

SENATE BILL NO. 737

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CRAWFORD.

3375S.02I

KRISTINA MARTIN, Secretary

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 the regulation of 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,
2 361.715, 361.718, 361.720, 361.723, 361.725, and 361.727, RSMo,
3 are repealed and forty-five new sections enacted in lieu
4 thereof, to be known as sections 361.900, 361.903, 361.906,
5 361.909, 361.912, 361.915, 361.918, 361.921, 361.924, 361.927,
6 361.930, 361.933, 361.936, 361.939, 361.942, 361.945, 361.948,
7 361.951, 361.954, 361.957, 361.960, 361.963, 361.966, 361.969,
8 361.972, 361.975, 361.978, 361.981, 361.984, 361.987, 361.990,
9 361.996, 361.999, 361.1002, 361.1005, 361.1008, 361.1011,
10 361.1014, 361.1017, 361.1020, 361.1023, 361.1026, 361.1029,
11 361.1032, and 361.1035, to read as follows:

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

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

**(1) Ensure states may coordinate in all areas of
4 regulation, licensing, and supervision to eliminate
5**

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

6 unnecessary regulatory burden and more effectively utilize
7 regulator resources;

8 (2) Protect the public from financial crime;

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

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

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

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

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

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

19 (4) "Bank Secrecy Act", the federal Bank Secrecy Act,
20 31 U.S.C. Section 5311 et seq., and its implementing
21 regulations, as amended and recodified from time to time;

22 (5) "Closed loop stored value", stored value that is
23 redeemable by the issuer only for goods or services provided
24 by the issuer or its affiliate or franchisees of the issuer

25 or its affiliate, except to the extent required by
26 applicable law to be redeemable in cash for its cash value;

27 (6) "Control":

28 (a) The power to vote, directly or indirectly, at
29 least twenty-five percent of the outstanding voting shares
30 or voting interests of a licensee or person in control of a
31 licensee;

32 (b) The power to elect or appoint a majority of key
33 individuals or executive officers, managers, directors,
34 trustees, or other persons exercising managerial authority
35 of a person in control of a licensee; or

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

39 A person is presumed to exercise a controlling influence if
40 the person holds the power to vote, directly or indirectly,
41 at least ten percent of the outstanding voting shares or
42 voting interests of a licensee or person in control of a
43 licensee. A person presumed to exercise a controlling
44 influence as defined under this subdivision can rebut the
45 presumption of control if the person is a passive investor.
46 For purposes of determining the percentage of a person
47 controlled by any other person, the person's interest shall
48 be aggregated with the interest of any other immediate
49 family member, including the person's spouse, parents,
50 children, siblings, mothers- and fathers-in law, sons- and
51 daughters-in-law, brothers- and sisters-in-law, and any
52 other person who shares such person's home;

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

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

60 (9) "Eligible rating service", any nationally
61 recognized statistical rating organization (NRSRO) as
62 defined by the United States Securities and Exchange
63 Commission and any other organization designated by rule or
64 order;

65 (10) "Federally insured depository financial
66 institution", a bank, credit union, savings and loan
67 association, trust company, savings association, savings
68 bank, industrial bank, or industrial loan company organized
69 under the laws of the United States or any state of the
70 United States if such bank, credit union, savings and loan
71 association, trust company, savings association, savings
72 bank, industrial bank, or industrial loan company has
73 federally insured deposits;

74 (11) "In this state", at a physical location within
75 this state for a transaction requested in person. For a
76 transaction requested electronically or by phone, the
77 provider of money transmission may determine if the person
78 requesting the transaction is in this state by relying on
79 other information provided by the person regarding the
80 location of the individual's residential address or a
81 business entity's principal place of business or other
82 physical address location, and any records associated with
83 the person that the provider of money transmission may have
84 that indicate such location including, but not limited to,
85 an address associated with an account;

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

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

91 (14) "Licensee", a person licensed under sections
92 361.900 to 361.1035;

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

99 (16) "Monetary value", a medium of exchange,
100 regardless of whether redeemable in money;

101 (17) "Money", a medium of exchange that is authorized
102 or adopted by the United States or a foreign government.
103 The term includes a monetary unit of account established by
104 an intergovernmental organization or by agreement between
105 two or more governments;

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

107 (a) Selling or issuing payment instruments to a person
108 located in this state;

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

111 (c) Receiving money for transmission from a person
112 located in this state.

113 The term includes payroll processing services. The term
114 does not include the provision solely of online or
115 telecommunications services or network access;

116 (19) "Multistate licensing process", any agreement
117 entered into by and among state regulators relating to

118 coordinated processing of applications for money
119 transmission licenses, applications for the acquisition of
120 control of a licensee, control determinations, or notice and
121 information requirements for a change of key individuals;

122 (20) "NMLS", the Nationwide Multistate Licensing
123 System and Registry developed by the Conference of State
124 Bank Supervisors and the American Association of Residential
125 Mortgage Regulators and owned and operated by the State
126 Regulatory Registry LLC or any successor or affiliated
127 entity for the licensing and registration of persons in
128 financial services industries;

129 (21) "Outstanding money transmission obligations":

130 (a) Any payment instrument or stored value issued or
131 sold by the licensee to a person located in the United
132 States or reported as sold by an authorized delegate of the
133 licensee to a person that is located in the United States
134 that has not yet been paid or refunded by or for the
135 licensee or escheated in accordance with applicable
136 abandoned property laws; or

137 (b) Any money received for transmission by the
138 licensee or an authorized delegate in the United States from
139 a person located in the United States that has not been
140 received by the payee or refunded to the sender, or
141 escheated in accordance with applicable abandoned property
142 laws.

143 For purposes of this subdivision, "in the United States"
144 shall include, to the extent applicable, a person in any
145 state, territory, or possession of the United States; the
146 District of Columbia; the Commonwealth of Puerto Rico; or a
147 U.S. military installation that is located in a foreign
148 country;

149 (22) "Passive investor", a person that:

150 (a) Does not have the power to elect a majority of key
151 individuals or executive officers, managers, directors,
152 trustees, or other persons exercising managerial authority
153 of a person in control of a licensee;

154 (b) Is not employed by and does not have any
155 managerial duties of the licensee or person in control of a
156 licensee;

157 (c) Does not have the power to exercise, directly or
158 indirectly, a controlling influence over the management or
159 policies of a licensee or person in control of a licensee;
160 and

161 (d) Either:

162 a. Attests to paragraphs (a), (b), and (c) of this
163 subdivision, in a form and in a medium prescribed by the
164 director; or

165 b. Commits to the passivity characteristics of
166 paragraphs (a), (b), and (c) of this subdivision in a
167 written document;

168 (23) "Payment instrument", a written or electronic
169 check, draft, money order, traveler's check, or other
170 written or electronic instrument for the transmission or
171 payment of money or monetary value, regardless of whether
172 negotiable. The term does not include stored value or any
173 instrument that:

174 (a) Is redeemable by the issuer only for goods or
175 services provided by the issuer or its affiliate or
176 franchisees of the issuer or its affiliate, except to the
177 extent required by applicable law to be redeemable in cash
178 for its cash value; or

179 (b) Is not sold to the public but issued and
180 distributed as part of a loyalty, rewards, or promotional
181 program;

182 (24) "Payroll processing services", receiving money
183 for transmission under a contract with a person to deliver
184 wages or salaries, make payment of payroll taxes to state
185 and federal agencies, make payments relating to employee
186 benefit plans, or make distributions of other authorized
187 deductions from wages or salaries. The term does not
188 include an employer performing payroll processing services
189 on its own behalf or on behalf of its affiliate or a
190 professional employer organization subject to regulation
191 under sections 285.700 to 285.750;

192 (25) "Person", any individual, general partnership,
193 limited partnership, limited liability company, corporation,
194 trust, association, joint stock corporation, or other
195 corporate entity identified by the director;

196 (26) "Receiving money for transmission" or "money
197 received for transmission", receiving money or monetary
198 value in the United States for transmission within or
199 outside the United States by electronic or other means;

200 (27) "Stored value", monetary value representing a
201 claim against the issuer evidenced by an electronic or
202 digital record and that is intended and accepted for use as
203 a means of redemption for money or monetary value or payment
204 for goods or services. The term includes, but is not
205 limited to, "prepaid access" as defined under 31 CFR Section
206 1010.100, as amended or recodified from time to time.
207 Notwithstanding the provisions of this subdivision, the term
208 does not include a payment instrument or closed loop stored
209 value, or stored value not sold to the public but issued and

210 distributed as part of a loyalty, rewards, or promotional
211 program;

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

361.909. Sections 361.900 to 361.1035 shall not apply
2 to:

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

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

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

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

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

25 (3) A person that acts as an intermediary by
26 processing payments between an entity that has directly

27 incurred an outstanding money transmission obligation to a
28 sender and the sender's designated recipient, provided that
29 the entity:

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

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

35 (c) Bears sole responsibility to satisfy the
36 outstanding money transmission obligation to the sender,
37 including the obligation to make the sender whole in
38 connection with any failure to transmit the funds to the
39 sender's designated recipient;

40 (4) The United States or a department, agency, or
41 instrumentality thereof, or its agent;

42 (5) Money transmission by the United States Postal
43 Service or by an agent of the United States Postal Service;

44 (6) A state, county, city, or any other agency or
45 political subdivision or instrumentality of a state, or its
46 agent;

47 (7) A federally insured depository financial
48 institution, bank holding company, office of an
49 international banking corporation, foreign bank that
50 establishes a federal branch under the federal International
51 Bank Act, 12 U.S.C. Section 3102, as amended or recodified
52 from time to time, corporation organized under the federal
53 Bank Service Corporation Act, 12 U.S.C. Sections 1861-1867,
54 as amended or recodified from time to time, or corporation
55 organized under the federal Edge Act, 12 U.S.C. Sections 611-
56 633, as amended or recodified from time to time, under the
57 laws of a state or the United States;

58 (8) Electronic funds transfer of governmental benefits
59 for a federal, state, county, or agency by a contractor on
60 behalf of the United States or a department, agency, or
61 instrumentality thereof, or on behalf of a state or
62 political subdivision, agency, or instrumentality thereof;

63 (9) A board of trade designated as a contract market
64 under the federal Commodity Exchange Act, 7 U.S.C. Sections
65 1-25, as amended or recodified from time to time, or a
66 person that, in the ordinary course of business, provides
67 clearance and settlement services for a board of trade to
68 the extent of its operation as or for such a board;

69 (10) A registered futures commission merchant under
70 the federal commodities laws to the extent of its operation
71 as such a merchant;

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

75 (12) An individual employed by a licensee, authorized
76 delegate, or any person exempted from the licensing
77 requirements under sections 361.900 to 361.1035 if acting
78 within the scope of employment and under the supervision of
79 the licensee, authorized delegate, or exempted person as an
80 employee and not as an independent contractor;

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

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

89 (b) The exempt entity assumes all risk of loss and all
90 legal responsibility for satisfying the outstanding money
91 transmission obligations owed to purchasers and holders of
92 the outstanding money transmission obligations upon receipt
93 of the purchaser's or holder's money or monetary value by
94 the service provider or agent.

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

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

4 (1) Enter into agreements or relationships with other
5 government officials or federal and state regulatory
6 agencies and regulatory associations in order to improve
7 efficiencies and reduce regulatory burden by standardizing
8 methods or procedures, and sharing resources, records, or
9 related information obtained under sections 361.900 to
10 361.1035;

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

14 (3) Accept, from other state or federal government
15 agencies or officials, licensing, examination, or
16 investigation reports made by such other state or federal
17 government agencies or officials; and

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

22 2. The director may:

23 (1) Administer, interpret, and enforce sections
24 361.900 to 361.1035 and promulgate rules or regulations
25 implementing sections 361.900 to 361.1035; and

26 (2) Recover the cost of administering and enforcing
27 sections 361.900 to 361.1035 by imposing and collecting
28 proportionate and equitable fees and costs associated with
29 applications, examinations, investigations, and other
30 actions required to achieve the purpose of sections 361.900
31 to 361.1035.

32 3. Any rule or portion of a rule, as that term is
33 defined in section 536.010, that is created under the
34 authority delegated in this section shall become effective
35 only if it complies with and is subject to all of the
36 provisions of chapter 536 and, if applicable, section
37 536.028. This section and chapter 536 are nonseverable and
38 if any of the powers vested with the general assembly
39 pursuant to chapter 536 to review, to delay the effective
40 date, or to disapprove and annul a rule are subsequently
41 held unconstitutional, then the grant of rulemaking
42 authority and any rule proposed or adopted after August 28,
43 2024, shall be invalid and void.

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

10 2. The director may disclose information not otherwise
11 subject to disclosure under subsection 1 of this section to
12 representatives of state or federal agencies who shall
13 confirm in writing that they will maintain the
14 confidentiality of the information.

15 3. This section does not prohibit the director from
16 disclosing to the public a list of all licensees or the
17 aggregated financial or transactional data concerning those
18 licensees.

 361.921. 1. The director may conduct an examination
2 or investigation of a licensee or authorized delegate or
3 otherwise take independent action authorized by sections
4 361.900 to 361.1035 or by a rule adopted or order issued
5 under sections 361.900 to 361.1035 as reasonably necessary
6 or appropriate to administer and enforce sections 361.900 to
7 361.1035, regulations implementing sections 361.900 to
8 361.1035, and other applicable law, including the federal
9 Bank Secrecy Act and the federal USA PATRIOT Act. The
10 director may:

11 (1) Conduct an examination either onsite or offsite as
12 the director may reasonably require;

13 (2) Conduct an examination in conjunction with an
14 examination conducted by representatives of other state
15 agencies or agencies of another state or of the federal
16 government;

17 (3) Accept the examination report of another state
18 agency or an agency of another state or of the federal
19 government, or a report prepared by an independent
20 accounting firm, which on being accepted is considered for
21 all purposes as an official report of the director; and

22 (4) Summon and examine under oath a key individual or
23 employee of a licensee or authorized delegate and require

24 the person to produce records regarding any matter related
25 to the condition and business of the licensee or authorized
26 delegate.

27 2. A licensee or authorized delegate shall provide,
28 and the director shall have full and complete access to, all
29 records the director may reasonably require to conduct a
30 complete examination. The records shall be provided at the
31 location and in the format specified by the director. The
32 director may utilize multistate record production standards
33 and examination procedures when such standards will
34 reasonably achieve the requirements of this subsection.

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

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

10 (1) Cooperate, coordinate, and share information with
11 other state and federal regulators in accordance with
12 section 361.918;

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

17 (3) Cooperate, coordinate, and share information with
18 organizations the membership of which is made up of state or
19 federal governmental agencies, provided that the
20 organizations agree in writing to maintain the
21 confidentiality and security of the shared information in
22 accordance with this section.

23 2. The director shall not waive and nothing in this
24 section constitutes a waiver of the director's authority to
25 conduct an examination or investigation or otherwise take
26 independent action authorized by sections 361.900 to
27 361.1035 or a rule adopted or order issued under sections
28 361.900 to 361.1035 to enforce compliance with applicable
29 state or federal law.

30 3. A joint examination or investigation, or acceptance
31 of an examination or investigation report, does not waive an
32 examination assessment provided for in sections 361.900 to
33 361.1035.

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

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

- 11 (1) Identifies the inconsistency; and
12 (2) Identifies the appropriate means of compliance
13 with federal law.

361.930. 1. A person shall not engage in the business
2 of money transmission or advertise, solicit, or hold itself

3 out as providing money transmission unless the person is
4 licensed under sections 361.900 to 361.1035.

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

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

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

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

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

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

7 (2) Participate in nationwide protocols for licensing
8 cooperation and coordination among state regulators,
9 provided that such protocols are consistent with sections
10 361.900 to 361.1035.

11 2. In order to fulfill the purposes of sections
12 361.900 to 361.1035, the director may establish
13 relationships or contracts with NMLS, other entities
14 designated by NMLS or other third parties to enable the
15 director to:

16 (1) Collect and maintain records;

17 (2) Coordinate multistate licensing processes and
18 supervision processes;

19 (3) Process fees; and

20 (4) Facilitate communication between this state and
21 licensees or other persons subject to sections 361.900 to
22 361.1035.

23 3. The director may utilize NMLS for all aspects of
24 licensing in accordance with sections 361.900 to 361.1035
25 including, but not limited to, license applications,
26 applications for acquisitions of control, surety bonds,
27 reporting, criminal history background checks, credit
28 checks, fee processing, and examinations.

29 4. The director may utilize NMLS forms, processes, and
30 functionalities in accordance with sections 361.900 to
31 361.1035.

32 5. (1) The director may establish and adopt, by rule
33 or regulation, requirements for participation by applicants
34 and licensees in NMLS upon the division of finance's
35 determination that each requirement is consistent with law,
36 public interest, and the purposes of this section.

37 (2) Any rule or portion of a rule, as that term is
38 defined in section 536.010, that is created under the
39 authority delegated in this section shall become effective
40 only if it complies with and is subject to all of the
41 provisions of chapter 536 and, if applicable, section
42 536.028. This section and chapter 536 are nonseverable and
43 if any of the powers vested with the general assembly
44 pursuant to chapter 536 to review, to delay the effective
45 date, or to disapprove and annul a rule are subsequently
46 held unconstitutional, then the grant of rulemaking
47 authority and any rule proposed or adopted after August 28,
48 2024, shall be invalid and void.

361.936. 1. Applicants for a license shall apply in a
2 form and in a medium as prescribed by the director. Each
3 such form shall contain content as set forth by rule,

4 regulation, instruction, or procedure of the director and
5 may be changed or updated by the director in accordance with
6 applicable law in order to carry out the purposes of
7 sections 361.900 to 361.1035 and maintain consistency with
8 licensing standards and practices. The application shall
9 state or contain, as applicable:

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

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

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

20 (4) A list of the applicant's proposed authorized
21 delegates and the locations in this state where the
22 applicant and its authorized delegates propose to engage in
23 money transmission;

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

28 (6) Information concerning any bankruptcy or
29 receivership proceedings affecting the licensee or a person
30 in control of a licensee;

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

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

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

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

41 (11) Any other information the director reasonably
42 requires with respect to the applicant.

43 2. If an applicant is a corporation, limited liability
44 company, partnership, or other legal entity, the applicant
45 shall also provide:

46 (1) The date of the applicant's incorporation or
47 formation and state or country of incorporation or formation;

48 (2) If applicable, a certificate of good standing from
49 the state or country in which the applicant is incorporated
50 or formed;

51 (3) A brief description of the structure or
52 organization of the applicant, including any parents or
53 subsidiaries of the applicant, and whether any parents or
54 subsidiaries are publicly traded;

55 (4) The legal name, any fictitious or trade name, all
56 business and residential addresses, and the employment, as
57 applicable, in the ten-year period next preceding the
58 submission of the application of each key individual and
59 person in control of the applicant;

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

63 (6) A copy of audited financial statements of the
64 applicant for the most recent fiscal year and for the two-
65 year period next preceding the submission of the application
66 or, if determined to be acceptable to the director,

67 certified unaudited financial statements for the most recent
68 fiscal year or other period acceptable to the director;

69 (7) A certified copy of unaudited financial statements
70 of the applicant for the most recent fiscal quarter;

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

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

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

84 (b) A corporation publicly traded outside the United
85 States, a copy of similar documentation filed with the
86 regulator of the parent corporation's domicile outside the
87 United States;

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

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

93 (12) Any other information the director reasonably
94 requires with respect to the applicant.

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

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

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

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

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

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

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

21 (c) Information related to any regulatory or
22 administrative action and any civil litigation involving
23 claims of fraud, misrepresentation, conversion,
24 mismanagement of funds, breach of fiduciary duty, or breach
25 of contract.

26 2. If the individual has resided outside of the United
27 States at any time in the last ten years, the individual
28 shall also provide an investigative background report

29 prepared by an independent search firm that meets the
30 following requirements:

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

32 (a) Demonstrate that it has sufficient knowledge and
33 resources and employs accepted and reasonable methodologies
34 to conduct the research of the background report; and

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

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

40 (a) If available in the individual's current
41 jurisdiction of residency, a comprehensive credit report, or
42 any equivalent information obtained or generated by the
43 independent search firm to accomplish such report, including
44 a search of the court data in the countries, provinces,
45 states, cities, towns, and contiguous areas where the
46 individual resided and worked;

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

52 (c) Employment history;

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

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

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

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

10 (b) If the application is not approved or denied
11 within one hundred twenty days after the completion date:

12 a. The application is approved; and

13 b. The license takes effect as of the first business
14 day after expiration of the one hundred twenty-day period;
15 and

16 (2) The director may for good cause extend the
17 application period.

18 2. A determination by the director that an application
19 is complete and is accepted for processing means only that
20 the application, on its face, appears to include all of the
21 items, including the Criminal Background Check response from
22 the Federal Bureau of Investigation, and address all of the
23 matters that are required, and is not an assessment of the
24 substance of the application or of the sufficiency of the
25 information provided.

26 3. If an application is filed and considered complete
27 under this section, the director shall investigate the
28 applicant's financial condition and responsibility,
29 financial and business experience, character, and general
30 fitness. The director may conduct an onsite investigation
31 of the applicant, the reasonable cost of which the applicant
32 shall pay. The director shall issue a license to an

33 applicant under this section if the director finds that all
34 of the following conditions have been fulfilled:

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

37 (2) The financial condition and responsibility,
38 financial and business experience, competence, character,
39 and general fitness of the applicant; and the competence,
40 experience, character, and general fitness of the key
41 individuals and persons in control of the applicant indicate
42 that it is in the interest of the public to permit the
43 applicant to engage in money transmission.

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

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

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

58 5. The director shall issue a formal written notice of
59 the denial of a license application within thirty days of
60 the decision to deny the application. The director shall
61 set forth in the notice of denial the specific reasons for
62 the denial of the application. An applicant whose
63 application is denied by the director under this subsection

64 may appeal within thirty days after receipt of the written
65 notice of the denial under chapter 536.

66 6. The initial license term shall begin on the day the
67 application is approved. The license shall expire on
68 December thirty-first of the year in which the license term
69 began unless the initial license date is between November
70 first and December thirty-first, in which instance the
71 initial license term shall run through December thirty-first
72 of the following year.

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

9 2. A licensee shall submit a renewal report with the
10 renewal fee, in a form and in a medium prescribed by the
11 director. The renewal report shall state or contain a
12 description of each material change in information submitted
13 by the licensee in its original license application that has
14 not been reported to the director.

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

17 4. The director may utilize NMLS to process license
18 renewals provided that such functionality is consistent with
19 this section.

361.948. 1. If a licensee does not continue to meet
2 the qualifications or satisfy the requirements that apply to
3 an applicant for a new money transmission license, the
4 director may suspend or revoke the licensee's license in

5 accordance with the procedures established under sections
6 361.900 to 361.1035 or other applicable state law for such
7 suspension or revocation.

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

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

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

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

13 (2) Submit a nonrefundable fee to be determined by the
14 director with the request for approval.

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

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

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

31 (1) (a) The director shall approve or deny the
32 application within sixty days after the completion date; or

33 (b) If the application is not approved or denied
34 within sixty days after the completion date:

35 a. The application is approved; and

36 b. The person, or group of persons acting in concert,
37 are not prohibited from acquiring control; and

38 (2) The director may for good cause extend the
39 application period.

40 6. A determination by the director that an application
41 is complete and is accepted for processing means only that
42 the application, on its face, appears to include all of the
43 items and address all of the matters that are required, and
44 is not an assessment of the substance of the application or
45 of the sufficiency of the information provided.

46 7. If an application is filed and considered complete
47 under subsection 5 of this section, the director shall
48 investigate the financial condition and responsibility,
49 financial and business experience, character, and general
50 fitness of the person, or group of persons acting in
51 concert, seeking to acquire control. The director shall
52 approve an acquisition of control under this section if the
53 director finds that all of the following conditions have
54 been fulfilled:

55 (1) The requirements of subsections 2 and 4 of this
56 section have been met, as applicable; and

57 (2) The financial condition and responsibility,
58 financial and business experience, competence, character,
59 and general fitness of the person, or group of persons
60 acting in concert, seeking to acquire control and the
61 competence, experience, character, and general fitness of
62 the key individuals and persons that would be in control of
63 the licensee after the acquisition of control indicate that
64 it is in the interest of the public to permit the person, or
65 group of persons acting in concert, to control the licensee.

66 8. If an applicant avails itself or is otherwise
67 subject to a multistate licensing process:

68 (1) The director may accept the investigation results
69 of a lead investigative state for the purpose of subsection
70 7 of this section if the lead investigative state has
71 sufficient staffing, expertise, and minimum standards; or

72 (2) If this state is a lead investigative state, the
73 director may investigate the applicant under subsection 7 of
74 this section and the time frames established by agreement
75 through the multistate licensing process.

76 9. The director shall issue a formal written notice of
77 the denial of an application to acquire control within
78 thirty days of the decision to deny the application. The
79 director shall set forth in the notice of denial the
80 specific reasons for the denial of the application. An
81 applicant whose application is denied by the director under
82 this subsection may appeal within thirty days after receipt
83 of the written notice of the denial under chapter 536.

84 10. The requirements of subsections 1 and 2 of this
85 section shall not apply to any of the following:

86 (1) A person that acts as a proxy for the sole purpose
87 of voting at a designated meeting of the shareholders or

88 holders of voting shares or voting interests of a licensee
89 or a person in control of a licensee;

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

92 (3) A person that acquires control of a licensee as a
93 personal representative, custodian, guardian, conservator,
94 or trustee, or as an officer appointed by a court of
95 competent jurisdiction or by operation of law;

96 (4) A person that is exempt under subsection 7 of
97 section 361.909;

98 (5) A person that the director determines is not
99 subject to subsection 1 of this section based on the public
100 interest;

101 (6) A public offering of securities of a licensee or a
102 person in control of a licensee; or

103 (7) An internal reorganization of a person in control
104 of the licensee where the ultimate person in control of the
105 licensee remains the same.

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

110 12. (1) The requirements of subsections 1 and 2 of
111 this section shall not apply to a person that has complied
112 with and received approval to engage in money transmission
113 under sections 361.900 to 361.1035 or was identified as a
114 person in control in a prior application filed with and
115 approved by the director or by another state under a
116 multistate licensing process, provided that:

117 (a) The person has not had a license revoked or
118 suspended or controlled a licensee that has had a license

119 revoked or suspended while the person was in control of the
120 licensee in the previous five years;

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

125 (c) The licensee to be acquired is projected to meet
126 the requirements of sections 361.999, 361.1002, and 361.1005
127 after the acquisition of control is completed, and if the
128 person acquiring control is a licensee, that licensee is
129 also projected to meet the requirements of sections 361.999,
130 361.1002, and 361.1005 after the acquisition of control is
131 completed;

132 (d) The licensee to be acquired will not implement any
133 material changes to its business plan as a result of the
134 acquisition of control, and if the person acquiring control
135 is a licensee, that licensee also will not implement any
136 material changes to its business plan as a result of the
137 acquisition of control; and

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

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

145 13. Before filing an application for approval to
146 acquire control of a licensee, a person may request in
147 writing a determination from the director as to whether the
148 person would be considered a person in control of a licensee
149 upon consummation of a proposed transaction. If the
150 director determines that the person would not be a person in

151 control of a licensee, the proposed person and transaction
152 is not subject to the requirements of subsections 1 and 2 of
153 this section.

154 14. If a multistate licensing process includes a
155 determination under subsection 13 of this section and an
156 applicant avails itself or is otherwise subject to the
157 multistate licensing process:

158 (1) The director may accept the control determination
159 of a lead investigative state with sufficient staffing,
160 expertise, and minimum standards for the purpose of
161 subsection 13 of this section; or

162 (2) If this state is a lead investigative state, the
163 director may investigate the applicant under subsection 13
164 of this section and the time frames established by agreement
165 through the multistate licensing process.

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

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

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

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

16 3. A notice of disapproval shall contain a statement
17 of the basis for disapproval and shall be sent to the

18 licensee and the disapproved individual. A licensee may
19 appeal a notice of disapproval under chapter 536 within
20 thirty days after receipt of such notice of disapproval.

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

25 5. If a multistate licensing process includes a key
26 individual notice review and disapproval process under this
27 section and the licensee avails itself or is otherwise
28 subject to the multistate licensing process:

29 (1) The director may accept the determination of
30 another state if the investigating state has sufficient
31 staffing, expertise, and minimum standards for the purpose
32 of this section; or

33 (2) If this state is a lead investigative state, the
34 director may investigate the applicant under subsection 2 of
35 this section and the time frames established by agreement
36 through the multistate licensing process.

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

5 2. The report of condition shall include:

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

11 (3) Permissible investments report;

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

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

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

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

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

7 (2) Any other information as the director may
8 reasonably require.

9 2. The audited financial statement shall be prepared
10 by an independent certified public accountant or independent
11 public accountant who is satisfactory to the director.

12 3. The audited financial statements shall include or
13 be accompanied by a certificate of opinion of the
14 independent certified public accountant or independent
15 public accountant that is satisfactory in form and content
16 to the director. If the certificate or opinion is
17 qualified, the director may order the licensee to take any
18 action as the director may find necessary to enable the
19 independent certified public accountant or independent
20 public accountant to remove the qualification.

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

7 2. The authorized delegate report shall include, at a
8 minimum, each authorized delegate's:

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

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

- 5 (1) The filing of a petition by or against the
6 licensee under the federal United States Bankruptcy Code, 11
7 U.S.C. Section 101-110, as amended or recodified from time
8 to time, for bankruptcy or reorganization;
- 9 (2) The filing of a petition by or against the
10 licensee for receivership, the commencement of any other
11 judicial or administrative proceeding for its dissolution or

12 reorganization, or the making of a general assignment for
13 the benefit of its creditors; or

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

17 2. A licensee shall notify the director within three
18 business days after the licensee has reason to know that:

19 (1) The licensee or a key individual or person in
20 control of the licensee, has been convicted of, or pled
21 guilty or nolo contendere to a felony involving an act of
22 fraud, dishonesty, or a breach of trust, or money
23 laundering; or

24 (2) An authorized delegate has been convicted of, or
25 pled guilty or nolo contendere to a felony involving an act
26 of fraud, dishonesty, or a breach of trust, or money
27 laundering.

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

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

4 (1) A record of each outstanding money transmission
5 obligation sold;

6 (2) A general ledger posted at least monthly
7 containing all asset, liability, capital, income, and
8 expense accounts;

9 (3) Bank statements and bank reconciliation records;

10 (4) Records of outstanding money transmission
11 obligations;

12 (5) Records of each outstanding money transmission
13 obligation paid within the three-year period;

14 (6) A list of the last known names and addresses of
15 all of the licensee's authorized delegates; and

16 (7) Any other records the director reasonably requires
17 by rule.

18 2. The items specified in subsection 1 of this section
19 may be maintained in any form of record.

20 3. Records specified in subsection 1 of this section
21 may be maintained outside this state if the records are made
22 accessible to the director on seven business-days' notice
23 that is sent in a record.

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

361.975. 1. As used in this section, "remit" means to
2 make direct payments of money to a licensee or its
3 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
6 through an authorized delegate, or allows a person to act as
7 the licensee's authorized delegate, the licensee shall:

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

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

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

18 3. An authorized delegate shall operate in full
19 compliance with sections 361.900 to 361.1035.

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

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

26 (2) Set forth the nature and scope of the relationship
27 between the licensee and the authorized delegate and the
28 respective rights and responsibilities of the parties;

29 (3) Require the authorized delegate to agree to fully
30 comply with all applicable state and federal laws, rules,
31 and regulations pertaining to money transmission, including
32 sections 361.900 to 361.1035 and regulations implementing
33 sections 361.900 to 361.1035, relevant provisions of the
34 federal Bank Secrecy Act, and the federal USA PATRIOT Act;

35 (4) Require the authorized delegate to remit and
36 handle money and monetary value in accordance with the terms
37 of the contract between the licensee and the authorized
38 delegate;

39 (5) Impose a trust on money and monetary value net of
40 fees received for money transmission for the benefit of the
41 licensee;

42 (6) Require the authorized delegate to prepare and
43 maintain records as required by sections 361.900 to 361.1035

44 or regulations implementing sections 361.900 to 361.1035, or
45 as reasonably requested by the director;

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

48 (8) State that the licensee is subject to regulation
49 by the director and that, as part of that regulation, the
50 director may suspend or revoke an authorized delegate
51 designation or require the licensee to terminate an
52 authorized delegate designation; and

53 (9) Acknowledge receipt of the written policies and
54 procedures required under subdivision (1) of subsection 1 of
55 this section.

56 5. If the licensee's license is suspended, revoked,
57 surrendered, or expired, the licensee shall, within five
58 business days, provide documentation to the director that
59 the licensee has notified all applicable authorized
60 delegates of the licensee whose names are in a record filed
61 with the director of the suspension, revocation, surrender,
62 or expiration of a license. Upon suspension, revocation,
63 surrender, or expiration of a license, applicable authorized
64 delegates shall immediately cease to provide money
65 transmission as an authorized delegate of the licensee.

66 6. An authorized delegate of a licensee holds in trust
67 for the benefit of the licensee all money net of fees
68 received from money transmission. If any authorized
69 delegate commingles any funds received from money
70 transmission with any other funds or property owned or
71 controlled by the authorized delegate, all commingled funds
72 and other property shall be considered held in trust in
73 favor of the licensee in an amount equal to the amount of
74 money net of fees received from money transmission.

75 7. An authorized delegate shall not use a subdelegate
76 to conduct money transmission on behalf of a licensee.

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

 361.981. 1. The circuit court in an action brought by
2 a licensee shall have jurisdiction to grant appropriate
3 equitable or legal relief, including without limitation
4 prohibiting the authorized delegate from directly or
5 indirectly acting as an authorized delegate for any licensee
6 in this state and the payment of restitution, damages, or
7 other monetary relief, if the circuit court finds that an
8 authorized delegate failed to remit money in accordance with
9 the written contract required by subsection 2 of section
10 361.975 or as otherwise directed by the licensee or required
11 by law.

12 2. If the circuit court issues an order prohibiting a
13 person from acting as an authorized delegate for any
14 licensee under subsection 1 of this section, the licensee
15 that brought the action shall report the order to the
16 director within thirty days and shall report the order
17 through NMLS within ninety days.

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

22 4. An authorized delegate who holds money in trust for
23 the benefit of a licensee and knowingly fails to remit one

24 thousand dollars or less of such money is guilty of a class
25 A misdemeanor.

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

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

361.987. 1. This section shall not apply to:

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

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

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

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

14 (2) Instructions have been given committing an
15 equivalent amount of money to the person designated by the
16 sender within ten days of the date on which the money was
17 received for transmission;

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

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

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

32 (a) Identify the sender's name and address or
33 telephone number; or

34 (b) Identify the particular transaction to be refunded
35 in the event the sender has multiple transactions
36 outstanding.

361.990. 1. This section shall not apply to:

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

5 (2) Money received for transmission that is not
6 primarily for personal, family, or household purposes;

7 (3) Money received for transmission under a written
8 agreement between the licensee and payee to process payments
9 for goods or services provided by the payee; or

10 (4) Payroll processing services.

11 2. For purposes of this section, "receipt" means a
12 paper receipt, electronic record, or other written
13 confirmation. For a transaction conducted in person, the

14 receipt may be provided electronically if the sender
15 requests or agrees to receive an electronic receipt. For a
16 transaction conducted electronically or by phone, a receipt
17 may be provided electronically. All electronic receipts
18 shall be provided in a retainable form.

19 3. (1) Every licensee or its authorized delegate
20 shall provide the sender a receipt for money received for
21 transmission. The receipt shall contain the following
22 information, as applicable:

- 23 (a) The name of the sender;
- 24 (b) The name of the designated recipient;
- 25 (c) The date of the transaction;
- 26 (d) The unique transaction or identification number;
- 27 (e) The name of the licensee, NMLS unique identifier,
28 the licensee's business address, and the licensee's customer
29 service telephone number;
- 30 (f) The amount of the transaction in United States
31 dollars;
- 32 (g) Any fee charged by the licensee to the sender for
33 the transaction; and
- 34 (h) Any taxes collected by the licensee from the
35 sender for the transaction.

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

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

- 3 (1) Issue reports to clients detailing client payroll
4 obligations in advance of the payroll funds being deducted
5 from an account; and

6 (2) Make available worker paystubs or an equivalent
7 statement to workers.

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

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

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

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

5 2. The amount of the required security shall be:

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

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

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

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

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

14 3. Permissible investments, even if commingled with
15 other assets of the licensee, are held in trust for the
16 benefit of the purchasers and holders of the licensee's
17 outstanding money transmission obligations in the event of
18 insolvency, the filing of a petition by or against the
19 licensee under the United States Bankruptcy Code, 11 U.S.C.
20 Section 101-110, as amended or recodified from time to time,
21 for bankruptcy or reorganization, the filing of a petition
22 by or against the licensee for receivership, the
23 commencement of any other judicial or administrative
24 proceeding for its dissolution or reorganization, or in the
25 event of an action by a creditor against the licensee who is
26 not a beneficiary of the statutory trust. No permissible
27 investments impressed with a trust under this subsection

28 shall be subject to attachment, levy of execution, or
29 sequestration by order of any court, except for a
30 beneficiary of the statutory trust.

31 4. Upon the establishment of a statutory trust in
32 accordance with subsection 3 of this section or when any
33 funds are drawn on a letter of credit under subdivision (4)
34 of subsection 1 of section 361.1008, the director shall
35 notify the applicable regulator of each state in which the
36 licensee is licensed to engage in money transmission, if
37 any, of the establishment of the trust or the funds drawn on
38 the letter of credit, as applicable. Notice shall be deemed
39 satisfied if performed under a multistate agreement or
40 through NMLS. Funds drawn on a letter of credit, and any
41 other permissible investments held in trust for the benefit
42 of the purchasers and holders of the licensee's outstanding
43 money transmission obligations, are deemed held in trust for
44 the benefit of such purchasers and holders on a pro rata and
45 equitable basis in accordance with statutes under which
46 permissible investments are required to be held in this
47 state, and other states, as applicable. Any statutory trust
48 established under this subsection shall be terminated upon
49 extinguishment of all of the licensee's outstanding money
50 transmission obligations.

51 5. The director by rule or by order may allow other
52 types of investments that the director determines are of
53 sufficient liquidity and quality to be a permissible
54 investment. The director may participate in efforts with
55 other state regulators to determine that other types of
56 investments are of sufficient liquidity and quality to be a
57 permissible investment.

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

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

14 (2) Certificates of deposit or senior debt obligations
15 of an insured depository institution, as defined under the
16 Federal Deposit Insurance Act, 12 U.S.C. Section 1813, as
17 amended or recodified from time to time, or as defined under
18 the federal Credit Union Act, 12 U.S.C. Section 1781, as
19 amended or recodified from time to time;

20 (3) An obligation of the United States or a
21 commission, agency, or instrumentality thereof; an
22 obligation that is guaranteed fully as to principal and
23 interest by the United States; or an obligation of a state
24 or a political subdivision, agency, or instrumentality
25 thereof;

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

29 (5) The full drawable amount of an irrevocable standby
30 letter of credit for which the stated beneficiary is the
31 director that stipulates that the beneficiary need draw only
32 a sight draft under the letter of credit and present it to
33 obtain funds up to the letter of credit amount within seven

34 days of presentation of the items required by paragraph (d)
35 of this subdivision. The letter of credit shall:

36 (a) Be issued by a federally insured depository
37 financial institution, a foreign bank that is authorized
38 under federal law to maintain a federal agency or federal
39 branch office in a state or states, or a foreign bank that
40 is authorized under state law to maintain a branch in a
41 state that:

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

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

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

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

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

62 2. In the event of any notice of expiration or
63 nonextension of a letter of credit issued under paragraph
64 (d) of subdivision (4) of subsection 1 of this section, the
65 licensee shall be required to demonstrate to the

66 satisfaction of the director, fifteen days prior to
67 expiration, that the licensee maintains and will maintain
68 permissible investments in accordance with subsection 1 of
69 section 361.1005 upon the expiration of the letter of
70 credit. If the licensee is not able to do so, the director
71 may draw on the letter of credit in an amount up to the
72 amount necessary to meet the licensee's requirements to
73 maintain permissible investments in accordance with
74 subsection 1 of section 361.1005. Any such draw shall be
75 offset against the licensee's outstanding money transmission
76 obligations. The drawn funds shall be held in trust by the
77 director or the director's designated agent, to the extent
78 authorized by law, as agent for the benefit of the
79 purchasers and holders of the licensee's outstanding money
80 transmission obligations.

81 3. The letter of credit shall provide that the issuer
82 of the letter of credit will honor, at sight, a presentation
83 made by the beneficiary to the issuer of the following
84 documents on or prior to the expiration date of the letter
85 of credit:

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

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

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

94 (b) The filing of a petition by or against the
95 licensee for receivership, or the commencement of any other
96 judicial or administrative proceeding for its dissolution or
97 reorganization;

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

103 (d) The beneficiary has received notice of expiration
104 or nonextension of a letter of credit and the licensee
105 failed to demonstrate to the satisfaction of the beneficiary
106 that the licensee will maintain permissible investments in
107 accordance with subsection 1 of section 361.1005 upon the
108 expiration or nonextension of the letter of credit.

109 4. The director may designate an agent to serve on the
110 director's behalf as beneficiary to a letter of credit so
111 long as the agent and letter of credit meet requirements
112 established by the director. The director's agent may serve
113 as agent for multiple licensing authorities for a single
114 irrevocable letter of credit if the proceeds of the drawable
115 amount for the purposes of this subsection are assigned to
116 the director.

117 5. The director may participate in multistate
118 processes designed to facilitate the issuance and
119 administration of letters of credit including, but not
120 limited to, services provided by the NMLS, State Regulatory
121 Registry LLC or other third parties.

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

126 (1) Receivables that are payable to a licensee from
127 its authorized delegates in the ordinary course of business
128 that are less than seven days old, up to fifty percent of
129 the aggregate value of the licensee's total permissible

130 investments. Of the receivables permissible under this
131 subdivision, receivables that are payable to a licensee from
132 a single authorized delegate in the ordinary course of
133 business shall not exceed ten percent of the aggregate value
134 of the licensee's total permissible investments;

135 (2) The following investments, up to twenty percent
136 per category and combined up to fifty percent of the
137 aggregate value of the licensee's total permissible
138 investments:

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

142 (b) Commercial paper bearing an eligible rating;

143 (c) A bill, note, bond, or debenture bearing an
144 eligible rating;

145 (d) United States triparty repurchase agreements
146 collateralized at one hundred percent or more with United
147 States government or agency securities, municipal bonds, or
148 other securities bearing an eligible rating;

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

152 (f) A mutual fund or other investment fund composed
153 solely and exclusively of one or more permissible
154 investments listed in subdivisions (1) to (3) of subsection
155 1 of this section; and

156 (3) Cash, including demand deposits, savings deposits,
157 and funds in such accounts held for the benefit of the
158 licensee's customers, at foreign depository institutions to
159 ten percent of the aggregate value of the licensee's total
160 permissible investments if the licensee has received a

161 satisfactory rating in its most recent examination and the
162 foreign depository institution:

163 (a) Has an eligible rating;

164 (b) Is registered under the federal Foreign Account
165 Tax Compliance Act;

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

168 (d) Is not located in a high risk or noncooperative
169 jurisdiction as designated by the Financial Action Task
170 Force.

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

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

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

9 (3) The licensee engages in fraud, intentional
10 misrepresentation, or gross negligence;

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

17 (5) The competence, experience, character, or general
18 fitness of the licensee, authorized delegate, person in
19 control of a licensee, key individual, or responsible person
20 of the authorized delegate indicates that it is not in the
21 public interest to permit the person to provide money
22 transmission;

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

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

28 (8) The licensee does not remove an authorized
29 delegate after the director issues and serves upon the
30 licensee a final order including a finding that the
31 authorized delegate has violated sections 361.900 to
32 361.1035.

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

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

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

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

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

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

15 (5) The competence, experience, character, or general
16 fitness of the authorized delegate or a person in control of

17 the authorized delegate indicates that it is not in the
18 public interest to permit the authorized delegate to provide
19 money transmission; or

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

22 2. In determining whether an authorized delegate is
23 engaging in an unsafe or unsound practice, the director may
24 consider the size and condition of the authorized delegate's
25 provision of money transmission, the magnitude of the loss,
26 the gravity of the violation of sections 361.900 to 361.1035
27 or a rule adopted or order issued under sections 361.900 to
28 361.1035, and the previous conduct of the authorized
29 delegate.

30 3. An authorized delegate may apply for relief from a
31 suspension or revocation of designation as an authorized
32 delegate according to procedures prescribed by the director.

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

12 2. The director may issue an order against a licensee
13 to cease and desist from providing money transmission
14 through an authorized delegate that is the subject of a
15 separate order by the director.

16 3. An order to cease and desist remains effective and
17 enforceable pending the completion of an administrative
18 proceeding under chapter 536.

19 4. A licensee or an authorized delegate that is served
20 with an order to cease and desist may petition the circuit
21 court with jurisdiction for a judicial order setting aside,
22 limiting, or suspending the enforcement, operation, or
23 effectiveness of the order pending the completion of an
24 administrative proceeding under chapter 536.

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

 361.1020. The director may enter into a consent order
2 at any time with a person to resolve a matter arising under
3 sections 361.900 to 361.1035 or a rule adopted or order
4 issued under sections 361.900 to 361.1035. A consent order
5 shall be signed by the person to whom it is issued or by the
6 person's authorized representative and shall indicate
7 agreement with the terms contained in the order. A consent
8 order may provide that it does not constitute an admission
9 by a person that sections 361.900 to 361.1035 or a rule
10 adopted or an order issued under sections 361.900 to
11 361.1035 has been violated.

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

7 2. A person that knowingly engages in an activity for
8 which a license is required under sections 361.900 to
9 361.1035 without being licensed under sections 361.900 to

10 361.1035 and who receives more than five hundred dollars in
11 compensation within a thirty-day period for this activity is
12 guilty of a class E felony.

13 3. A person that knowingly engages in an activity for
14 which a license is required under sections 361.900 to
15 361.1035 without being licensed under sections 361.900 to
16 361.1035 and who receives no more than five hundred dollars
17 in compensation within a thirty-day period for this activity
18 is guilty of a class A misdemeanor.

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

361.1029. 1. If the director has reason to believe
2 that a person has violated or is violating section 361.930,
3 the director may issue an order to show cause why an order
4 to cease and desist shall not be issued requiring that the
5 person cease and desist from the violation of section
6 361.930.

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

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

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

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

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

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

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

8 2. Notwithstanding subsection 1 of this section, a
9 licensee shall only be required to amend its authorized
10 delegate contracts for contracts entered into or amended
11 after the effective date or the completion of any transition
12 period contemplated under subsection 1 of this section.
13 Nothing herein shall be construed as limiting an authorized
14 delegate's obligations to operate in full compliance with
15 sections 361.900 to 361.1035 as required by subsection 3 of
16 section 361.975.

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

4 2. For the purposes of sections 361.700 to
5 361.727, the following terms mean:

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

10 (2) "Director", the director of the
11 division of finance;

12 (3) "Licensee", any person duly licensed
13 by the director pursuant to sections 361.700 to
14 361.727;

15 (4) "Person", any individual, partnership,
16 association, trust or corporation.]

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

11 2. Any person who violates any of the
12 provisions of sections 361.700 to 361.727 or
13 attempts to sell or issue checks without having
14 first obtained a license from the director shall
15 be deemed guilty of a class A misdemeanor.]

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

7 (1) The proprietor, if the applicant is an
8 individual;

9 (2) Every member, if the applicant is a
10 partnership or association;

11 (3) The corporation and each officer and
12 director thereof, if the applicant is a
13 corporation.

14 2. Each application for a license shall be
15 accompanied by an investigation fee of three
16 hundred dollars. If the license is granted the
17 investigation fee shall be applied to the
18 license fee for the first year. No
19 investigation fee shall be refunded.]

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

11 payment of money in connection with the sale or
12 issuance of checks and also to pay the costs
13 incurred by the division to remedy any breach of
14 the obligations of the applicant subject to the
15 bond or to pay examination costs of the division
16 owed and not paid by the applicant. Upon
17 license renewal, the required amount of bond
18 shall be as follows:

19 (1) For all licensees selling payment
20 instruments or stored value cards, five times
21 the high outstanding balance from the previous
22 year with a minimum of one hundred thousand
23 dollars and a maximum of one million dollars;
24 (2) For all licensees receiving money for
25 transmission, five times the greatest amount
26 transmitted in a single day during the previous
27 year with a minimum of one hundred thousand
28 dollars and a maximum of one million dollars.
29 If in the opinion of the director the bond shall
30 at any time appear to be inadequate, insecure,
31 exhausted, or otherwise doubtful, additional
32 bond in form and with surety satisfactory to the
33 director shall be filed within fifteen days
34 after notice of the requirement is given to the
35 licensee by the director. An applicant or
36 licensee may, in lieu of filing any bond
37 required under this section, provide the
38 director with an irrevocable letter of credit,
39 as defined in section 400.5-103, issued by any
40 state or federal financial institution.
41 Whenever in the director's judgment it is
42 necessary or expedient, the director may perform
43 a special examination of any person licensed
44 under sections 361.700 to 361.727 with all
45 authority under section 361.160 as though the
46 licensee were a bank. The cost of such
47 examination shall be paid by the licensee.]

2 [361.715. 1. Upon the filing of the
3 application, the filing of a certified audit,
4 the payment of the investigation fee and the
5 approval by the director of the necessary bond,
6 the director shall cause, investigate, and
7 determine whether the character, responsibility,
8 and general fitness of the principals of the
9 applicant or any affiliates are such as to
10 command confidence and warrant belief that the
11 business of the applicant will be conducted
12 honestly and efficiently and that the applicant
13 is in compliance with all other applicable state
14 and federal laws. If satisfied, the director
15 shall issue to the applicant a license pursuant
16 to the provisions of sections 361.700 to
17 361.727. In processing a renewal license, the
18 director shall require the same information and
19 follow the same procedures described in this
subsection.]

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

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

 [361.718. Every licensee shall at all
2 times have on demand deposit in a federally
3 insured depository institution or in the form of
4 cash on hand or in the hands of his agents or in
5 readily marketable securities an amount equal to
6 all outstanding unpaid checks sold by him or his
7 agents in Missouri, in addition to the amount of
8 his bond. Upon demand by the director,
9 licensees must immediately provide proof of such
10 funds or securities. The director may make such
11 demand as often as reasonably necessary and
12 shall make such demand to each licensee, without
13 prior notice, at least twice each license year.]

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

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

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

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

