

SECOND REGULAR SESSION

HOUSE BILL NO. 1478

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CHRIST.

3105H.031

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 361.700, 361.705, 361.707, 361.711, 361.715, 361.718, 361.720, 361.723, 361.725, and 361.727, RSMo, and to enact in lieu thereof forty-five new sections relating to money transmission, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 361.700, 361.705, 361.707, 361.711, 361.715, 361.718, 361.720, 2 361.723, 361.725, and 361.727, RSMo, are repealed and forty-five new sections enacted in 3 lieu thereof, to be known as sections 361.900, 361.903, 361.906, 361.909, 361.912, 361.915, 4 361.918, 361.921, 361.924, 361.927, 361.930, 361.933, 361.936, 361.939, 361.942, 361.945, 5 361.948, 361.951, 361.954, 361.957, 361.960, 361.963, 361.966, 361.969, 361.972, 361.975, 6 361.978, 361.981, 361.984, 361.987, 361.990, 361.996, 361.999, 361.1002, 361.1005, 7 361.1008, 361.1011, 361.1014, 361.1017, 361.1020, 361.1023, 361.1026, 361.1029, 8 361.1032, and 361.1035, to read as follows:

361.900. Sections 361.900 to 361.1035 shall be known and may be cited as the 2 "Money Transmission Modernization Act of 2024".

361.903. Sections 361.900 to 361.1035 are designed to replace existing state 2 money transmission laws currently codified in law and to:

3 (1) Ensure states may coordinate in all areas of regulation, licensing, and 4 supervision to eliminate unnecessary regulatory burden and more effectively utilize 5 regulator resources;

6 (2) Protect the public from financial crime;

7 (3) Standardize the types of activities that are subject to licensing or otherwise 8 exempt from licensing; and

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

9 **(4) Modernize safety and soundness requirements to ensure customer funds are**
10 **protected in an environment that supports innovative and competitive business**
11 **practices.**

361.906. For purposes of sections 361.900 to 361.1035, the following terms shall
2 **mean:**

3 **(1) "Acting in concert", persons knowingly acting together with a common goal**
4 **of jointly acquiring control of a licensee, regardless of whether under an express**
5 **agreement;**

6 **(2) "Authorized delegate", a person that a licensee designates to engage in**
7 **money transmission on behalf of the licensee;**

8 **(3) "Average daily money transmission liability", the amount of the licensee's**
9 **outstanding money transmission obligations in this state at the end of each day in a**
10 **given period of time, added together, and divided by the total number of days in the**
11 **given period of time. For purposes of calculating average daily money transmission**
12 **liability under sections 361.900 to 361.1035 for any licensee required to do so, the given**
13 **period of time shall be the quarters ending March thirty-first, June thirtieth, September**
14 **thirtieth, and December thirty-first;**

15 **(4) "Bank Secrecy Act", the Bank Secrecy Act, 31 U.S.C. Section 5311 et seq.,**
16 **and its implementing regulations, as amended and recodified from time to time;**

17 **(5) "Closed loop stored value", stored value that is redeemable by the issuer only**
18 **for goods or services provided by the issuer or its affiliate or franchisees of the issuer or**
19 **its affiliate, except to the extent required by applicable law to be redeemable in cash for**
20 **its cash value;**

21 **(6) "Control":**

22 **(a) The power to vote, directly or indirectly, at least twenty-five percent of the**
23 **outstanding voting shares or voting interests of a licensee or person in control of a**
24 **licensee;**

25 **(b) The power to elect or appoint a majority of key individuals or executive**
26 **officers, managers, directors, trustees, or other persons exercising managerial authority**
27 **of a person in control of a licensee; or**

28 **(c) The power to exercise, directly or indirectly, a controlling influence over the**
29 **management or policies of a licensee or person in control of a licensee.**

30

31 **A person is presumed to exercise a controlling influence if the person holds the power to**
32 **vote, directly or indirectly, at least ten percent of the outstanding voting shares or voting**
33 **interests of a licensee or person in control of a licensee. A person presumed to exercise a**
34 **controlling influence as defined under this subdivision can rebut the presumption of**

35 control if the person is a passive investor. For purposes of determining the percentage of
36 a person controlled by any other person, the person's interest shall be aggregated with
37 the interest of any other immediate family member, including the person's spouse,
38 parents, children, siblings, mothers- and fathers-in law, sons- and daughters-in-law,
39 brothers- and sisters-in-law, and any other person who shares such person's home;

40 (7) "Director", the director of the Missouri division of finance;

41 (8) "Eligible rating", a credit rating of any of the three highest rating categories
42 provided by an eligible rating service. Each category may include rating category
43 modifiers such as "plus" or "minus" for Standard and Poor's or the equivalent for any
44 other eligible rating service;

45 (9) "Eligible rating service", any nationally recognized statistical rating
46 organization (NRSRO) as defined by the United States Securities and Exchange
47 Commission and any other organization designated by rule or order;

48 (10) "Federally insured depository financial institution", a bank, credit union,
49 savings and loan association, trust company, savings association, savings bank,
50 industrial bank, or industrial loan company organized under the laws of the United
51 States or any state of the United States if such bank, credit union, savings and loan
52 association, trust company, savings association, savings bank, industrial bank, or
53 industrial loan company has federally insured deposits;

54 (11) "In this state", at a physical location within this state for a transaction
55 requested in person. For a transaction requested electronically or by phone, the
56 provider of money transmission may determine if the person requesting the transaction
57 is in this state by relying on other information provided by the person regarding the
58 location of the individual's residential address or a business entity's principal place of
59 business or other physical address location, and any records associated with the person
60 that the provider of money transmission may have that indicate such location including,
61 but not limited to, an address associated with an account;

62 (12) "Individual", a natural person;

63 (13) "Key individual", any individual ultimately responsible for establishing or
64 directing policies and procedures of the licensee, such as an executive officer, manager,
65 director, or trustee;

66 (14) "Licensee", a person licensed under sections 361.900 to 361.1035;

67 (15) "Material litigation", litigation that, according to United States generally
68 accepted accounting principles, is significant to a person's financial health and would be
69 required to be disclosed in the person's annual audited financial statements, report to
70 shareholders, or similar records;

71 **(16) "Monetary value", a medium of exchange, regardless of whether**
72 **redeemable in money;**

73 **(17) "Money", a medium of exchange that is authorized or adopted by the**
74 **United States or a foreign government. The term includes a monetary unit of account**
75 **established by an intergovernmental organization or by agreement between two or more**
76 **governments;**

77 **(18) "Money transmission", any of the following:**

78 **(a) Selling or issuing payment instruments to a person located in this state;**

79 **(b) Selling or issuing stored value to a person located in this state; or**

80 **(c) Receiving money for transmission from a person located in this state.**

81

82 **The term includes payroll processing services. The term does not include the provision**
83 **solely of online or telecommunications services or network access;**

84 **(19) "Multistate licensing process", any agreement entered into by and among**
85 **state regulators relating to coordinated processing of applications for money**
86 **transmission licenses, applications for the acquisition of control of a licensee, control**
87 **determinations, or notice and information requirements for a change of key individuals;**

88 **(20) "NMLS", the Nationwide Multistate Licensing System and Registry**
89 **developed by the Conference of State Bank Supervisors and the American Association**
90 **of Residential Mortgage Regulators and owned and operated by the State Regulatory**
91 **Registry LLC or any successor or affiliated entity for the licensing and registration of**
92 **persons in financial services industries;**

93 **(21) "Outstanding money transmission obligations":**

94 **(a) Any payment instrument or stored value issued or sold by the licensee to a**
95 **person located in the United States or reported as sold by an authorized delegate of the**
96 **licensee to a person that is located in the United States that has not yet been paid or**
97 **refunded by or for the licensee or escheated in accordance with applicable abandoned**
98 **property laws; or**

99 **(b) Any money received for transmission by the licensee or an authorized**
100 **delegate in the United States from a person located in the United States that has not**
101 **been received by the payee or refunded to the sender, or escheated in accordance with**
102 **applicable abandoned property laws.**

103

104 **For purposes of this subdivision, "in the United States" shall include, to the extent**
105 **applicable, a person in any state, territory, or possession of the United States; the**
106 **District of Columbia; the Commonwealth of Puerto Rico; or a U.S. military installation**
107 **that is located in a foreign country;**

- 108 **(22) "Passive investor", a person that:**
- 109 **(a) Does not have the power to elect a majority of key individuals or executive**
110 **officers, managers, directors, trustees, or other persons exercising managerial authority**
111 **of a person in control of a licensee;**
- 112 **(b) Is not employed by and does not have any managerial duties of the licensee**
113 **or person in control of a licensee;**
- 114 **(c) Does not have the power to exercise, directly or indirectly, a controlling**
115 **influence over the management or policies of a licensee or person in control of a licensee;**
116 **and**
- 117 **(d) Either:**
- 118 **a. Attests to paragraphs (a), (b), and (c) of this subdivision, in a form and in a**
119 **medium prescribed by the director; or**
- 120 **b. Commits to the passivity characteristics of paragraphs (a), (b), and (c) of this**
121 **subdivision in a written document;**
- 122 **(23) "Payment instrument", a written or electronic check, draft, money order,**
123 **traveler's check, or other written or electronic instrument for the transmission or**
124 **payment of money or monetary value, regardless of whether negotiable. The term does**
125 **not include stored value or any instrument that:**
- 126 **(a) Is redeemable by the issuer only for goods or services provided by the issuer**
127 **or its affiliate or franchisees of the issuer or its affiliate, except to the extent required by**
128 **applicable law to be redeemable in cash for its cash value; or**
- 129 **(b) Is not sold to the public but issued and distributed as part of a loyalty,**
130 **rewards, or promotional program;**
- 131 **(24) "Payroll processing services", receiving money for transmission under a**
132 **contract with a person to deliver wages or salaries, make payment of payroll taxes to**
133 **state and federal agencies, make payments relating to employee benefit plans, or make**
134 **distributions of other authorized deductions from wages or salaries. The term does not**
135 **include an employer performing payroll processing services on its own behalf or on**
136 **behalf of its affiliate or a professional employer organization subject to regulation under**
137 **sections 285.700 to 285.750;**
- 138 **(25) "Person", any individual, general partnership, limited partnership, limited**
139 **liability company, corporation, trust, association, joint stock corporation, or other**
140 **corporate entity identified by the director;**
- 141 **(26) "Receiving money for transmission" or "money received for transmission",**
142 **receiving money or monetary value in the United States for transmission within or**
143 **outside the United States by electronic or other means;**

144 (27) "Stored value", monetary value representing a claim against the issuer
145 evidenced by an electronic or digital record and that is intended and accepted for use as
146 a means of redemption for money, or monetary value, or payment for goods or services.
147 The term includes, but is not limited to, "prepaid access" as defined under 31 CFR
148 Section 1010.100, as amended or recodified from time to time. Notwithstanding the
149 provisions of this subdivision, the term does not include a payment instrument or closed
150 loop stored value, or stored value not sold to the public but issued and distributed as
151 part of a loyalty, rewards, or promotional program;

152 (28) "Tangible net worth", the aggregate assets of a licensee excluding all
153 intangible assets, less liabilities, as determined in accordance with United States
154 generally accepted accounting principles.

361.909. Sections 361.900 to 361.1035 shall not apply to:

2 (1) An operator of a payment system to the extent that it provides processing,
3 clearing, or settlement services between or among persons exempted under this section
4 or licensees in connection with wire transfers, credit card transactions, debit card
5 transactions, stored value transactions, automated clearinghouse transfers, or similar
6 funds transfers;

7 (2) A person appointed as an agent of a payee to collect and process a payment
8 from a payer to the payee for goods or services, other than money transmission itself,
9 provided to the payer by the payee, provided that:

10 (a) There exists a written agreement between the payee and the agent directing
11 the agent to collect and process payments from a payer on the payee's behalf;

12 (b) The payee holds the agent out to the public as accepting payments for goods
13 or services on the payee's behalf; and

14 (c) Payment for the goods and services is treated as received by the payee upon
15 receipt by the agent so that the payer's obligation is extinguished and there is no risk of
16 loss to the payer if the agent fails to remit the funds to the payee;

17 (3) A person that acts as an intermediary by processing payments between an
18 entity that has directly incurred an outstanding money transmission obligation to a
19 sender and the sender's designated recipient, provided that the entity:

20 (a) Is properly licensed or exempt from licensing requirements under sections
21 361.900 to 361.1035;

22 (b) Provides a receipt, electronic record, or other written confirmation to the
23 sender identifying the entity as the provider of money transmission in the transaction;
24 and

25 **(c) Bears sole responsibility to satisfy the outstanding money transmission**
26 **obligation to the sender, including the obligation to make the sender whole in connection**
27 **with any failure to transmit the funds to the sender's designated recipient;**

28 **(4) The United States or a department, agency, or instrumentality thereof, or its**
29 **agent;**

30 **(5) Money transmission by the United States Postal Service or by an agent of the**
31 **United States Postal Service;**

32 **(6) A state, county, city, or any other governmental agency or governmental**
33 **subdivision or instrumentality of a state, or its agent;**

34 **(7) A federally insured depository financial institution; bank holding company;**
35 **office of an international banking corporation; foreign bank that establishes a federal**
36 **branch under the International Bank Act, 12 U.S.C. Section 3102, as amended or**
37 **recodified from time to time; corporation organized under the Bank Service**
38 **Corporation Act, 12 U.S.C. Sections 1861-1867, as amended or recodified from time**
39 **to time; or corporation organized under the Edge Act, 12 U.S.C. Sections 611-633, as**
40 **amended or recodified from time to time, under the laws of a state or the United States;**

41 **(8) Electronic funds transfer of governmental benefits for a federal, state,**
42 **county, or governmental agency by a contractor on behalf of the United States or a**
43 **department, agency, or instrumentality thereof, or on behalf of a state or governmental**
44 **subdivision, agency, or instrumentality thereof;**

45 **(9) A board of trade designated as a contract market under the federal**
46 **Commodity Exchange Act, 7 U.S.C. Sections 1-25, as amended or recodified from time**
47 **to time, or a person that, in the ordinary course of business, provides clearance and**
48 **settlement services for a board of trade to the extent of its operation as or for such a**
49 **board;**

50 **(10) A registered futures commission merchant under the federal commodities**
51 **laws to the extent of its operation as such a merchant;**

52 **(11) A person registered as a securities broker-dealer under federal or state**
53 **securities laws to the extent of its operation as such a broker-dealer;**

54 **(12) An individual employed by a licensee, authorized delegate, or any person**
55 **exempted from the licensing requirements under sections 361.900 to 361.1035 if acting**
56 **within the scope of employment and under the supervision of the licensee, authorized**
57 **delegate, or exempted person as an employee and not as an independent contractor;**

58 **(13) A person expressly appointed as a third-party service provider to or agent**
59 **of an entity exempt under subdivision (7) of this subsection solely to the extent that:**

60 (a) Such service provider or agent is engaging in money transmission on behalf
61 of and under a written agreement with the exempt entity that sets forth the specific
62 functions that the service provider or agent is to perform; and

63 (b) The exempt entity assumes all risk of loss and all legal responsibility for
64 satisfying the outstanding money transmission obligations owed to purchasers and
65 holders of the outstanding money transmission obligations upon receipt of the
66 purchaser's or holder's money or monetary value by the service provider or agent.

361.912. The director may require that any person claiming to be exempt from
2 licensing under section 361.909 provide information and documentation to the director
3 demonstrating that the person qualifies for any claimed exemption.

361.915. 1. In order to carry out the purposes of sections 361.900 to 361.1035,
2 the director may, subject to the provisions of subsections 1 and 2 of section 361.918:

3 (1) Enter into agreements or relationships with other government officials or
4 federal and state regulatory agencies and regulatory associations in order to improve
5 efficiencies and reduce regulatory burden by standardizing methods or procedures, and
6 sharing resources, records, or related information obtained under sections 361.900 to
7 361.1035;

8 (2) Use, hire, contract, or employ analytical systems, methods, or software to
9 examine or investigate any person subject to sections 361.900 to 361.1035;

10 (3) Accept, from other state or federal government agencies or officials,
11 licensing, examination, or investigation reports made by such other state or federal
12 government agencies or officials; and

13 (4) Accept audit reports made by an independent certified public accountant or
14 other qualified third-party auditor for an applicant or licensee and incorporate the
15 audit report in any report of examination or investigation.

16 2. The director shall have the broad administrative authority to:

17 (1) Administer, interpret, and enforce sections 361.900 to 361.1035 and
18 promulgate rules or regulations implementing sections 361.900 to 361.1035; and

19 (2) Recover the cost of administering and enforcing sections 361.900 to 361.1035
20 by imposing and collecting proportionate and equitable fees and costs associated with
21 applications, examinations, investigations, and other actions required to achieve the
22 purpose of sections 361.900 to 361.1035.

23 3. The director shall promulgate all necessary rules and regulations for the
24 administration of sections 361.900 to 361.1035. Any rule or portion of a rule, as that
25 term is defined in section 536.010, that is created under the authority delegated in this
26 section shall become effective only if it complies with and is subject to all of the
27 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter

28 **536 are nonseverable and if any of the powers vested with the general assembly**
29 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
30 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
31 **and any rule proposed or adopted after August 28, 2024, shall be invalid and void.**

361.918. 1. Except as otherwise provided in subsection 2 of this section, all
2 **information or reports obtained by the director from an applicant, licensee, or**
3 **authorized delegate and all information contained in or related to an examination,**
4 **investigation, operating report, or condition report prepared by, on behalf of, or for the**
5 **use of the director, or financial statements, balance sheets, or authorized delegate**
6 **information, shall be confidential and held in accordance with section 361.080.**

7 **2. The director may disclose information not otherwise subject to disclosure**
8 **under subsection 1 of this section to representatives of state or federal agencies who**
9 **shall confirm in writing that they will maintain the confidentiality of the information.**

10 **3. This section does not prohibit the director from disclosing to the public a list**
11 **of all licensees or the aggregated financial or transactional data concerning those**
12 **licensees.**

361.921. 1. The director may conduct an examination or investigation of a
2 **licensee or authorized delegate or otherwise take independent action authorized by**
3 **sections 361.900 to 361.1035 or by a rule adopted or order issued under sections 361.900**
4 **to 361.1035 as reasonably necessary or appropriate to administer and enforce sections**
5 **361.900 to 361.1035, regulations implementing sections 361.900 to 361.1035, and other**
6 **applicable law, including the Bank Secrecy Act and the USA PATRIOT Act. The**
7 **director may:**

8 **(1) Conduct an examination either onsite or offsite as the director may**
9 **reasonably require;**

10 **(2) Conduct an examination in conjunction with an examination conducted by**
11 **representatives of other state agencies or agencies of another state or of the federal**
12 **government;**

13 **(3) Accept the examination report of another state agency or an agency of**
14 **another state or of the federal government, or a report prepared by an independent**
15 **accounting firm, which on being accepted is considered for all purposes as an official**
16 **report of the director; and**

17 **(4) Summon and examine under oath a key individual or employee of a licensee**
18 **or authorized delegate and require the person to produce records regarding any matter**
19 **related to the condition and business of the licensee or authorized delegate.**

20 **2. A licensee or authorized delegate shall provide, and the director shall have full**
21 **and complete access to, all records the director may reasonably require to conduct a**

22 complete examination. The records shall be provided at the location and in the format
23 specified by the director. The director may utilize multistate record production
24 standards and examination procedures if such standards and procedures will
25 reasonably achieve the requirements of this subsection.

26 3. Unless otherwise directed by the director, a licensee shall pay all costs
27 reasonably incurred in connection with an examination of the licensee or the licensee's
28 authorized delegates.

361.924. 1. To efficiently and effectively administer and enforce sections 361.900
2 to 361.1035 and to minimize regulatory burden, the director is authorized to participate
3 in multistate supervisory processes established between states or coordinated through
4 the Conference of State Bank Supervisors, Money Transmitter Regulators Association,
5 and affiliates and successors thereof for all licensees that hold licenses in this state and
6 other states. As a participant in multistate supervision, the director may:

7 (1) Cooperate, coordinate, and share information with other state and federal
8 regulators in accordance with section 361.918;

9 (2) Enter into written cooperation, coordination, or information-sharing
10 contracts or agreements with organizations the membership of which is made up of
11 state or federal governmental agencies; and

12 (3) Cooperate, coordinate, and share information with organizations the
13 membership of which is made up of state or federal governmental agencies, provided
14 that the organizations agree in writing to maintain the confidentiality and security of the
15 shared information in accordance with this section.

16 2. The director shall not waive and nothing in this section constitutes a waiver of
17 the director's authority to conduct an examination or investigation or otherwise take
18 independent action authorized by sections 361.900 to 361.1035 or a rule adopted or
19 order issued under sections 361.900 to 361.1035 to enforce compliance with applicable
20 state or federal law.

21 3. A joint examination or investigation, or acceptance of an examination or
22 investigation report, does not waive an examination assessment provided for in sections
23 361.900 to 361.1035.

361.927. 1. In the event state money transmission jurisdiction is conditioned on
2 a federal law, any inconsistencies between a provision of sections 361.900 to 361.1035
3 and the federal law governing money transmission shall be governed by the applicable
4 federal law to the extent of the inconsistency.

5 2. In the event of any inconsistencies between sections 361.900 to 361.1035 and a
6 federal law that governs under subsection 1 of this section, the director may provide
7 interpretive guidance that:

8 (1) Identifies the inconsistency; and

9 (2) Identifies the appropriate means of compliance with federal law.

361.930. 1. A person shall not engage in the business of money transmission or
2 advertise, solicit, or hold itself out as providing money transmission unless the person is
3 licensed under sections 361.900 to 361.1035.

4 2. Subsection 1 of this section shall not apply to:

5 (1) A person that is an authorized delegate of a person licensed under sections
6 361.900 to 361.1035 acting within the scope of authority conferred by a written contract
7 with the licensee; or

8 (2) A person that is exempt under section 361.909 and does not engage in money
9 transmission outside the scope of such exemption.

10 3. A license issued under section 361.942 shall not be transferable or assignable.

361.933. 1. To establish consistent licensing between this state and other states,
2 the director is authorized to:

3 (1) Implement the licensing provisions of sections 361.900 to 361.1035 in a
4 manner that is consistent with other states that have adopted the money transmission
5 modernizations act or multistate licensing processes; and

6 (2) Participate in nationwide protocols for licensing cooperation and
7 coordination among state regulators, provided that such protocols are consistent with
8 sections 361.900 to 361.1035.

9 2. In order to fulfill the purposes of sections 361.900 to 361.1035, the director is
10 authorized to establish relationships or contracts with NMLS, or other entities
11 designated by NMLS or other third parties to enable the director to:

12 (1) Collect and maintain records;

13 (2) Coordinate multistate licensing processes and supervision processes;

14 (3) Process fees; and

15 (4) Facilitate communication between this state and licensees or other persons
16 subject to sections 361.900 to 361.1035.

17 3. The director is authorized to utilize NMLS for all aspects of licensing in
18 accordance with sections 361.900 to 361.1035 including, but not limited to, license
19 applications, applications for acquisitions of control, surety bonds, reporting, criminal
20 history background checks, credit checks, fee processing, and examinations.

21 4. The director is authorized to utilize NMLS forms, processes, and
22 functionalities in accordance with sections 361.900 to 361.1035.

23 5. (1) The director is authorized to establish and adopt, by rule or regulation,
24 requirements for participation by applicants and licensees in NMLS upon the division of

25 finance's determination that each requirement is consistent with law, public interest,
26 and the purposes of this section.

27 (2) Any rule or portion of a rule, as that term is defined in section 536.010, that is
28 created under the authority delegated in this section shall become effective only if it
29 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
30 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
31 vested with the general assembly pursuant to chapter 536 to review, to delay the
32 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,
33 then the grant of rulemaking authority and any rule proposed or adopted after August
34 28, 2024, shall be invalid and void.

361.936. 1. Applicants for a license shall apply in a form and in a medium as
2 prescribed by the director. Each such form shall contain content as set forth by rule,
3 regulation, instruction, or procedure of the director and may be changed or updated by
4 the director in accordance with applicable law in order to carry out the purposes of
5 sections 361.900 to 361.1035 and maintain consistency with licensing standards and
6 practices. The application shall state or contain, as applicable:

7 (1) The legal name and residential and business addresses of the applicant and
8 any fictitious or trade name used by the applicant in conducting its business;

9 (2) Whether the applicant has been convicted of, or pled guilty or nolo
10 contendere to, a felony involving an act of fraud, dishonesty, a breach of trust, or money
11 laundering;

12 (3) A description of any money transmission previously provided by the
13 applicant and the money transmission that the applicant seeks to provide in this state;

14 (4) A list of the applicant's proposed authorized delegates and the locations in
15 this state where the applicant and its authorized delegates propose to engage in money
16 transmission;

17 (5) A list of other states in which the applicant is licensed to engage in money
18 transmission and any license revocations, suspensions, or other disciplinary action taken
19 against the applicant in another state;

20 (6) Information concerning any bankruptcy or receivership proceedings
21 affecting the licensee or a person in control of a licensee;

22 (7) A sample form of contract for authorized delegates, if applicable;

23 (8) A sample form of payment instrument or stored value, as applicable;

24 (9) The name and address of any federally insured depository financial
25 institution through which the applicant plans to conduct money transmission;

26 (10) A list of any material litigation in which the applicant has been involved in
27 the ten-year period next preceding the submission of the application; and

28 **(11) Any other information the director reasonably requires with respect to the**
29 **applicant.**

30 **2. If an applicant is a corporation, limited liability company, partnership, or**
31 **other legal entity, the applicant shall also provide:**

32 **(1) The date of the applicant's incorporation or formation and state or country**
33 **of incorporation or formation;**

34 **(2) If applicable, a certificate of good standing from the state or country in which**
35 **the applicant is incorporated or formed;**

36 **(3) A brief description of the structure or organization of the applicant,**
37 **including any parents or subsidiaries of the applicant, and whether any parents or**
38 **subsidiaries are publicly traded;**

39 **(4) The legal name, any fictitious or trade name, all business and residential**
40 **addresses, and the employment, as applicable, in the ten-year period next preceding the**
41 **submission of the application of each key individual and person in control of the**
42 **applicant;**

43 **(5) Whether they have been convicted of, or pled guilty or nolo contendere to, a**
44 **felony involving an act of fraud, dishonesty, a breach of trust, or money laundering;**

45 **(6) A copy of audited financial statements of the applicant for the most recent**
46 **fiscal year and for the two-year period next preceding the submission of the application**
47 **or, if determined to be acceptable to the director, certified unaudited financial**
48 **statements for the most recent fiscal year or other period acceptable to the director;**

49 **(7) A certified copy of unaudited financial statements of the applicant for the**
50 **most recent fiscal quarter;**

51 **(8) If the applicant is a publicly traded corporation, a copy of the most recent**
52 **report filed with the United States Securities and Exchange Commission under Section**
53 **13 of the federal Securities Exchange Act of 1934, 15 U.S.C. Section 78m, as amended or**
54 **recodified from time to time;**

55 **(9) If the applicant is a wholly owned subsidiary of:**

56 **(a) A corporation publicly traded in the United States, a copy of audited**
57 **financial statements for the parent corporation for the most recent fiscal year or a copy**
58 **of the parent corporation's most recent report filed under Section 13 of the U.S.**
59 **Securities Exchange Act of 1934, 15 U.S.C. Section 78m, as amended or recodified from**
60 **time to time; or**

61 **(b) A corporation publicly traded outside the United States, a copy of similar**
62 **documentation filed with the regulator of the parent corporation's domicile outside the**
63 **United States;**

64 **(10) The name and address of the applicant's registered agent in this state;**

65 (11) A list of any material litigation in which the applicant has been involved in
66 the ten-year period next preceding the submission of the application; and

67 (12) Any other information the director reasonably requires with respect to the
68 applicant.

69 3. A nonrefundable application fee and license fee, as determined by the director,
70 shall accompany an application for a license under this section.

71 4. The director may waive one or more requirements of subsections 1 and 2 of
72 this section or permit an applicant to submit other information in lieu of the required
73 information.

361.939. 1. Any individual in control of a licensee or applicant, any individual
2 that seeks to acquire control of a licensee, and each key individual shall furnish to the
3 director through NMLS the following:

4 (1) The individual's fingerprints for submission to the Federal Bureau of
5 Investigation and the director for purposes of a national criminal history background
6 check unless the person currently resides outside of the United States and has resided
7 outside of the United States for the last ten years; and

8 (2) Personal history and experience in a form and in a medium prescribed by the
9 director, to obtain the following:

10 (a) An independent credit report from a consumer reporting agency unless the
11 individual does not have a Social Security number, in which case this requirement shall
12 be waived;

13 (b) Whether they have been convicted of, or pled guilty or nolo contendere to, a
14 felony involving an act of fraud, dishonesty, a breach of trust, or money laundering; and

15 (c) Information related to any regulatory or administrative action and any civil
16 litigation involving claims of fraud, misrepresentation, conversion, mismanagement of
17 funds, breach of fiduciary duty, or breach of contract.

18 2. If the individual has resided outside of the United States at any time in the last
19 ten years, the individual shall also provide an investigative background report prepared
20 by an independent search firm that meets the following requirements:

21 (1) At a minimum, the search firm shall:

22 (a) Demonstrate that it has sufficient knowledge and resources and employs
23 accepted and reasonable methodologies to conduct the research for the background
24 report; and

25 (b) Not be affiliated with or have an interest with the individual it is researching;
26 and

27 (2) At a minimum, the investigative background report shall be written in the
28 English language and shall contain the following:

29 (a) If available in the individual's current jurisdiction of residency, a
30 comprehensive credit report, or any equivalent information obtained or generated by
31 the independent search firm to accomplish such report, including a search of the court
32 data in the countries, provinces, states, cities, towns, and contiguous areas where the
33 individual resided and worked;

34 (b) Criminal records information for the past ten years including, but not
35 limited to, felonies, misdemeanors, or similar convictions for violations of law in the
36 countries, provinces, states, cities, towns, and contiguous areas where the individual
37 resided and worked;

38 (c) Employment history;

39 (d) Media history, including an electronic search of national and local
40 publications, wire services, and business applications; and

41 (e) Financial services-related regulatory history including but not limited to,
42 money transmission, securities, banking, insurance, and mortgage-related industries.

361.942. 1. If an application for an original license under sections 361.900 to
2 361.1035 appears to include all the items and addresses and all of the matters that are
3 required, the application is complete and the director shall promptly notify the
4 applicant in a record of the date on which the application is determined to be complete,
5 and:

6 (1) The director shall approve or deny the application within one hundred
7 twenty days after the completion date; or

8 (2) If the application is not approved or denied within one hundred twenty days
9 after the completion date:

10 (a) The application is approved; and

11 (b) The license takes effect as of the first business day after expiration of the one-
12 hundred-twenty-day period.

13

14 The director may for good cause extend the application period.

15 2. A determination by the director that an application is complete and is
16 accepted for processing means only that the application, on its face, appears to include
17 all of the items, including the criminal background check response from the Federal
18 Bureau of Investigation, and address all of the matters that are required, and is not an
19 assessment of the substance of the application or of the sufficiency of the information
20 provided.

21 3. If an application is filed and considered complete under this section, the
22 director shall investigate the applicant's financial condition and responsibility, financial
23 and business experience, character, and general fitness. The director may conduct an

24 onsite investigation of the applicant, the reasonable cost of which the applicant shall pay.
25 The director shall issue a license to an applicant under this section if the director finds
26 that all of the following conditions have been fulfilled:

27 (1) The applicant has complied with the provisions of sections 361.929 and
28 361.936; and

29 (2) The financial condition and responsibility, financial and business experience,
30 competence, character, and general fitness of the applicant; and the competence,
31 experience, character, and general fitness of the key individuals and persons in control
32 of the applicant indicate that it is in the interest of the public to permit the applicant to
33 engage in money transmission.

34 4. If an applicant avails itself or is otherwise subject to a multistate licensing
35 process:

36 (1) The director shall be authorized to accept the investigation results of a lead
37 investigative state for the purpose of subsection 3 of this section if the lead investigative
38 state has sufficient staffing, expertise, and minimum standards; or

39 (2) If this state is a lead investigative state, the director shall be authorized to
40 investigate the applicant under subsection 3 of this section and the time frames
41 established by agreement through the multistate licensing process, provided however,
42 that in no case shall such time frame be noncompliant with the application period in
43 subdivision (1) of subsection 1 of this section.

44 5. The director shall issue a formal written notice of the denial of a license
45 application within thirty days of the decision to deny the application. The director shall
46 set forth in the notice of denial the specific reasons for the denial of the application. An
47 applicant whose application is denied by the director under this subsection may appeal
48 within thirty days after receipt of the written notice of the denial under chapter 536.

49 6. The initial license term shall begin on the day the application is approved.
50 The license shall expire on December thirty-first of the year in which the license term
51 began unless the initial license date is between November first and December thirty-
52 first, in which instance the initial license term shall run through December thirty-first of
53 the following year.

361.945. 1. A license under sections 361.900 to 361.1035 shall be renewed
2 annually. An annual renewal fee, to be determined by the director, shall be paid no
3 more than sixty days before the license expiration. The renewal term shall be for a
4 period of one year and shall begin on January first of each year after the initial license
5 term and shall expire on December thirty-first of the year the renewal term begins.

6 2. A licensee shall submit a renewal report with the renewal fee, in a form and in
7 a medium prescribed by the director. The renewal report shall state or contain a

8 description of each material change in information submitted by the licensee in its
9 original license application that has not been reported to the director.

10 3. The director for good cause may grant an extension of the renewal date.

11 4. The director shall be authorized and encouraged to utilize NMLS to process
12 license renewals, provided that such functionality is consistent with this section.

361.948. 1. If a licensee does not continue to meet the qualifications or satisfy the
2 requirements that apply to an applicant for a new money transmission license, the
3 director may suspend or revoke the licensee's license in accordance with the procedures
4 established under sections 361.900 to 361.1035 or other applicable state law for such
5 suspension or revocation.

6 2. An applicant for a money transmission license shall demonstrate that it meets
7 or will meet, and a money transmission licensee shall at all times meet, the requirements
8 in sections 361.999, 361.1002, and 361.1005.

361.951. 1. Any person, or group of persons acting in concert, seeking to acquire
2 control of a licensee shall obtain the written approval of the director prior to acquiring
3 control. An individual is not deemed to acquire control of a licensee and is not subject to
4 the acquisition of control provisions if that individual becomes a key individual in the
5 ordinary course of business.

6 2. A person, or group of persons acting in concert, seeking to acquire control of a
7 licensee shall, in cooperation with the licensee:

8 (1) Submit an application in a form and in a medium prescribed by the director;
9 and

10 (2) Submit a nonrefundable fee, to be determined by the director, with the
11 request for approval.

12 3. Upon request, the director may permit a licensee or a person, or group of
13 persons acting in concert, to submit some or all information required by the director
14 under subdivision (1) of subsection 2 of this section without using NMLS.

15 4. The application required under subdivision (1) of subsection 2 of this section
16 shall include information required under section 361.939 for any new key individuals
17 that have not previously completed the requirements of section 361.939 for a licensee.

18 5. When an application for acquisition of control under this section appears to
19 include all the items and address all of the matters that are required, the application
20 shall be considered complete. The director shall promptly notify the applicant in a
21 record of the date on which the application was determined to be complete, and:

22 (1) The director shall approve or deny the application within sixty days after the
23 completion date; or

24 **(2) If the application is not approved or denied within sixty days after the**
25 **completion date:**

26 **(a) The application is approved; and**

27 **(b) The person, or group of persons acting in concert, are not prohibited from**
28 **acquiring control; and**

29 **(3) The director may for good cause extend the application period.**

30 **6. A determination by the director that an application is complete and is**
31 **accepted for processing means only that the application, on its face, appears to include**
32 **all of the items and address all of the matters that are required, and is not an assessment**
33 **of the substance of the application or of the sufficiency of the information provided.**

34 **7. If an application is filed and considered complete under subsection 5 of this**
35 **section, the director shall investigate the financial condition and responsibility, financial**
36 **and business experience, character, and general fitness of the person, or group of**
37 **persons acting in concert, seeking to acquire control. The director shall approve an**
38 **acquisition of control under this section if the director finds that all of the following**
39 **conditions have been fulfilled:**

40 **(1) The requirements of subsections 2 and 4 of this section have been met, as**
41 **applicable; and**

42 **(2) The financial condition and responsibility, financial and business experience,**
43 **competence, character, and general fitness of the person, or group of persons acting in**
44 **concert, seeking to acquire control and the competence, experience, character, and**
45 **general fitness of the key individuals and persons that would be in control of the licensee**
46 **after the acquisition of control indicate that it is in the interest of the public to permit**
47 **the person, or group of persons acting in concert, to control the licensee.**

48 **8. If an applicant avails itself or is otherwise subject to a multistate licensing**
49 **process:**

50 **(1) The director is authorized to accept the investigation results of a lead**
51 **investigative state for the purpose of subsection 7 of this section if the lead investigative**
52 **state has sufficient staffing, expertise, and minimum standards; or**

53 **(2) If this state is a lead investigative state, the director is authorized to**
54 **investigate the applicant under subsection 7 of this section and the time frames**
55 **established by agreement through the multistate licensing process.**

56 **9. The director shall issue a formal written notice of the denial of an application**
57 **to acquire control within thirty days of the decision to deny the application. The**
58 **director shall set forth in the notice of denial the specific reasons for the denial of the**
59 **application. An applicant whose application is denied by the director under this**

60 subsection may appeal within thirty days after receipt of the written notice of the denial
61 under chapter 536.

62 **10. The requirements of subsections 1 and 2 of this section shall not apply to any**
63 **of the following:**

64 **(1) A person that acts as a proxy for the sole purpose of voting at a designated**
65 **meeting of the shareholders or holders of voting shares or voting interests of a licensee**
66 **or a person in control of a licensee;**

67 **(2) A person that acquires control of a licensee by devise or descent;**

68 **(3) A person that acquires control of a licensee as a personal representative,**
69 **custodian, guardian, conservator, or trustee, or as an officer appointed by a court of**
70 **competent jurisdiction or by operation of law;**

71 **(4) A person that is exempt under subsection 7 of section 361.909;**

72 **(5) A person that the director determines is not subject to subsection 1 of this**
73 **section based on the public interest;**

74 **(6) A public offering of securities of a licensee or a person in control of a**
75 **licensee; or**

76 **(7) An internal reorganization of a person in control of the licensee where the**
77 **ultimate person in control of the licensee remains the same.**

78 **11. Persons in subdivisions (2), (3), (4), (6), and (7) of subsection 10 of this section**
79 **in cooperation with the licensee shall notify the director within fifteen days after the**
80 **acquisition of control.**

81 **12. (1) The requirements of subsections 1 and 2 of this section shall not apply to**
82 **a person that has complied with and received approval to engage in money transmission**
83 **under sections 361.900 to 361.1035 or was identified as a person in control in a prior**
84 **application filed with and approved by the director or by another state under a**
85 **multistate licensing process, provided that:**

86 **(a) The person has not had a license revoked or suspended or controlled a**
87 **licensee that has had a license revoked or suspended while the person was in control of**
88 **the licensee in the previous five years;**

89 **(b) If the person is a licensee, the person is well managed and has received at**
90 **least a satisfactory rating for compliance at its most recent examination by another state**
91 **if such rating was given;**

92 **(c) The licensee to be acquired is projected to meet the requirements of sections**
93 **361.999, 361.1002, and 361.1005 after the acquisition of control is completed, and if the**
94 **person acquiring control is a licensee, that licensee is also projected to meet the**
95 **requirements of sections 361.999, 361.1002, and 361.1005 after the acquisition of control**
96 **is completed;**

97 (d) The licensee to be acquired will not implement any material changes to its
98 business plan as a result of the acquisition of control, and if the person acquiring control
99 is a licensee, that licensee also will not implement any material changes to its business
100 plan as a result of the acquisition of control; and

101 (e) The person provides notice of the acquisition in cooperation with the licensee
102 and attests to paragraphs (a) to (d) of this subdivision in a form and in a medium
103 prescribed by the director.

104 (2) If the notice is not disapproved within thirty days after the date on which the
105 notice was determined to be complete, the notice is deemed approved.

106 13. Before filing an application for approval to acquire control of a licensee, a
107 person may request in writing a determination from the director as to whether the
108 person would be considered a person in control of a licensee upon consummation of a
109 proposed transaction. If the director determines that the person would not be a person
110 in control of a licensee, the proposed person and transaction is not subject to the
111 requirements of subsections 1 and 2 of this section.

112 14. If a multistate licensing process includes a determination under subsection 13
113 of this section and an applicant avails itself or is otherwise subject to the multistate
114 licensing process:

115 (1) The director is authorized to accept the control determination of a lead
116 investigative state with sufficient staffing, expertise, and minimum standards for the
117 purpose of subsection 13 of this section; or

118 (2) If this state is a lead investigative state, the director is authorized to
119 investigate the applicant under subsection 13 of this section and the time frames
120 established by agreement through the multistate licensing process.

361.954. 1. A licensee adding or replacing any key individual shall:

2 (1) Provide notice in a manner prescribed by the director within fifteen days
3 after the effective date of the key individual's appointment; and

4 (2) Provide information as required by section 361.939 within forty-five days of
5 the effective date.

6 2. Within ninety days of the date on which the notice provided under subsection
7 1 of this section was determined to be complete, the director may issue a notice of
8 disapproval of a key individual if the competence, experience, character, or integrity of
9 the individual would not be in the best interests of the public or the customers of the
10 licensee to permit the individual to be a key individual of such licensee.

11 3. A notice of disapproval shall contain a statement of the basis for disapproval
12 and shall be sent to the licensee and the disapproved individual. A licensee may appeal a

13 notice of disapproval under chapter 536 within thirty days after receipt of such notice of
14 disapproval.

15 4. If the notice provided under subsection 1 of this section is not disapproved
16 within ninety days after the date on which the notice was determined to be complete, the
17 key individual is deemed approved.

18 5. If a multistate licensing process includes a key individual notice review and
19 disapproval process under this section and the licensee avails itself or is otherwise
20 subject to the multistate licensing process:

21 (1) The director is authorized to accept the determination of another state if the
22 investigating state has sufficient staffing, expertise, and minimum standards for the
23 purpose of this section; or

24 (2) If this state is a lead investigative state, the director is authorized to
25 investigate the applicant under subsection 2 of this section and the time frames
26 established by agreement through the multistate licensing process.

361.957. 1. Each licensee shall submit a report of condition within forty days of
2 the end of the calendar quarter or within any extended time as the director may
3 prescribe.

4 2. The report of condition shall include:

5 (1) Financial information at the licensee level;

6 (2) Nationwide and state-specific money transmission transaction information in
7 every jurisdiction in the United States where the licensee is licensed to engage in money
8 transmission;

9 (3) Permissible investments report;

10 (4) Transaction destination country reporting for money received for
11 transmission, if applicable; and

12 (5) Any other information the director reasonably requires with respect to the
13 licensee. The director is authorized to utilize NMLS for the submission of the report
14 required by subsection 1 of this section and is authorized to update as necessary the
15 requirements of this section to carry out the purposes of sections 361.900 to 361.1035
16 and maintain consistency with NMLS reporting.

17 3. The information required under subdivision (4) of subsection 2 of this section
18 shall be included only in a report of condition submitted within forty-five days of the
19 end of the fourth calendar quarter.

361.960. 1. Each licensee shall, within ninety days after the end of each fiscal
2 year or within any extended time as the director may prescribe, file with the director:

3 (1) An audited financial statement of the licensee for the fiscal year prepared in
4 accordance with United States generally accepted accounting principles; and

5 **(2) Any other information as the director may reasonably require.**

6 **2. The audited financial statement shall be prepared by an independent certified**
7 **public accountant or independent public accountant who is satisfactory to the director.**

8 **3. The audited financial statements shall include or be accompanied by a**
9 **certificate of opinion of the independent certified public accountant or independent**
10 **public accountant that is satisfactory in form and content to the director. If the**
11 **certificate or opinion is qualified, the director may order the licensee to take any action**
12 **as the director may find necessary to enable the independent certified public accountant**
13 **or independent public accountant to remove the qualification.**

361.963. 1. Each licensee shall submit a report of authorized delegates within
2 **forty-five days of the end of the calendar quarter. The director is authorized to utilize**
3 **NMLS for the submission of the report required under this section, provided that such**
4 **functionality is consistent with the requirements of this section.**

5 **2. The authorized delegate report shall include, at a minimum, each authorized**
6 **delegate's:**

- 7 **(1) Company legal name;**
8 **(2) Taxpayer employer identification number;**
9 **(3) Principal provider identifier;**
10 **(4) Physical address, if any;**
11 **(5) Mailing address;**
12 **(6) Any business conducted in other states;**
13 **(7) Any fictitious or trade name;**
14 **(8) Contact person name, phone number, and email;**
15 **(9) Start date as licensee's authorized delegate;**
16 **(10) End date acting as licensee's authorized delegate, if applicable; and**
17 **(11) Any other information the director reasonably requires with respect to the**
18 **authorized delegate.**

361.966. 1. A licensee shall file a report with the director within one business
2 **day after the licensee has reason to know of the occurrence of any of the following**
3 **events:**

4 **(1) The filing of a petition by or against the licensee under the United States**
5 **Bankruptcy Code, 11 U.S.C. Section 101-110, as amended or recodified from time to**
6 **time, for bankruptcy or reorganization;**

7 **(2) The filing of a petition by or against the licensee for receivership, the**
8 **commencement of any other judicial or administrative proceeding for its dissolution or**
9 **reorganization, or the making of a general assignment for the benefit of its creditors; or**

10 **(3) The commencement of a proceeding to revoke or suspend its license in a state**
11 **or country in which the licensee engages in business or is licensed.**

12 **2. A licensee shall notify the director within three business days after the licensee**
13 **has reason to know that:**

14 **(1) The licensee or a key individual or person in control of the licensee, has been**
15 **convicted of, or pled guilty or nolo contendere to a felony involving an act of fraud,**
16 **dishonesty, a breach of trust, or money laundering; or**

17 **(2) An authorized delegate has been convicted of, or pled guilty or nolo**
18 **contendere to, a felony involving an act of fraud, dishonesty, a breach of trust, or money**
19 **laundering.**

361.969. A licensee and an authorized delegate shall file all reports required by
2 **federal currency reporting, record keeping, and suspicious activity reporting**
3 **requirements as set forth in the Bank Secrecy Act and other federal and state laws**
4 **pertaining to money laundering. The timely filing of a complete and accurate report**
5 **required under this section with the appropriate federal agency is deemed compliant**
6 **with the requirements of this section.**

361.972. 1. A licensee shall maintain the following records for determining its
2 **compliance with sections 361.900 to 361.1035 for at least three years:**

3 **(1) A record of each outstanding money transmission obligation sold;**

4 **(2) A general ledger posted at least monthly containing all asset, liability, capital,**
5 **income, and expense accounts;**

6 **(3) Bank statements and bank reconciliation records;**

7 **(4) Records of outstanding money transmission obligations;**

8 **(5) Records of each outstanding money transmission obligation paid within the**
9 **three-year period;**

10 **(6) A list of the last known names and addresses of all of the licensee's authorized**
11 **delegates; and**

12 **(7) Any other records the director reasonably requires by rule.**

13 **2. The items specified in subsection 1 of this section may be maintained in any**
14 **form of record.**

15 **3. Records specified in subsection 1 of this section may be maintained outside**
16 **this state if the records are made accessible to the director on seven business days' notice**
17 **that is sent in a record.**

18 **4. All records maintained by the licensee as required in subsections 1 to 3 of this**
19 **section are open to inspection by the director under subsection 1 of section 361.921.**

2 **361.975. 1. As used in this section, "remit" means to make direct payments of**
3 **money to a licensee or its representative authorized to receive money or to deposit**
4 **money in a bank in an account specified by the licensee.**

5 **2. Before a licensee is authorized to conduct business through an authorized**
6 **delegate, or allows a person to act as the licensee's authorized delegate, the licensee**
7 **shall:**

8 **(1) Adopt, and update as necessary, written policies and procedures reasonably**
9 **designed to ensure that the licensee's authorized delegates comply with applicable state**
10 **and federal law;**

11 **(2) Enter into a written contract that complies with subsection 4 of this section;**
12 **and**

13 **(3) Conduct a reasonable risk-based background investigation sufficient for the**
14 **licensee to determine whether the authorized delegate has complied and will likely**
15 **comply with applicable state and federal law.**

16 **3. An authorized delegate shall operate in full compliance with sections 361.900**
17 **to 361.1035.**

18 **4. The written contract required under subsection 2 of this section shall be**
19 **signed by the licensee and the authorized delegate and, at a minimum, shall:**

20 **(1) Appoint the person signing the contract as the licensee's authorized delegate**
21 **with the authority to conduct money transmission on behalf of the licensee;**

22 **(2) Set forth the nature and scope of the relationship between the licensee and**
23 **the authorized delegate and the respective rights and responsibilities of the parties;**

24 **(3) Require the authorized delegate to agree to fully comply with all applicable**
25 **state and federal laws, rules, and regulations pertaining to money transmission,**
26 **including sections 361.900 to 361.1035 and regulations implementing sections 361.900 to**
27 **361.1035, relevant provisions of the Bank Secrecy Act, and the USA PATRIOT Act;**

28 **(4) Require the authorized delegate to remit and handle money and monetary**
29 **value in accordance with the terms of the contract between the licensee and the**
30 **authorized delegate;**

31 **(5) Impose a trust on money and monetary value net of fees received for money**
32 **transmission for the benefit of the licensee;**

33 **(6) Require the authorized delegate to prepare and maintain records as required**
34 **by sections 361.900 to 361.1035 or regulations implementing sections 361.900 to**
35 **361.1035, or as reasonably requested by the director;**

36 **(7) Acknowledge that the authorized delegate consents to examination or**
investigation by the director;

37 **(8) State that the licensee is subject to regulation by the director and that, as part**
38 **of that regulation, the director may suspend or revoke an authorized delegate**
39 **designation or require the licensee to terminate an authorized delegate designation; and**

40 **(9) Acknowledge receipt of the written policies and procedures required under**
41 **subdivision (1) of subsection 1 of this section.**

42 **5. If the licensee's license is suspended, revoked, surrendered, or expired, the**
43 **licensee shall, within five business days, provide documentation to the director that the**
44 **licensee has notified all applicable authorized delegates of the licensee whose names are**
45 **in a record filed with the directors of the suspension, revocation, surrender, or**
46 **expiration of a license. Upon suspension, revocation, surrender, or expiration of a**
47 **license, applicable authorized delegates shall immediately cease to provide money**
48 **transmission as an authorized delegate of the licensee.**

49 **6. An authorized delegate of a licensee holds in trust for the benefit of the**
50 **licensee all money net of fees received from money transmission. If any authorized**
51 **delegate commingles any funds received from money transmission with any other funds**
52 **or property owned or controlled by the authorized delegate, all commingled funds and**
53 **other property shall be considered held in trust in favor of the licensee in an amount**
54 **equal to the amount of money net of fees received from money transmission.**

55 **7. An authorized delegate shall not use a subdelegate to conduct money**
56 **transmission on behalf of a licensee.**

361.978. A person shall not engage in the business of money transmission on
2 **behalf of a person not licensed under sections 361.900 to 361.1035 or not exempt under**
3 **sections 361.909 and 361.912. A person that engages in such activity provides money**
4 **transmission to the same extent as if the person were a licensee and shall be jointly and**
5 **severally liable with the unlicensed or nonexempt person.**

361.981. 1. The circuit court in an action brought by a licensee shall have
2 **jurisdiction to grant appropriate equitable or legal relief, including without limitation**
3 **prohibiting the authorized delegate from directly or indirectly acting as an authorized**
4 **delegate for any licensee in this state and the payment of restitution, damages, or other**
5 **monetary relief, if the circuit court finds that an authorized delegate failed to remit**
6 **money in accordance with the written contract required by subsection 2 of section**
7 **361.1275 or as otherwise directed by the licensee or required by law.**

8 **2. If the circuit court issues an order prohibiting a person from acting as an**
9 **authorized delegate for any licensee under subsection 1 of this section, the licensee that**
10 **brought the action shall report the order to the director within thirty days and shall**
11 **report the order through NMLS within ninety days.**

12 **3. An authorized delegate who holds money in trust for the benefit of a licensee**
13 **and knowingly fails to remit more than one thousand dollars of such money is guilty of a**
14 **class E felony.**

15 **4. An authorized delegate who holds money in trust for the benefit of a licensee**
16 **and knowingly fails to remit no more than one thousand dollars of such money is guilty**
17 **of a class A misdemeanor.**

361.984. 1. Every licensee shall forward all money received for transmission in
2 **accordance with the terms of the agreement between the licensee and the sender unless**
3 **the licensee has a reasonable belief or a reasonable basis to believe that the sender may**
4 **be a victim of fraud or that a crime or violation of law, rule, or regulation has occurred,**
5 **is occurring, or may occur.**

6 **2. If a licensee fails to forward money received for transmission in accordance**
7 **with this section, the licensee shall respond to inquiries by the sender with the reason for**
8 **the failure unless providing a response would violate a state or federal law, rule, or**
9 **regulation.**

361.987. 1. This section shall not apply to:

2 **(1) Money received for transmission subject to the federal Remittance Rule, 12**
3 **CFR Part 1005, Subpart B, as amended or recodified from time to time; or**

4 **(2) Money received for transmission under a written agreement between the**
5 **licensee and payee to process payments for goods or services provided by the payee.**

6 **2. Every licensee shall refund to the sender, within ten days of receipt of the**
7 **sender's written request for a refund, any and all money received for transmission**
8 **unless any of the following occurs:**

9 **(1) The money has been forwarded within ten days of the date on which the**
10 **money was received for transmission;**

11 **(2) Instructions have been given committing an equivalent amount of money to**
12 **the person designated by the sender within ten days of the date on which the money was**
13 **received for transmission;**

14 **(3) The agreement between the licensee and the sender instructs the licensee to**
15 **forward the money at a time that is beyond ten days of the date on which the money was**
16 **received for transmission. If funds have not yet been forwarded in accordance with the**
17 **terms of the agreement between the licensee and the sender, the licensee shall issue a**
18 **refund in accordance with the other provisions of this section;**

19 **(4) The refund is requested for a transaction that the licensee has not completed**
20 **based on a reasonable belief or a reasonable basis to believe that a crime or violation of**
21 **law, rule, or regulation has occurred, is occurring, or may occur; or**

22 **(5) The refund request does not enable the licensee to:**

- 23 (a) Identify the sender's name and address or telephone number; or
24 (b) Identify the particular transaction to be refunded in the event the sender has
25 multiple transactions outstanding.

361.990. 1. This section shall not apply to:

- 2 (1) Money received for transmission subject to the federal Remittance Rule, 12
3 CFR Part 1005, Subpart B, as amended or recodified from time to time;
4 (2) Money received for transmission that is not primarily for personal, family, or
5 household purposes;
6 (3) Money received for transmission under a written agreement between the
7 licensee and payee to process payments for goods or services provided by the payee; or
8 (4) Payroll processing services.

9 2. For purposes of this section, "receipt" means a paper receipt, electronic
10 record, or other written confirmation. For a transaction conducted in person, the
11 receipt may be provided electronically if the sender requests or agrees to receive an
12 electronic receipt. For a transaction conducted electronically or by phone, a receipt may
13 be provided electronically. All electronic receipts shall be provided in a retainable form.

14 3. (1) Every licensee or its authorized delegate shall provide the sender a receipt
15 for money received for transmission. The receipt shall contain the following
16 information, as applicable:

- 17 (a) The name of the sender;
18 (b) The name of the designated recipient;
19 (c) The date of the transaction;
20 (d) The unique transaction or identification number;
21 (e) The name of the licensee, NMLS unique identifier, the licensee's business
22 address, and the licensee's customer service telephone number;
23 (f) The amount of the transaction in United States dollars;
24 (g) Any fee charged by the licensee to the sender for the transaction; and
25 (h) Any taxes collected by the licensee from the sender for the transaction.

26 (2) The receipt required by this section shall be in English and in the language
27 principally used by the licensee or authorized delegate to advertise, solicit, or negotiate,
28 either orally or in writing, for a transaction conducted in person, electronically, or by
29 phone, if other than English.

361.996. 1. A licensee that provides payroll processing services shall:

- 2 (1) Issue reports to clients detailing client payroll obligations in advance of the
3 payroll funds being deducted from an account; and
4 (2) Make available worker paystubs or an equivalent statement to workers.

5 2. Subsection 1 of this section shall not apply to a licensee providing payroll
6 processing services if the licensee's client designates the intended recipients to the
7 licensee and is responsible for providing the disclosures required by subdivision (2) of
8 subsection 1 of this section.

 361.999. 1. A licensee under sections 361.900 to 361.1035 shall maintain at all
2 times a tangible net worth of the greater of one hundred thousand dollars or three
3 percent of total assets for the first one hundred million dollars, two percent of additional
4 assets for one hundred million dollars to one billion dollars, and one-half of one percent
5 of additional assets for over one billion dollars.

 2. Tangible net worth shall be demonstrated at initial application by the
6 applicant's most recent audited or unaudited financial statements under subdivision (6)
7 of subsection 2 of section 361.936.

 361.1002. 1. An applicant for a money transmission license shall provide, and a
2 licensee at all times shall maintain, security consisting of a surety bond in a form
3 satisfactory to the director.

 2. The amount of the required security shall be:

 (1) The greater of one hundred thousand dollars or an amount equal to one
5 hundred percent of the licensee's average daily money transmission liability in this state
6 calculated for the most recently completed three-month period, up to a maximum of five
7 hundred thousand dollars; or

 (2) In the event that the licensee's tangible net worth exceeds ten percent of the
9 total assets, a surety bond of one hundred thousand dollars.

 3. A licensee that maintains a bond in the maximum amount provided for in
12 subsection 2 of this section shall not be required to calculate its average daily money
13 transmission liability in this state for purposes of this section.

 361.1005. 1. A licensee shall maintain at all times permissible investments that
2 have a market value computed in accordance with United States generally accepted
3 accounting principles of not less than the aggregate amount of all of its outstanding
4 money transmission obligations.

 2. Except for permissible investments enumerated in subsection 1 of section
6 361.1008, the director, with respect to any licensee, may by rule limit the extent to which
7 a specific investment maintained by a licensee within a class of permissible investments
8 may be considered a permissible investment if the specific investment represents undue
9 risk to customers not reflected in the market value of investments.

 3. Permissible investments, even if commingled with other assets of the licensee,
11 are held in trust for the benefit of the purchasers and holders of the licensee's
12 outstanding money transmission obligations in the event of insolvency, the filing of a

13 petition by or against the licensee under the United States Bankruptcy Code, 11 U.S.C.
14 Section 101-110, as amended or recodified from time to time, for bankruptcy or
15 reorganization, the filing of a petition by or against the licensee for receivership, the
16 commencement of any other judicial or administrative proceeding for its dissolution or
17 reorganization, or in the event of an action by a creditor against the licensee who is not a
18 beneficiary of the statutory trust. No permissible investments impressed with a trust
19 under this subsection shall be subject to attachment, levy of execution, or sequestration
20 by order of any court, except for a beneficiary of the statutory trust.

21 4. Upon the establishment of a statutory trust in accordance with subsection 3 of
22 this section or when any funds are drawn on a letter of credit under subdivision (4) of
23 subsection 1 of section 361.1008, the director shall notify the applicable regulator of each
24 state in which the licensee is licensed to engage in money transmission, if any, of the
25 establishment of the trust or the funds drawn on the letter of credit, as applicable.
26 Notice shall be deemed satisfied if performed under a multistate agreement or through
27 NMLS. Funds drawn on a letter of credit, and any other permissible investments held
28 in trust for the benefit of the purchasers and holders of the licensee's outstanding money
29 transmission obligations, are deemed held in trust for the benefit of such purchasers and
30 holders on a pro rata and equitable basis in accordance with statutes under which
31 permissible investments are required to be held in this state, and other states, as
32 applicable. Any statutory trust established under this subsection shall be terminated
33 upon extinguishment of all of the licensee's outstanding money transmission obligations.

34 5. The director by rule or by order may allow other types of investments that the
35 director determines are of sufficient liquidity and quality to be a permissible investment.
36 The director is authorized to participate in efforts with other state regulators to
37 determine that other types of investments are of sufficient liquidity and quality to be a
38 permissible investment.

361.1008. 1. The following investments are permissible under section 361.1005:

2 (1) Cash, including demand deposits, savings deposits, and funds in such
3 accounts held for the benefit of the licensee's customers in a federally insured depository
4 financial institution, and cash equivalents, including automated clearinghouse items in
5 transit to the licensee and automated clearinghouse items or international wires in
6 transit to a payee, cash in transit via armored car, cash in smart safes, cash in licensee-
7 owned locations, debit card or credit card funded transmission receivables owed by any
8 bank, or money market mutual funds rated AAA by Standard & Poor's, or the
9 equivalent from any eligible rating service;

10 (2) Certificates of deposit or senior debt obligations of an insured depository
11 institution, as defined under the Federal Deposit Insurance Act, 12 U.S.C. Section 1813,

12 as amended or recodified from time to time, or as defined under the federal Credit
13 Union Act, 12 U.S.C. Section 1781, as amended or recodified from time to time;

14 (3) An obligation of the United States or a commission, agency, or
15 instrumentality thereof; an obligation that is guaranteed fully as to principal and
16 interest by the United States; or an obligation of a state or a governmental subdivision,
17 agency, or instrumentality thereof;

18 (4) One hundred percent of the surety bond provided for under section 361.1002
19 that exceeds the average daily money transmission liability in this state; and

20 (5) The full drawable amount of an irrevocable standby letter of credit for which
21 the stated beneficiary is the director that stipulates that the beneficiary need draw only
22 a sight draft under the letter of credit and present it to obtain funds up to the letter of
23 credit amount within seven days of presentation of the items required by paragraph (d)
24 of this subdivision. The letter of credit shall:

25 (a) Be issued by a federally insured depository financial institution, a foreign
26 bank that is authorized under federal law to maintain a federal agency or federal
27 branch office in a state or states, or a foreign bank that is authorized under state law to
28 maintain a branch in a state that:

29 a. Bears an eligible rating or whose parent company bears an eligible rating; and

30 b. Is regulated, supervised, and examined by United States federal or state
31 authorities having regulatory authority over banks, credit unions, and trust companies;

32 (b) Be irrevocable, unconditional, and indicate that it is not subject to any
33 condition or qualifications outside of the letter of credit;

34 (c) Not contain references to any other agreements, documents or entities, or
35 otherwise provide for any security interest in the licensee; and

36 (d) Contain an issue date and expiration date, and expressly provide for
37 automatic extension, without a written amendment, for an additional period of one year
38 from the present or each future expiration date unless the issuer of the letter of credit
39 notifies the director in writing by certified or registered mail or courier mail or other
40 receipted means, at least sixty days prior to any expiration date, that the irrevocable
41 letter of credit will not be extended.

42 2. In the event of any notice of expiration or nonextension of a letter of credit
43 issued under paragraph (d) of subdivision (4) of subsection 1 of this section, the licensee
44 shall be required to demonstrate to the satisfaction of the director, fifteen days prior to
45 expiration, that the licensee maintains and will maintain permissible investments in
46 accordance with subsection 1 of section 361.1005 upon the expiration of the letter of
47 credit. If the licensee is not able to do so, the director may draw on the letter of credit in
48 an amount up to the amount necessary to meet the licensee's requirements to maintain

49 permissible investments in accordance with subsection 1 of section 361.1005. Any such
50 draw shall be offset against the licensee's outstanding money transmission obligations.
51 The drawn funds shall be held in trust by the director or the director's designated agent,
52 to the extent authorized by law, as agent for the benefit of the purchasers and holders of
53 the licensee's outstanding money transmission obligations.

54 3. The letter of credit shall provide that the issuer of the letter of credit will
55 honor, at sight, a presentation made by the beneficiary to the issuer of the following
56 documents on or prior to the expiration date of the letter of credit:

57 (1) The original letter of credit, including any amendments; and

58 (2) A written statement from the beneficiary stating that any of the following
59 events have occurred:

60 (a) The filing of a petition by or against the licensee under the United States
61 Bankruptcy Code, 11 U.S.C. Sections 101-110, as amended or recodified from time to
62 time, for bankruptcy or reorganization;

63 (b) The filing of a petition by or against the licensee for receivership, or the
64 commencement of any other judicial or administrative proceeding for its dissolution or
65 reorganization;

66 (c) The seizure of assets of a licensee by the director under an emergency order
67 issued in accordance with applicable law, on the basis of an action, violation, or
68 condition that has caused or is likely to cause the insolvency of the licensee; or

69 (d) The beneficiary has received notice of expiration or nonextension of a letter
70 of credit and the licensee failed to demonstrate to the satisfaction of the beneficiary that
71 the licensee will maintain permissible investments in accordance with subsection 1 of
72 section 361.1005 upon the expiration or nonextension of the letter of credit.

73 4. The director may designate an agent to serve on the director's behalf as
74 beneficiary to a letter of credit so long as the agent and letter of credit meet
75 requirements established by the director. The director's agent may serve as agent for
76 multiple licensing authorities for a single irrevocable letter of credit if the proceeds of
77 the drawable amount for the purposes of this subsection are assigned to the director.

78 5. The director is authorized to participate in multistate processes designed to
79 facilitate the issuance and administration of letters of credit including, but not limited
80 to, services provided by the NMLS, State Regulatory Registry LLC or other third
81 parties.

82 6. Unless permitted by the director by rule or by order to exceed the limit as set
83 forth herein, the following investments are permissible under section 361.1005 to the
84 extent specified:

85 **(1) Receivables that are payable to a licensee from its authorized delegates in the**
86 **ordinary course of business that are less than seven days old, up to fifty percent of the**
87 **aggregate value of the licensee's total permissible investments. Of the receivables**
88 **permissible under this subdivision, receivables that are payable to a licensee from a**
89 **single authorized delegate in the ordinary course of business shall not exceed ten percent**
90 **of the aggregate value of the licensee's total permissible investments;**

91 **(2) The following investments, up to twenty percent per category and combined**
92 **up to fifty percent of the aggregate value of the licensee's total permissible investments:**

93 **(a) A short-term investment bearing an eligible rating. For purposes of this**
94 **paragraph, "short-term" means up to six months;**

95 **(b) Commercial paper bearing an eligible rating;**

96 **(c) A bill, note, bond, or debenture bearing an eligible rating;**

97 **(d) United States triparty repurchase agreements collateralized at one hundred**
98 **percent or more with United States government or agency securities, municipal bonds,**
99 **or other securities bearing an eligible rating;**

100 **(e) Money market mutual funds rated less than "AAA" and equal to or higher**
101 **than "A-" by Standard & Poor's, or the equivalent from any other eligible rating**
102 **service; and**

103 **(f) A mutual fund or other investment fund composed solely and exclusively of**
104 **one or more permissible investments listed in subdivisions (1) to (3) of subsection 1 of**
105 **this section; and**

106 **(3) Cash, including demand deposits, savings deposits, and funds in such**
107 **accounts held for the benefit of the licensee's customers, at foreign depository**
108 **institutions to ten percent of the aggregate value of the licensee's total permissible**
109 **investments if the licensee has received a satisfactory rating in its most recent**
110 **examination and the foreign depository institution:**

111 **(a) Has an eligible rating;**

112 **(b) Is registered under the Foreign Account Tax Compliance Act;**

113 **(c) Is not located in any country subject to sanctions from the Office of Foreign**
114 **Asset Control; and**

115 **(d) Is not located in a high risk or noncooperative jurisdiction as designated by**
116 **the Financial Action Task Force.**

361.1011. 1. The director may suspend or revoke a license or order a licensee to
2 **revoke the designation of an authorized delegate if:**

3 **(1) The licensee violates sections 361.900 to 361.1035 or a rule adopted or an**
4 **order issued under sections 361.900 to 361.1035;**

5 (2) The licensee does not cooperate with an examination or investigation by the
6 director;

7 (3) The licensee engages in fraud, intentional misrepresentation, or gross
8 negligence;

9 (4) An authorized delegate is convicted of, or enters a plea of guilty or nolo
10 contendere to a felony involving an act of fraud, dishonesty, a breach of trust, or money
11 laundering, or violates a rule adopted or an order issued under sections 361.900 to
12 361.1035 as a result of the licensee's willful misconduct or willful blindness;

13 (5) The competence, experience, character, or general fitness of the licensee,
14 authorized delegate, person in control of a licensee, key individual, or responsible
15 person of the authorized delegate indicates that it is not in the public interest to permit
16 the person to provide money transmission;

17 (6) The licensee engages in an unsafe or unsound practice;

18 (7) The licensee is insolvent, suspends payment of its obligations, or makes a
19 general assignment for the benefit of its creditors; or

20 (8) The licensee does not remove an authorized delegate after the director issues
21 and serves upon the licensee a final order including a finding that the authorized
22 delegate has violated sections 361.900 to 361.1035.

23 2. In determining whether a licensee is engaging in an unsafe or unsound
24 practice, the director may consider the size and condition of the licensee's money
25 transmission, the magnitude of the loss, the gravity of the violation of sections 361.900 to
26 361.1035, and the previous conduct of the person involved.

 361.1014. 1. The director may issue an order suspending or revoking the
2 designation of an authorized delegate, if the director finds that:

3 (1) The authorized delegate violated sections 361.900 to 361.1035 or a rule
4 adopted or an order issued under sections 361.900 to 361.1035;

5 (2) The authorized delegate did not cooperate with an examination or
6 investigation by the director;

7 (3) The authorized delegate engaged in fraud, intentional misrepresentation, or
8 gross negligence;

9 (4) The authorized delegate has been convicted of, or pled guilty or nolo
10 contendere to a felony involving an act of fraud, dishonesty, a breach of trust, or money
11 laundering;

12 (5) The competence, experience, character, or general fitness of the authorized
13 delegate or a person in control of the authorized delegate indicates that it is not in the
14 public interest to permit the authorized delegate to provide money transmission; or

15 (6) The authorized delegate is engaging in an unsafe or unsound practice.

16 **2. In determining whether an authorized delegate is engaging in an unsafe or**
17 **unsound practice, the director may consider the size and condition of the authorized**
18 **delegate's provision of money transmission, the magnitude of the loss, the gravity of the**
19 **violation of sections 361.900 to 361.1035 or a rule adopted or order issued under sections**
20 **361.900 to 361.1035, and the previous conduct of the authorized delegate.**

21 **3. An authorized delegate may apply for relief from a suspension or revocation**
22 **of designation as an authorized delegate according to procedures prescribed by the**
23 **director.**

361.1017. 1. If the director determines that a violation of sections 361.900 to
2 **361.1035 or of a rule adopted or an order issued under sections 361.900 to 361.1035 by a**
3 **licensee or authorized delegate is likely to cause immediate and irreparable harm to the**
4 **licensee, its customers, or the public as a result of the violation, or cause insolvency or**
5 **significant dissipation of assets of the licensee, the director may issue an order requiring**
6 **the licensee or authorized delegate to cease and desist from the violation. The order**
7 **becomes effective upon service to the licensee or authorized delegate.**

8 **2. The director may issue an order against a licensee to cease and desist from**
9 **providing money transmission through an authorized delegate that is the subject of a**
10 **separate order by the director.**

11 **3. An order to cease and desist remains effective and enforceable pending the**
12 **completion of an administrative proceeding under chapter 536.**

13 **4. A licensee or an authorized delegate that is served with an order to cease and**
14 **desist may petition the circuit court with jurisdiction for a judicial order setting aside,**
15 **limiting, or suspending the enforcement, operation, or effectiveness of the order pending**
16 **the completion of an administrative proceeding under chapter 536.**

17 **5. An order to cease and desist expires unless the director commences an**
18 **administrative proceeding under chapter 536 within ten days after it is issued.**

361.1020. The director may enter into a consent order at any time with a person
2 **to resolve a matter arising under sections 361.900 to 361.1035 or a rule adopted or order**
3 **issued under sections 361.900 to 361.1035. A consent order shall be signed by the person**
4 **to whom it is issued or by the person's authorized representative and shall indicate**
5 **agreement with the terms contained in the order. A consent order may provide that it**
6 **does not constitute an admission by a person that sections 361.900 to 361.1035 or a rule**
7 **adopted or an order issued under sections 361.900 to 361.1035 has been violated.**

361.1023. 1. A person that intentionally makes a false statement,
2 **misrepresentation, or false certification in a record filed or required to be maintained**
3 **under sections 361.900 to 361.1035 or that intentionally makes a false entry or omits a**
4 **material entry in such a record is guilty of a class E felony.**

5 2. A person that knowingly engages in an activity for which a license is required
6 under sections 361.900 to 361.1035 without being licensed under sections 361.900 to
7 361.1035 and that receives more than five hundred dollars in compensation within a
8 thirty-day period for this activity is guilty of a class E felony.

9 3. A person that knowingly engages in an activity for which a license is required
10 under sections 361.900 to 361.1035 without being licensed under sections 361.900 to
11 361.1035 and that receives no more than five hundred dollars in compensation within a
12 thirty-day period for this activity is guilty of a class A misdemeanor.

 361.1026. The director may assess a civil penalty against a person that violates
2 sections 361.900 to 361.1035 or a rule adopted or an order issued under sections 361.900
3 to 361.1035 in an amount not to exceed one thousand dollars per day for each day the
4 violation is outstanding, plus this state's costs and expenses for the investigation and
5 prosecution of the matter, including reasonable attorney's fees.

 361.1029. 1. If the director has reason to believe that a person has violated or is
2 violating section 361.930, the director may issue an order to show cause why an order to
3 cease and desist shall not be issued requiring that the person cease and desist from the
4 violation of section 361.930.

5 2. In an emergency, the director may petition the circuit court with jurisdiction
6 for the issuance of a temporary restraining order under the rules of civil procedure.

7 3. An order to cease and desist becomes effective upon service to the person.

8 4. An order to cease and desist remains effective and enforceable pending the
9 completion of an administrative proceeding under chapter 536.

10 5. A person that is served with an order to cease and desist for violating section
11 361.930 may petition the circuit court with jurisdiction for a judicial order setting aside,
12 limiting, or suspending the enforcement, operation, or effectiveness of the order pending
13 the completion of an administrative proceeding under chapter 536.

14 6. An order to cease and desist expires unless the director commences an
15 administrative proceeding within ten days after it is issued.

 361.1032. In applying and construing sections 361.900 to 361.1035, consideration
2 shall be given to the need to promote uniformity of the law with respect to its subject
3 matter among states that enact it.

 361.1035. 1. A person licensed in this state to engage in the business of money
2 transmission shall not be subject to the provisions of sections 361.900 to 361.1035 to the
3 extent that they conflict with current law or establish new requirements not imposed
4 under current law, until such time as the licensee renews the licensee's current license.

5 2. Notwithstanding subsection 1 of this section, a licensee shall be required only
6 to amend its authorized delegate contracts for contracts entered into or amended after

7 the effective date or the completion of any transition period contemplated under
 8 subsection 1 of this section. Nothing herein shall be construed as limiting an authorized
 9 delegate's obligations to operate in full compliance with sections 361.900 to 361.1035 as
 10 required by subsection 3 of section 361.975.

~~[361.700. 1. Sections 361.700 to 361.727 shall be known and may be
 2 cited as the "Sale of Checks Law".~~

~~3 2. For the purposes of sections 361.700 to 361.727, the following
 4 terms mean:~~

~~5 (1) "Check", any instrument for the transmission or payment of money
 6 and shall also include any electronic means of transmitting or paying money;~~

~~7 (2) "Director", the director of the division of finance;~~

~~8 (3) "Licensee", any person duly licensed by the director pursuant to
 9 sections 361.700 to 361.727;~~

~~10 (4) "Person", any individual, partnership, association, trust or
 11 corporation.]~~

~~[361.705. 1. No person shall issue checks in this state for a
 2 consideration without first obtaining a license from the director; provided,
 3 however, that sections 361.700 to 361.727 shall not apply to the receipt of
 4 money by an incorporated telegraph company at any office or agency of such
 5 company for immediate transmission by telegraph nor to any bank, trust
 6 company, savings and loan association, credit union, or agency of the United
 7 States government.~~

~~8 2. Any person who violates any of the provisions of sections 361.700
 9 to 361.727 or attempts to sell or issue checks without having first obtained a
 10 license from the director shall be deemed guilty of a class A misdemeanor.]~~

~~[361.707. 1. Each application for a license pursuant to sections
 2 361.700 to 361.727 shall be in writing and under oath to the director in such
 3 form as he may prescribe. The application shall state the full name and
 4 business address of:~~

~~5 (1) The proprietor, if the applicant is an individual;~~

~~6 (2) Every member, if the applicant is a partnership or association;~~

~~7 (3) The corporation and each officer and director thereof, if the
 8 applicant is a corporation.~~

~~9 2. Each application for a license shall be accompanied by an
 10 investigation fee of three hundred dollars. If the license is granted the
 11 investigation fee shall be applied to the license fee for the first year. No
 12 investigation fee shall be refunded.]~~

~~[361.711. Each application for a license shall be accompanied by a
 2 corporate surety bond in the principal sum of one hundred thousand dollars.
 3 The bond shall be in form satisfactory to the director and shall be issued by a
 4 bonding company or insurance company authorized to do business in this
 5 state, to secure the faithful performance of the obligations of the applicant and
 6 the agents and subagents of the applicant with respect to the receipt,~~

7 transmission, and payment of money in connection with the sale or issuance of
 8 checks and also to pay the costs incurred by the division to remedy any breach
 9 of the obligations of the applicant subject to the bond or to pay examination
 10 costs of the division owed and not paid by the applicant. Upon license
 11 renewal, the required amount of bond shall be as follows:

12 (1) For all licensees selling payment instruments or stored value cards,
 13 five times the high outstanding balance from the previous year with a
 14 minimum of one hundred thousand dollars and a maximum of one million
 15 dollars;

16 (2) For all licensees receiving money for transmission, five times the
 17 greatest amount transmitted in a single day during the previous year with a
 18 minimum of one hundred thousand dollars and a maximum of one million
 19 dollars.—

20
 21 If in the opinion of the director the bond shall at any time appear to be
 22 inadequate, insecure, exhausted, or otherwise doubtful, additional bond in
 23 form and with surety satisfactory to the director shall be filed within fifteen
 24 days after notice of the requirement is given to the licensee by the director. An
 25 applicant or licensee may, in lieu of filing any bond required under this
 26 section, provide the director with an irrevocable letter of credit, as defined in
 27 section 400.5-103, issued by any state or federal financial institution.
 28 Whenever in the director's judgment it is necessary or expedient, the
 29 director may perform a special examination of any person licensed under
 30 sections 361.700 to 361.727 with all authority under section 361.160 as though
 31 the licensee were a bank. The cost of such examination shall be paid by the
 32 licensee.]

2 [361.715. 1. Upon the filing of the application, the filing of a certified
 3 audit, the payment of the investigation fee and the approval by the director of
 4 the necessary bond, the director shall cause, investigate, and determine
 5 whether the character, responsibility, and general fitness of the principals of
 6 the applicant or any affiliates are such as to command confidence and warrant
 7 belief that the business of the applicant will be conducted honestly and
 8 efficiently and that the applicant is in compliance with all other applicable
 9 state and federal laws. If satisfied, the director shall issue to the applicant a
 10 license pursuant to the provisions of sections 361.700 to 361.727. In
 11 processing a renewal license, the director shall require the same information
 12 and follow the same procedures described in this subsection.

13 2. Each licensee shall pay to the director before the issuance of the
 14 license, and annually thereafter on or before April fifteenth of each year, a
 15 license fee of four hundred dollars.

16 3. The director may assess a reasonable charge, not to exceed four
 hundred dollars, for any application to amend and reissue an existing license.]

2 [361.718. Every licensee shall at all times have on demand deposit in a
 3 federally insured depository institution or in the form of cash on hand or in the
 4 hands of his agents or in readily marketable securities an amount equal to all
 outstanding unpaid checks sold by him or his agents in Missouri, in addition to

5 ~~the amount of his bond. Upon demand by the director, licensees must~~
6 ~~immediately provide proof of such funds or securities. The director may make~~
7 ~~such demand as often as reasonably necessary and shall make such demand to~~
8 ~~each licensee, without prior notice, at least twice each license year.]~~

2 ~~[361.720. Each licensee may conduct business at one or more~~
3 ~~locations within this state and by means of employees, agents, subagents or~~
4 ~~representatives as such licensee may designate. No license under sections~~
5 ~~361.700 to 361.727 shall be required of any such employee, agent, subagent or~~
6 ~~representative who sells checks in behalf of a licensee. Each such agent,~~
7 ~~subagent or representative shall upon demand transfer and deliver to the~~
8 ~~licensee the proceeds of the sale of licensee's checks less the fees, if any, due~~
~~such agent, subagent or representative.]~~

2 ~~[361.723. Each licensee shall file with the director annually on or~~
3 ~~before April fifteenth of each year a statement listing the locations of the~~
4 ~~offices of the licensee and the names and locations of the agents or subagents~~
5 ~~authorized by the licensee to engage in the sale of checks of which the licensee~~
~~is the issuer.]~~

2 ~~[361.725. The director may at any time suspend or revoke a license,~~
3 ~~for any reason he might refuse to grant a license, for failure to pay an annual~~
4 ~~fee or for a violation of any provision of sections 361.700 to 361.727. No~~
5 ~~license shall be denied, revoked or suspended except on ten days' notice to the~~
6 ~~applicant or licensee. Upon receipt of such notice the applicant or licensee~~
7 ~~may, within five days of such receipt, make written demand for a hearing. The~~
8 ~~director shall thereafter hear and determine the matter in accordance with the~~
~~provisions of chapter 536.]~~

2 ~~[361.727. The director shall issue regulations necessary to carry out~~
3 ~~the intent and purposes of sections 361.700 to 361.727, pursuant to the~~
~~provisions of section 361.105 and chapter 536.]~~

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