICE, THE DIRECTOR MAY CONSIDER THE SIZE AND  
8 CONDITION OF THE AUTHORIZED DELEGATE'S PROVISION OF MONEY TRANSMISSION,  
9 THE MAGNITUDE OF THE LOSS, THE GRAVITY OF THE VIOLATION OF THIS ARTICLE  
10 AND THE PREVIOUS CONDUCT OF THE AUTHORIZED DELEGATE.

11           B. AN AUTHORIZED DELEGATE MAY APPEAL A SUSPENSION OR REVOCATION  
12 PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10.

13           6-1233. Cease and desist order

14           IN ADDITION TO THE AUTHORITY UNDER SECTION 6-137, THE DIRECTOR MAY  
15 ISSUE AN ORDER AGAINST THE LICENSEE TO CEASE AND DESIST FROM PROVIDING  
16 MONEY TRANSMISSION THROUGH AN AUTHORIZED DELEGATE THAT VIOLATED, IS  
17 VIOLATING OR IS ABOUT TO VIOLATE THIS TITLE.

18           6-1234. Uniformity

19           IN ENFORCING THIS ARTICLE, THE DIRECTOR SHALL CONSIDER THE NEED TO  
20 PROMOTE UNIFORMITY OF THE LAW WITH RESPECT TO MONEY TRANSMITTERS AMONG  
21 STATES THAT ENACT MONEY TRANSMITTER LAWS THAT ARE SUBSTANTIVELY SIMILAR TO  
22 THIS ARTICLE.

23           Sec. 5. Renumber

24           Section 6-1241, Arizona Revised Statutes, is renumbered as section  
25 6-1242, and section 6-1242, Arizona Revised Statutes, is renumbered as  
26 section 6-1243.

27           Sec. 6. Title 6, chapter 12, article 2, Arizona Revised Statutes,  
28 is amended by adding a new section 6-1241, to read:

29           6-1241. Definitions

30           IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

31           1. "AUTHORIZED DELEGATE" MEANS A PERSON THAT A LICENSEE DESIGNATES  
32 TO ENGAGE IN MONEY TRANSMISSION ON BEHALF OF THE LICENSEE PURSUANT TO  
33 ARTICLE 1 OF THIS CHAPTER.

34           2. "LICENSEE" MEANS A PERSON THAT IS LICENSED UNDER ARTICLE 1 OF  
35 THIS CHAPTER.

36           3. "MONEY TRANSMITTER" MEANS A PERSON THAT MEETS THE DEFINITION OF  
37 A BANK, FINANCIAL AGENCY OR FINANCIAL INSTITUTION AS PRESCRIBED BY 31  
38 UNITED STATES CODE SECTION 5312 OR 31 CODE OF FEDERAL REGULATIONS SECTION  
39 1010.100.

40           4. "TRADE OR BUSINESS" HAS THE SAME MEANING PRESCRIBED IN SECTION  
41 162 OF THE INTERNAL REVENUE CODE AND INCLUDES THE MONEY ACCUMULATION  
42 BUSINESS.

1           Sec. 7. Section 6-1242, Arizona Revised Statutes, as renumbered, is  
2 amended to read:

3           6-1242. Reports to the attorney general; investigation;  
4           violation; classification

5           A. Within thirty days after any transaction or series or pattern of  
6 transactions that is conducted or attempted by, at or through the business  
7 and that involves or aggregates \$5,000 or more in funds or other assets,  
8 each licensee and authorized delegate of a licensee and each money  
9 transmitter shall file with the attorney general's office in a form  
10 prescribed by the attorney general a report of the transaction or series  
11 or pattern of transactions if the licensee, authorized delegate or money  
12 transmitter knows, suspects or has reason to suspect that the activity  
13 either:

14           1. Involves funds that are derived from illegal activities, is  
15 intended or conducted in order to hide or disguise funds or other assets  
16 that are derived from illegal activities, including the ownership, nature,  
17 source, location or control of the funds or other assets, as part of a  
18 plan to violate or evade any law or regulation or to avoid any transaction  
19 reporting requirement under this chapter or may constitute a possible  
20 money laundering violation under section 13-2317 or another racketeering  
21 violation as defined in section 13-2301.

22           2. Has no business or apparent lawful purpose or is not the sort of  
23 activity in which the particular customer would normally be expected to  
24 engage and the licensee, authorized delegate or money transmitter knows of  
25 no reasonable explanation for the activity after examining the available  
26 facts, including the background and possible purpose of the activity.

27           B. A licensee, authorized delegate or money transmitter that is  
28 required to file a report regarding business conducted in this state  
29 pursuant to the currency and foreign transactions reporting act (31 United  
30 States Code sections 5311 through 5326, including any special measures  
31 that are established under 31 United States Code section 5318A, and 31  
32 Code of Federal Regulations chapter X or 12 Code of Federal Regulations  
33 section 21.11) shall file a duplicate of that report with the attorney  
34 general.

35           C. All persons who are engaged in a trade or business and who  
36 receive more than \$10,000 in money in one transaction or who receive more  
37 than \$10,000 in money through two or more related transactions shall  
38 complete and file with the attorney general the information required by 31  
39 United States Code section 5331 and the federal regulations relating to  
40 this section concerning reports relating to cash received in trade or  
41 business.

42           D. A licensee, authorized delegate or money transmitter that is  
43 regulated under the currency and foreign transactions reporting act  
44 (31 United States Code section 5325 and 31 Code of Federal Regulations  
45 chapter X) and that is required to make available prescribed records to

1 the secretary of the United States department of THE treasury on request  
2 at any time shall follow the same prescribed procedures and create and  
3 maintain the same prescribed records relating to each transaction.

4 ~~E. In addition to the requirements under subsection D of this~~  
5 ~~section and in connection with each transaction that involves transmitting~~  
6 ~~money in an amount of \$1,000 or more, whether sending or receiving, a~~  
7 ~~licensee or, for transactions conducted through an authorized delegate, an~~  
8 ~~authorized delegate shall retain a record of each of the following:~~

9 ~~1. The name and social security or taxpayer identification number,~~  
10 ~~if any, of the individual presenting the transaction and the person and~~  
11 ~~the entity on whose behalf the transaction is to be effected.~~

12 ~~2. The type and number of the customer's verified photographic~~  
13 ~~identification, as described in 31 Code of Federal Regulations section~~  
14 ~~1010.312.~~

15 ~~3. The customer's current occupation.~~

16 ~~4. The customer's current residential address.~~

17 ~~5. The customer's signature.~~

18 ~~F. Subsection E of this section does not apply to transactions by~~  
19 ~~which the licensee's customer is making a bill payment either to a~~  
20 ~~commercial creditor pursuant to a contract between the licensee and the~~  
21 ~~commercial creditor or to a utility company.~~

22 ~~G. E. Each licensee shall create records that reflect the~~  
23 ~~provision of updated operating policies and procedures pursuant to section~~  
24 ~~6-1208 6-1222, subsection B A, PARAGRAPH 1 and of instruction that~~  
25 ~~promotes compliance with this chapter, title 13, chapter 23 and 31 United~~  
26 ~~States Code section 5318, including the identification of the provider and~~  
27 ~~the material and instruction that were provided.~~

28 ~~H. F. On request of the attorney general, a county attorney or the~~  
29 ~~deputy director, a licensee, authorized delegate or money transmitter~~  
30 ~~shall make any records that are created pursuant to this section available~~  
31 ~~to the attorney general, a county attorney or the deputy director at any~~  
32 ~~time.~~

33 ~~I. A licensee or, for transactions conducted through an authorized~~  
34 ~~delegate, an authorized delegate shall maintain any customer~~  
35 ~~identification records that are created pursuant to subsection E of this~~  
36 ~~section for three years. After three years, the licensee or, for~~  
37 ~~transactions conducted through an authorized delegate, the authorized~~  
38 ~~delegate shall deliver the customer identification records to the attorney~~  
39 ~~general. The attorney general shall make the records available on request~~  
40 ~~to the deputy director or a county attorney but shall not otherwise~~  
41 ~~distribute the customer identification records without a court order. The~~  
42 ~~customer identification records shall not be used for any purpose other~~  
43 ~~than for criminal and civil prosecution and the prevention and detection~~  
44 ~~of fraud and other criminal conduct.~~

1           ~~J~~ G. If the deputy director or the attorney general finds that  
2 reasonable grounds exist for requiring additional recordkeeping and  
3 reporting in order to carry out the purposes of this chapter and to  
4 prevent the evasion of this chapter, the deputy director or the attorney  
5 general may ~~—~~

6           ~~I~~ issue an order requiring any group of licensees, authorized  
7 delegates or money transmitters in a geographic area to do any of the  
8 following:

9           ~~(a)~~ 1. Obtain information regarding transactions that involve  
10 total dollar amounts or denominations of \$500 or more, including the names  
11 of any persons participating in those transactions and any persons or  
12 entities on whose behalf they are to be effected.

13           ~~(b)~~ 2. Maintain records of that information for at least five  
14 years and make those records available to the attorney general and the  
15 deputy director.

16           ~~(c)~~ 3. File a report with the attorney general and the deputy  
17 director regarding any transaction in the manner prescribed in the order.

18           ~~2. Issue an order exempting any group of licensees or authorized~~  
19 ~~delegates from the requirements of subsection E of this section based on~~  
20 ~~the geographic area, the volume of business conducted, the record of~~  
21 ~~compliance with the reporting requirements of this chapter and other~~  
22 ~~objective criteria.~~

23           ~~K~~ H. An order issued pursuant to subsection ~~J~~ G of this section  
24 is not effective for more than one hundred eighty days unless renewed  
25 after finding that reasonable grounds exist for ~~continuation of~~ CONTINUING  
26 the order.

27           ~~L~~ I. The timely filing of a report required by this section with  
28 the appropriate federal agency shall be deemed compliance with the  
29 reporting requirements of this section, unless the attorney general has  
30 notified the deputy director that reports of that type are not regularly  
31 and comprehensively transmitted by that federal agency to the attorney  
32 general.

33           ~~M~~ J. This chapter does not preclude a licensee, authorized  
34 delegate, money transmitter, financial institution or person engaged in a  
35 trade or business from instituting contact with and disclosing customer  
36 financial records to appropriate state or local law enforcement agencies  
37 if the licensee, authorized delegate, money transmitter, financial  
38 institution or person has information that may be relevant to a possible  
39 violation of any criminal statute or to the evasion or attempted evasion  
40 of any reporting requirement of this chapter.

41           ~~N~~ K. A licensee, authorized delegate, money transmitter,  
42 financial institution, person engaged in a trade or business or director,  
43 officer, employee, agent or authorized delegate of any of them that keeps  
44 or files a record as prescribed by this section, that communicates or  
45 discloses information or records under subsection ~~M~~ J of this section or

1 that requires another to make any such disclosure is not liable to any  
2 person under any law or rule of this state or any political subdivision of  
3 this state or under any contract or other legally enforceable agreement,  
4 including any arbitration agreement, for the disclosure or for the failure  
5 to provide notice of the disclosure to the person who is the subject of  
6 the disclosure or to any other person who is identified in the disclosure.  
7 This subsection is consistent with 31 United States Code section  
8 5318(g)(3).

9 ~~Ø~~ L. The attorney general may report any possible violations  
10 indicated by analysis of the reports required by this chapter to any  
11 appropriate law enforcement agency for use in the proper discharge of its  
12 official duties. If an officer or employee of this state or any political  
13 subdivision of this state receives a report pursuant to 31 United States  
14 Code section 5318(g), the report shall be disclosed only as provided in 31  
15 United States Code section 5318(g). A person who releases information  
16 received pursuant to this subsection except in the proper discharge of  
17 official duties is guilty of a class 2 misdemeanor.

18 ~~P~~ M. The requirements of this section are consistent with the  
19 requirements of the currency and foreign transactions reporting act (31  
20 United States Code sections 5311 through 5326 and federal regulations  
21 prescribed under those sections) unless the context otherwise requires.

22 ~~Ø~~ N. A person who refuses to allow any lawful investigation by  
23 the deputy director, a county attorney or the attorney general or who  
24 refuses to make records available to the deputy director, a county  
25 attorney or the attorney general pursuant to subsection ~~H~~ F of this  
26 section is guilty of a class 6 felony.

27 Sec. 8. Section 6-1305, Arizona Revised Statutes, is amended to  
28 read:

29 6-1305. Registration; renewal; reporting requirements

30 A. The deputy director shall register the applicant as an advance  
31 fee loan broker when an applicant has fully complied with this chapter and  
32 the rules prescribed by the deputy director.

33 B. The deputy director shall immediately notify the applicant ~~by~~  
34 ~~mail~~ on registering the applicant as an advance fee loan broker.

35 C. A registered advance fee loan broker shall apply for renewal as  
36 prescribed by the deputy director not later than June 30 of each year. A  
37 registration for which a renewal application is not received by the deputy  
38 director by June 30 is suspended and the registered advance fee loan  
39 broker may not act as an advance fee loan broker until the registration is  
40 renewed or a new registration is issued pursuant to this article. The  
41 registration of an advance fee loan broker that has not filed a renewal  
42 application and paid the renewal fee by July 31 expires. A registration  
43 may not be granted to the holder of an expired registration except as  
44 provided in this article for the issuance of an original registration.

1 D. An advance fee loan broker may annually renew the broker's  
2 registration by filing a supplemental statement showing any changes in the  
3 facts set forth in the original application for registration or any  
4 previously filed supplemental statement made at the time of annual  
5 renewal.

6 E. An advance fee loan broker shall file a supplemental statement  
7 showing any changes in the facts set forth in the original application or  
8 in any supplemental statement made at the time of annual renewal within  
9 thirty days after a change in any material fact.

10 Sec. 9. Repeal

11 Section ~~6-1306~~, Arizona Revised Statutes, is repealed.

12 Sec. 10. Section 13-2317, Arizona Revised Statutes, is amended to  
13 read:

14 13-2317. Money laundering; classification; definitions

15 A. A person is guilty of money laundering in the first degree if  
16 the person does any of the following:

17 1. Knowingly initiates, organizes, plans, finances, directs,  
18 manages, supervises or is in the business of money laundering in violation  
19 of subsection B of this section.

20 2. Violates subsection B of this section in the course of or for  
21 the purpose of facilitating terrorism or murder.

22 B. A person is guilty of money laundering in the second degree if  
23 the person does any of the following:

24 1. Acquires or maintains an interest in, transacts, transfers,  
25 transports, receives or conceals the existence or nature of racketeering  
26 proceeds knowing or having reason to know that they are the proceeds of an  
27 offense.

28 2. Makes property available to another by transaction,  
29 transportation or otherwise knowing that it is intended to be used to  
30 facilitate racketeering.

31 3. Conducts a transaction knowing or having reason to know that the  
32 property involved is the proceeds of an offense and with the intent to  
33 conceal or disguise the nature, location, source, ownership or control of  
34 the property or the intent to facilitate racketeering.

35 4. Intentionally or knowingly makes a false statement,  
36 misrepresentation or false certification or makes a false entry or omits a  
37 material entry in any application, financial statement, account record,  
38 customer receipt, report or other document that is filed or required to be  
39 maintained or filed under title 6, chapter 12.

40 5. Intentionally or knowingly evades or attempts to evade any  
41 reporting requirement under ~~section 6-1241~~ SECTIONS 6-1220 AND 6-1242,  
42 whether by structuring transactions as described in 31 Code of Federal  
43 Regulations chapter X, by causing any financial institution, money  
44 transmitter, trade or business to fail to file the report, by failing to  
45 file a required report or record or by any other means.

1           6. Intentionally or knowingly provides any false information or  
2 fails to disclose information that causes any licensee, authorized  
3 delegate, money transmitter, trade or business to either:

4           (a) Fail to file any report or record that is required under  
5 ~~section 6-1241~~ SECTIONS 6-1220 AND 6-1242.

6           (b) File such a report or record that contains a material omission  
7 or misstatement of fact.

8           7. Intentionally or knowingly falsifies, conceals, covers up or  
9 misrepresents or attempts to falsify, conceal, cover up or misrepresent  
10 the identity of any person in connection with any transaction with a  
11 financial institution or money transmitter.

12           8. In connection with a transaction with a financial institution or  
13 money transmitter, intentionally or knowingly makes, uses, offers or  
14 presents or attempts to make, use, offer or present, whether accepted or  
15 not, a forged instrument, a falsely altered or completed written  
16 instrument or a written instrument that contains any materially false  
17 personal identifying information.

18           9. If the person is a money transmitter, a person engaged in a  
19 trade or business or any employee of a money transmitter or a person  
20 engaged in a trade or business, intentionally or knowingly accepts false  
21 personal identifying information from any person or otherwise knowingly  
22 incorporates false personal identifying information into any report or  
23 record that is required by ~~section 6-1241~~ SECTIONS 6-1220 AND 6-1242.

24           10. Intentionally conducts, controls, manages, supervises, directs  
25 or owns all or part of a money transmitting business for which a license  
26 is required by title 6, chapter 12 unless the business is licensed  
27 pursuant to title 6, chapter 12 and complies with the money transmitting  
28 business registration requirements under 31 United States Code section  
29 5330.

30           C. A person is guilty of money laundering in the third degree if  
31 the person intentionally or knowingly does any of the following:

32           1. In the course of any transaction transmitting money, confers or  
33 agrees to confer anything of value on a money transmitter or any employee  
34 of a money transmitter that is intended to influence or reward any person  
35 for failing to comply with any requirement under title 6, chapter 12.

36           2. Engages in the business of receiving money for transmission or  
37 transmitting money, as an employee or otherwise, and receives anything of  
38 value on an agreement or understanding that it is intended to influence or  
39 benefit the person for failing to comply with any requirement under  
40 title 6, chapter 12.

41           D. In addition to any other criminal or civil remedy, if a person  
42 violates subsection A or B of this section as part of a pattern of  
43 violations that involve a total of \$100,000 or more in any twelve-month  
44 period, the person is subject to forfeiture of substitute assets in an



1 amount that is three times the amount that was involved in the pattern,  
2 including conduct that occurred before and after the twelve-month period.

3 E. Money laundering in the third degree is a class 6 felony. Money  
4 laundering in the second degree is a class 3 felony. Money laundering in  
5 the first degree is a class 2 felony.

6 F. THE EXCEPTION THAT IS ESTABLISHED BY 31 UNITED STATES CODE  
7 SECTION 5331(c)(1) DOES NOT APPLY TO PERSONS WHO ARE ENGAGED IN THE MONEY  
8 ACCUMULATION BUSINESS.

9 ~~F.~~ G. For the purposes of this section:

10 1. The following terms have the same ~~meaning~~ MEANINGS prescribed in  
11 section ~~6-1201~~ 6-1241:

12 (a) "Authorized delegate".

13 (b) "Licensee".

14 ~~(c) "Money accumulation business".~~

15 ~~(d)~~ (c) "Money transmitter".

16 ~~(e)~~ (d) "Trade or business".

17 ~~(f) "Transmitting money".~~

18 2. The following terms have the same ~~meaning~~ MEANINGS prescribed in  
19 section 13-2001:

20 (a) "Falsely alters a written instrument".

21 (b) "Falsely completes a written instrument".

22 (c) "Falsely makes a written instrument".

23 (d) "Forged instrument".

24 (e) "Personal identifying information".

25 (f) "Written instrument".

26 3. The following terms have the same ~~meaning~~ MEANINGS prescribed in  
27 section 13-2301:

28 (a) "Financial institution".

29 (b) "Financial instrument".

30 (c) "Racketeering", except that for the purposes of civil remedies  
31 sought by the attorney general, racketeering includes any act, regardless  
32 of whether the act would be chargeable or indictable under the laws of  
33 this state or whether the act is charged or indicted, that is committed  
34 for financial gain, punishable by imprisonment for more than one year  
35 under the laws of the United States and described in section  
36 274(a)(1)(A)(i), (ii) or (iii) or (a)(2) of the immigration and  
37 nationality act (8 United States Code section 1324(a)(1)(A)(i), (ii) or  
38 (iii) or (a)(2)) if persons acting in concert in the conduct acquire a  
39 total of more than \$5,000 through the conduct in a one-month period. For  
40 the purpose of forfeiture of property other than real property, the  
41 conduct must involve more than three aliens in a one-month period. For  
42 the purpose of forfeiture of real property, the conduct must involve more  
43 than fifteen aliens in a one-month period.

1 4. The following terms have the same meaning prescribed in section  
2 13-2314:

3 (a) "Acquire".

4 (b) "Proceeds".

5 ~~6.~~ H. For the purposes of this section:

6 ~~1. "Deputy director" has the same meaning prescribed in section~~  
7 ~~6-101.~~

8 1. "MONEY ACCUMULATION BUSINESS":

9 (a) MEANS OBTAINING MONEY FROM A MONEY TRANSMITTER AS PART OF ANY  
10 ACTIVITY THAT IS CONDUCTED FOR FINANCIAL GAIN IF THE MONEY THAT IS  
11 OBTAINED BY ALL PERSONS ACTING IN CONCERT IN THE ACTIVITY, IN AMOUNTS OF  
12 \$1,000 OR MORE, TOTALS OVER \$50,000 IN THE PRECEDING TWELVE-MONTH PERIOD.

13 (b) DOES NOT INCLUDE A PERSON WHO IS SUBJECT TO THE REPORTING  
14 REQUIREMENTS UNDER 31 UNITED STATES CODE SECTION 5313.

15 2. "Offense" has the same meaning prescribed in section 13-105 and  
16 includes conduct for which a sentence to a term of incarceration is  
17 provided by any law of the United States.

18 3. "Transaction" means a purchase, sale, trade, loan, pledge,  
19 investment, gift, transfer, transmission, delivery, deposit, withdrawal,  
20 payment, transfer between accounts, exchange of currency, extension of  
21 credit, purchase or sale of any financial instrument or any other  
22 acquisition or disposition of property by whatever means.

23 4. "TRANSMITTING MONEY" MEANS THE TRANSMISSION OF MONEY BY ANY  
24 MEANS, INCLUDING TRANSMISSIONS WITHIN THIS COUNTRY OR TO OR FROM LOCATIONS  
25 ABROAD BY PAYMENT INSTRUMENT, WIRE, FAX, INTERNET OR ANY OTHER ELECTRONIC  
26 TRANSFER, COURIER OR OTHERWISE.

27 Sec. 11. Section 41-5605, Arizona Revised Statutes, is amended to  
28 read:

29 41-5605. Scope

30 A. If the attorney general approves an application for entry into  
31 the regulatory sandbox, the applicant is deemed a sandbox participant and  
32 both of the following apply:

33 1. The sandbox participant has twenty-four months after the date of  
34 approval to test the innovation described in the sandbox participant's  
35 application.

36 2. The attorney general must issue the sandbox participant a  
37 registration number.

38 B. Innovations tested within the regulatory sandbox are subject to  
39 the following restrictions:

40 1. Consumers must be residents of this state, except for  
41 transactions that involve an innovation provided by a sandbox participant  
42 testing financial products or services as a money transmitter as defined  
43 in section ~~6-1201~~ 6-1241 or A related innovation, in which case only  
44 physical presence of the consumer in this state at the time of the  
45 transaction may be required.

1           2. Except as provided in subsection C of this section or section  
2 41-5608, an innovation may not be tested with more than ten thousand  
3 consumers.

4           3. For a sandbox participant testing consumer lender loans as  
5 defined in section 6-601, an individual consumer lender loan may be issued  
6 for up to \$15,000, except that aggregate loans per consumer may not exceed  
7 \$50,000. All consumer lender loans issued in the regulatory sandbox,  
8 including loans in excess of \$10,000, are subject to all of the following:

- 9           (a) Section 6-114.
- 10           (b) Section 6-632.
- 11           (c) Section 6-635, subsections A, B and C.
- 12           (d) Section 6-637.

13           4. Except as provided in subsection C of this section, for a  
14 sandbox participant testing financial products or services as a money  
15 transmitter as defined in section ~~6-1201~~ 6-1241, individual transactions  
16 per consumer may not exceed \$2,500 and aggregate transactions per consumer  
17 may not exceed \$25,000.

18           5. For sandbox participants testing financial products or services  
19 as a sales finance company as defined in section 44-281, all of the  
20 following apply:

- 21           (a) Section 44-286.
- 22           (b) Section 44-287, except subsection B, paragraph 8.
- 23           (c) Section 44-288.
- 24           (d) Section 44-289.
- 25           (e) Section 44-290.
- 26           (f) Section 44-291.
- 27           (g) Section 44-293.
- 28           (h) Section 47-9601.

29           6. For sandbox participants testing financial products or services  
30 that provide investment management that is regulated pursuant to title 44,  
31 chapter 13:

- 32           (a) Section 44-3241 applies.
- 33           (b) The corporation commission rules adopted pursuant to title 44,  
34 chapter 13 apply as they relate to dishonest and unethical practices.

35           C. If a sandbox participant demonstrates adequate financial  
36 capitalization, risk management process and management oversight, the  
37 attorney general may allow either or both of the following:

38           1. Except as provided in section 41-5608, an innovation ~~may~~ **TO** not  
39 be tested with more than seventeen thousand five hundred consumers.

40           2. For a sandbox participant testing products or services as a  
41 money transmitter as defined in section ~~6-1201~~ 6-1241, individual  
42 transactions per consumer that do not exceed \$15,000 and aggregate  
43 transactions per consumer that do not exceed \$50,000.

1 D. This section does not restrict a sandbox participant who holds a  
2 license or other authorization in another jurisdiction from acting  
3 pursuant to and in accordance with that license or other authorization.

4 E. A sandbox participant is deemed to possess an appropriate  
5 license under the laws of this state for purposes of any provision of  
6 federal law requiring state licensure or authorization.

7 F. Except as otherwise provided in this chapter, a sandbox  
8 participant is not subject to state laws that establish requirements  
9 pursuant to a license or authorization issued by an applicable agency that  
10 otherwise would or may regulate an innovative financial product or  
11 service.

12 G. The attorney general may determine that certain state laws that  
13 regulate a financial product or service apply to a sandbox participant.  
14 If the attorney general makes this determination and approves an  
15 application for entry into the regulatory sandbox, the attorney general  
16 must notify the sandbox participant of the specific state regulatory laws  
17 that will apply to the sandbox participant. Pursuant to section 41-5611,  
18 the attorney general alone shall enforce the state regulatory laws  
19 applicable to sandbox participants, including the restrictions established  
20 by this section.

21 H. To the extent that a sandbox participant is required by this  
22 chapter to obtain, record, provide or maintain any information, writing,  
23 signature, record or disclosure, the sandbox participant may do so in  
24 electronic form, including as provided in section 44-7601, or may  
25 substitute any substantially similar equivalent information, writing,  
26 signature, record or disclosure that is approved by the attorney general.

27 Sec. 12. Transition

28 A. A person who is licensed as a money transmitter pursuant to  
29 title 6, chapter 12, article 1, Arizona Revised Statutes, as repealed by  
30 this act, is not subject to title 6, chapter 12, article 1, Arizona  
31 Revised Statutes, as added by this act if there are conflicts between the  
32 two articles until the person renews the person's license or until six  
33 months after the effective date of this act, whichever is later.

34 B. Notwithstanding any other law, a person who is licensed as a  
35 money transmitter pursuant to title 6, chapter 12, article 1, Arizona  
36 Revised Statutes, as repealed by this act, must only amend its authorized  
37 delegate contracts for contracts entered into or amended after the  
38 effective date of this act or after the completion of any period described  
39 by subsection A of this section.