

First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0524.01 Brita Darling x2241

HOUSE BILL 25-1201

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HOUSE SPONSORSHIP

Marshall,

SENATE SPONSORSHIP

Hinrichsen,

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House Committees  
Finance

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING IMPLEMENTING A MODEL ACT TO MODERNIZE MONEY  
102 TRANSMISSION.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill repeals the current "Money Transmitters Act" and replaces it with the "Money Transmission Modernization Act" (act). The new act enacts, in part, a model law developed in conjunction with the money transmitter industry.

The act reduces regulatory burden by modernizing outdated and inconsistent regulatory requirements, including:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*



1 (d) MODERNIZE SAFETY AND SOUNDNESS REQUIREMENTS TO  
2 ENSURE CUSTOMER MONEY IS PROTECTED IN AN ENVIRONMENT THAT  
3 SUPPORTS INNOVATIVE AND COMPETITIVE BUSINESS PRACTICES.

4 PART 2

5 DEFINITIONS

6 **11-110-201. Definitions - rules.** AS USED IN THIS ARTICLE 110,  
7 UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

11 (2) "AUTHORIZED DELEGATE" MEANS A PERSON A LICENSEE  
12 DESIGNATES TO ENGAGE IN MONEY TRANSMISSION ON BEHALF OF THE  
13 LICENSEE.

14 (3) "AVERAGE DAILY MONEY TRANSMISSION LIABILITY" MEANS  
15 THE AMOUNT OF A LICENSEE'S OUTSTANDING MONEY TRANSMISSION  
16 OBLIGATIONS IN THIS STATE AT THE END OF EACH DAY IN A GIVEN PERIOD  
17 OF TIME, ADDED TOGETHER AND DIVIDED BY THE TOTAL NUMBER OF DAYS  
18 IN THE GIVEN PERIOD OF TIME. FOR PURPOSES OF CALCULATING AVERAGE  
19 DAILY MONEY TRANSMISSION LIABILITY UNDER THIS ARTICLE 110 FOR ANY  
20 LICENSEE REQUIRED TO DO SO, THE GIVEN PERIOD OF TIME IS THE  
21 QUARTERS ENDING MARCH 31, JUNE 30, SEPTEMBER 30, AND DECEMBER  
22 31.

23 (4) "BANKING BOARD" OR "BOARD" MEANS THE BANKING BOARD  
24 CREATED IN SECTION 11-102-103.

25 (5) "BANK SECRECY ACT" MEANS THE FEDERAL "BANK SECRECY  
26 ACT", 31 U.S.C. SEC. 5311 ET SEQ., AS AMENDED, AND ITS IMPLEMENTING  
27 REGULATIONS.

1           (6) "CLOSED LOOP STORED VALUE" MEANS STORED VALUE THAT  
2 IS REDEEMABLE BY AN ISSUER ONLY FOR GOODS OR SERVICES PROVIDED  
3 BY THE ISSUER OR ITS AFFILIATE OR FRANCHISEES OF THE ISSUER OR ITS  
4 AFFILIATE, EXCEPT TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE  
5 REDEEMABLE IN CASH FOR ITS CASH VALUE.

6           (7) "COMMISSIONER" MEANS THE STATE BANK COMMISSIONER  
7 APPOINTED AND SERVING PURSUANT TO SECTION 11-102-101 (2).

8           (8) (a) "CONTROL" MEANS THE POWER TO:

9           (I) VOTE, DIRECTLY OR INDIRECTLY, AT LEAST TWENTY-FIVE  
10 PERCENT OF THE OUTSTANDING VOTING SHARES OR VOTING INTERESTS OF  
11 A LICENSEE OR PERSON IN CONTROL OF A LICENSEE;

12           (II) ELECT OR APPOINT A MAJORITY OF KEY INDIVIDUALS OR  
13 EXECUTIVE OFFICERS, MANAGERS, DIRECTORS, TRUSTEES, OR OTHER  
14 INDIVIDUALS EXERCISING MANAGERIAL AUTHORITY OF A PERSON IN  
15 CONTROL OF A LICENSEE; OR

16           (III) EXERCISE, DIRECTLY OR INDIRECTLY, A CONTROLLING  
17 INFLUENCE OVER THE MANAGEMENT OR POLICIES OF A LICENSEE OR  
18 PERSON IN CONTROL OF A LICENSEE.

19           (b) **Rebuttable presumption of control.** (I) A PERSON IS  
20 PRESUMED TO EXERCISE A CONTROLLING INFLUENCE WHEN THE PERSON  
21 HOLDS THE POWER TO VOTE, DIRECTLY OR INDIRECTLY, AT LEAST TEN  
22 PERCENT OF THE OUTSTANDING VOTING SHARES OR VOTING INTERESTS OF  
23 A LICENSEE OR PERSON IN CONTROL OF A LICENSEE.

24           (II) A PERSON PRESUMED TO EXERCISE A CONTROLLING INFLUENCE  
25 AS DESCRIBED IN THIS SUBSECTION (8) MAY REBUT THE PRESUMPTION OF  
26 CONTROL IF THE PERSON IS A PASSIVE INVESTOR.

27           (c) FOR PURPOSES OF DETERMINING THE PERCENTAGE OF A PERSON

1 CONTROLLED BY ANY OTHER PERSON, THE PERSON'S INTEREST SHALL BE  
2 AGGREGATED WITH THE INTEREST OF ANY OTHER IMMEDIATE FAMILY  
3 MEMBER, INCLUDING THE PERSON'S SPOUSE, PARENTS, CHILDREN,  
4 SIBLINGS, MOTHERS- AND FATHERS-IN-LAW, SONS- AND  
5 DAUGHTERS-IN-LAW, AND BROTHERS- AND SISTERS-IN-LAW AND ANY  
6 OTHER PERSON WHO SHARES SUCH PERSON'S HOME.

7 (9) "DIVISION" MEANS THE DIVISION OF BANKING CREATED IN  
8 SECTION 11-102-101.

9 (10) "ELIGIBLE RATING" MEANS A CREDIT RATING OF ANY OF THE  
10 THREE HIGHEST RATING CATEGORIES PROVIDED BY AN ELIGIBLE RATING  
11 SERVICE, WHEREBY EACH CATEGORY MAY INCLUDE RATING CATEGORY  
12 MODIFIERS SUCH AS "PLUS" OR "MINUS" FOR S&P GLOBAL RATINGS OR  
13 THE EQUIVALENT FOR ANY OTHER ELIGIBLE RATING SERVICE. LONG-TERM  
14 CREDIT RATINGS ARE DEEMED ELIGIBLE IF THE RATING IS EQUAL TO "A-"  
15 OR HIGHER BY S&P GLOBAL RATINGS OR THE EQUIVALENT FROM ANY  
16 OTHER ELIGIBLE RATING SERVICE. SHORT-TERM CREDIT RATINGS ARE  
17 DEEMED ELIGIBLE IF THE RATING IS EQUAL TO OR HIGHER THAN "A-2" OR  
18 "SP-2" BY S&P GLOBAL RATINGS OR THE EQUIVALENT FROM ANY OTHER  
19 ELIGIBLE RATING SERVICE. IN THE EVENT THAT RATINGS DIFFER AMONG  
20 ELIGIBLE RATING SERVICES, THE HIGHEST RATING APPLIES WHEN  
21 DETERMINING WHETHER A SECURITY BEARS AN ELIGIBLE RATING.

22 (11) "ELIGIBLE RATING SERVICE" MEANS ANY NATIONALLY  
23 RECOGNIZED STATISTICAL RATING ORGANIZATION, OR "NRSRO", AS  
24 DEFINED BY THE UNITED STATES SECURITIES AND EXCHANGE  
25 COMMISSION, AND ANY OTHER ORGANIZATION DESIGNATED BY THE  
26 BANKING BOARD BY RULE OR ORDER.

27 (12) "FEDERALLY INSURED DEPOSITORY FINANCIAL INSTITUTION"

1 MEANS A BANK, CREDIT UNION, SAVINGS AND LOAN ASSOCIATION, TRUST  
2 COMPANY, SAVINGS ASSOCIATION, SAVINGS BANK, INDUSTRIAL BANK, OR  
3 INDUSTRIAL LOAN COMPANY ORGANIZED UNDER THE LAWS OF THE UNITED  
4 STATES OR ANY STATE OF THE UNITED STATES, WHEN SUCH BANK, CREDIT  
5 UNION, SAVINGS AND LOAN ASSOCIATION, TRUST COMPANY, SAVINGS  
6 ASSOCIATION, SAVINGS BANK, INDUSTRIAL BANK, OR INDUSTRIAL LOAN  
7 COMPANY HAS FEDERALLY INSURED DEPOSITS.

8 (13) "INDIVIDUAL" MEANS A NATURAL PERSON.

9 (14) (a) "IN THIS STATE" MEANS AT A PHYSICAL LOCATION WITHIN  
10 THIS STATE FOR A TRANSACTION REQUESTED IN PERSON.

11 (b) FOR A TRANSACTION REQUESTED ELECTRONICALLY OR BY  
12 PHONE, THE PROVIDER OF MONEY TRANSMISSION SHALL DETERMINE IF THE  
13 PERSON REQUESTING THE TRANSACTION IS "IN THIS STATE" BY RELYING ON  
14 OTHER INFORMATION PROVIDED BY THE PERSON REGARDING THE  
15 LOCATION OF THE INDIVIDUAL'S RESIDENTIAL ADDRESS OR A BUSINESS  
16 ENTITY'S PRINCIPAL PLACE OF BUSINESS OR OTHER PHYSICAL ADDRESS  
17 LOCATION, AND ANY RECORDS ASSOCIATED WITH THE PERSON THAT THE  
18 PROVIDER OF MONEY TRANSMISSION MAY HAVE THAT INDICATE SUCH  
19 LOCATION, INCLUDING BUT NOT LIMITED TO AN ADDRESS ASSOCIATED  
20 WITH AN ACCOUNT.

21 (15) "KEY INDIVIDUAL" MEANS ANY INDIVIDUAL ULTIMATELY  
22 RESPONSIBLE FOR ESTABLISHING OR DIRECTING POLICIES AND PROCEDURES  
23 OF A LICENSEE, SUCH AS AN EXECUTIVE OFFICER, MANAGER, DIRECTOR, OR  
24 TRUSTEE.

25 (16) "LICENSEE" MEANS A PERSON LICENSED UNDER THIS ARTICLE  
26 110.

27 (17) "MATERIAL LITIGATION" MEANS LITIGATION THAT,

1 ACCORDING TO UNITED STATES GENERALLY ACCEPTED ACCOUNTING  
2 PRINCIPLES, IS SIGNIFICANT TO A PERSON'S FINANCIAL HEALTH AND WOULD  
3 BE REQUIRED TO BE DISCLOSED IN THE PERSON'S ANNUAL AUDITED  
4 FINANCIAL STATEMENTS OR REPORT TO SHAREHOLDERS OR SIMILAR  
5 RECORDS.

6 (18) "MONETARY VALUE" MEANS A MEDIUM OF EXCHANGE,  
7 WHETHER OR NOT REDEEMABLE IN MONEY.

8 (19) (a) "MONEY" MEANS A MEDIUM OF EXCHANGE THAT IS  
9 AUTHORIZED OR ADOPTED BY THE UNITED STATES OR A FOREIGN  
10 GOVERNMENT.

11 (b) "MONEY" INCLUDES A MONETARY UNIT OF ACCOUNT  
12 ESTABLISHED BY AN INTERGOVERNMENTAL ORGANIZATION OR BY  
13 AGREEMENT BETWEEN TWO OR MORE GOVERNMENTS.

14 (20) (a) "MONEY TRANSMISSION" MEANS ANY OF THE FOLLOWING:

15 (I) SELLING OR ISSUING PAYMENT INSTRUMENTS TO A PERSON  
16 LOCATED IN THIS STATE;

17 (II) SELLING OR ISSUING STORED VALUE TO A PERSON LOCATED IN  
18 THIS STATE; OR

19 (III) RECEIVING MONEY FOR TRANSMISSION FROM A PERSON  
20 LOCATED IN THIS STATE.

21 (b) "MONEY TRANSMISSION" INCLUDES PAYROLL PROCESSING  
22 SERVICES.

23 (c) "MONEY TRANSMISSION" DOES NOT INCLUDE THE SOLE  
24 PROVISION OF ONLINE OR TELECOMMUNICATIONS SERVICES OR NETWORK  
25 ACCESS.

26 (21) "MSB ACCREDITED STATE" MEANS A STATE AGENCY THAT IS  
27 ACCREDITED BY THE CONFERENCE OF STATE BANK SUPERVISORS AND THE

1 MONEY TRANSMITTER REGULATORS ASSOCIATION FOR MONEY  
2 TRANSMISSION LICENSING AND SUPERVISION.

3 (22) "MULTISTATE LICENSING PROCESS" MEANS ANY AGREEMENT  
4 ENTERED INTO BY AND AMONG STATE REGULATORS RELATING TO  
5 COORDINATED PROCESSING OF APPLICATIONS FOR MONEY TRANSMISSION  
6 LICENSES, APPLICATIONS FOR THE ACQUISITION OF CONTROL OF A  
7 LICENSEE, CONTROL DETERMINATIONS, OR NOTICE AND INFORMATION  
8 REQUIREMENTS FOR A CHANGE OF KEY INDIVIDUALS.

9 (23) "NMLS" MEANS THE NATIONWIDE MULTISTATE LICENSING  
10 SYSTEM AND REGISTRY DEVELOPED BY THE CONFERENCE OF STATE BANK  
11 SUPERVISORS AND THE AMERICAN ASSOCIATION OF RESIDENTIAL  
12 MORTGAGE REGULATORS AND OWNED AND OPERATED BY THE STATE  
13 REGULATORY REGISTRY, LLC, OR ANY SUCCESSOR OR AFFILIATED  
14 ENTITY, FOR THE LICENSING AND REGISTRATION OF PERSONS IN FINANCIAL  
15 SERVICES INDUSTRIES.

16 (24) (a) "OUTSTANDING MONEY TRANSMISSION OBLIGATION"  
17 MEANS, AS ESTABLISHED AND EXTINGUISHED IN ACCORDANCE WITH  
18 APPLICABLE STATE LAW:

19 (I) ANY PAYMENT INSTRUMENT OR STORED VALUE ISSUED OR SOLD  
20 BY A LICENSEE TO A PERSON LOCATED IN THE UNITED STATES OR  
21 REPORTED AS SOLD BY AN AUTHORIZED DELEGATE OF THE LICENSEE TO A  
22 PERSON THAT IS LOCATED IN THE UNITED STATES THAT HAS NOT YET BEEN  
23 PAID OR REFUNDED BY OR FOR THE LICENSEE OR ESCHEATED IN  
24 ACCORDANCE WITH APPLICABLE ABANDONED PROPERTY LAWS; OR

25 (II) ANY MONEY RECEIVED FOR TRANSMISSION BY A LICENSEE OR  
26 AN AUTHORIZED DELEGATE OF THE LICENSEE IN THE UNITED STATES FROM  
27 A PERSON LOCATED IN THE UNITED STATES THAT HAS NOT BEEN RECEIVED



1 BY THE PAYEE OR REFUNDED TO THE SENDER OR ESCHEATED IN  
2 ACCORDANCE WITH APPLICABLE ABANDONED PROPERTY LAWS.

3 (b) AS USED IN THIS SUBSECTION (24), "IN THE UNITED STATES"  
4 MEANS, TO THE EXTENT APPLICABLE, A PERSON IN ANY STATE, TERRITORY,  
5 OR POSSESSION OF THE UNITED STATES; THE DISTRICT OF COLUMBIA; THE  
6 COMMONWEALTH OF PUERTO RICO; OR A UNITED STATES MILITARY  
7 INSTALLATION THAT IS LOCATED IN A FOREIGN COUNTRY.

8 (25) "PASSIVE INVESTOR" MEANS A PERSON THAT:

9 (a) DOES NOT HAVE THE POWER TO ELECT A MAJORITY OF KEY  
10 INDIVIDUALS OR EXECUTIVE OFFICERS, MANAGERS, DIRECTORS, TRUSTEES,  
11 OR OTHER PERSONS EXERCISING MANAGERIAL AUTHORITY OF A PERSON IN  
12 CONTROL OF A LICENSEE;

13 (b) IS NOT EMPLOYED BY AND DOES NOT HAVE ANY MANAGERIAL  
14 DUTIES OF THE LICENSEE OR PERSON IN CONTROL OF A LICENSEE;

15 (c) DOES NOT HAVE THE POWER TO EXERCISE, DIRECTLY OR  
16 INDIRECTLY, A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR  
17 POLICIES OF A LICENSEE OR PERSON IN CONTROL OF A LICENSEE; AND

18 (d) EITHER:

19 (I) ATTESTS TO SUBSECTIONS (25)(a) TO (25)(c) OF THIS SECTION  
20 IN A FORM AND IN A MEDIUM PRESCRIBED BY THE BANKING BOARD BY  
21 RULE; OR

22 (II) COMMITS TO THE PASSIVITY CHARACTERISTICS OF  
23 SUBSECTIONS (25)(a) TO (25)(c) OF THIS SECTION IN A WRITTEN  
24 DOCUMENT.

25 (26) (a) "PAYMENT INSTRUMENT" MEANS A WRITTEN OR  
26 ELECTRONIC CHECK, DRAFT, MONEY ORDER, TRAVELER'S CHECK, OR OTHER  
27 WRITTEN OR ELECTRONIC INSTRUMENT FOR THE TRANSMISSION OR

1 PAYMENT OF MONEY OR MONETARY VALUE, WHETHER OR NOT  
2 NEGOTIABLE.

3 (b) "PAYMENT INSTRUMENT" DOES NOT INCLUDE STORED VALUE  
4 OR ANY INSTRUMENT THAT:

5 (I) IS REDEEMABLE BY THE ISSUER ONLY FOR GOODS OR SERVICES  
6 PROVIDED BY THE ISSUER OR ITS AFFILIATE OR FRANCHISEES OF THE ISSUER  
7 OR THEIR AFFILIATES, EXCEPT TO THE EXTENT REQUIRED BY APPLICABLE  
8 LAW TO BE REDEEMABLE IN CASH FOR ITS CASH VALUE; OR

9 (II) IS NOT SOLD TO THE PUBLIC BUT ISSUED AND DISTRIBUTED AS  
10 PART OF A LOYALTY, REWARDS, OR PROMOTIONAL PROGRAM.

11 (27) (a) "PAYROLL PROCESSING SERVICES" MEANS RECEIVING  
12 MONEY FOR TRANSMISSION PURSUANT TO A CONTRACT WITH A PERSON TO  
13 DELIVER WAGES OR SALARIES, MAKE PAYMENT OF PAYROLL TAXES TO  
14 STATE AND FEDERAL AGENCIES, MAKE PAYMENTS RELATING TO EMPLOYEE  
15 BENEFIT PLANS, OR MAKE DISTRIBUTIONS OF OTHER AUTHORIZED  
16 DEDUCTIONS FROM WAGES OR SALARIES.

17 (b) "PAYROLL PROCESSING SERVICES" DOES NOT INCLUDE AN  
18 EMPLOYER PERFORMING PAYROLL PROCESSING SERVICES ON ITS OWN  
19 BEHALF OR ON BEHALF OF ITS AFFILIATE OR A PROFESSIONAL EMPLOYER  
20 ORGANIZATION SUBJECT TO REGULATION UNDER OTHER APPLICABLE STATE  
21 LAW.

22 (28) "PERSON" MEANS ANY INDIVIDUAL, GENERAL PARTNERSHIP,  
23 LIMITED PARTNERSHIP, LIMITED LIABILITY COMPANY, CORPORATION,  
24 TRUST, ASSOCIATION, JOINT STOCK CORPORATION, OR OTHER CORPORATE  
25 ENTITY IDENTIFIED BY THE BANKING BOARD.

26 (29) "RECEIVING MONEY FOR TRANSMISSION" OR "MONEY  
27 RECEIVED FOR TRANSMISSION" MEANS RECEIVING MONEY OR MONETARY

1 VALUE IN THE UNITED STATES FOR TRANSMISSION WITHIN OR OUTSIDE THE  
2 UNITED STATES BY ELECTRONIC OR OTHER MEANS.

3 (30) (a) "STORED VALUE" MEANS MONETARY VALUE THAT  
4 REPRESENTS A CLAIM AGAINST THE ISSUER EVIDENCED BY AN ELECTRONIC  
5 OR DIGITAL RECORD AND THAT IS INTENDED AND ACCEPTED FOR USE AS A  
6 MEANS OF REDEMPTION FOR MONEY OR MONETARY VALUE OR PAYMENT  
7 FOR GOODS OR SERVICES. "STORED VALUE" INCLUDES BUT IS NOT LIMITED  
8 TO "PREPAID ACCESS" AS DEFINED BY 31 CFR 1010.100.

9 (b) NOTWITHSTANDING SUBSECTION (30)(a) OF THIS SECTION,  
10 "STORED VALUE" DOES NOT INCLUDE A PAYMENT INSTRUMENT OR CLOSED  
11 LOOP STORED VALUE OR STORED VALUE NOT SOLD TO THE PUBLIC BUT  
12 ISSUED AND DISTRIBUTED AS PART OF A LOYALTY, REWARDS, OR  
13 PROMOTIONAL PROGRAM.

14 (31) "TANGIBLE NET WORTH" MEANS THE AGGREGATE ASSETS OF  
15 A LICENSEE EXCLUDING ALL INTANGIBLE ASSETS, LESS LIABILITIES, AS  
16 DETERMINED IN ACCORDANCE WITH UNITED STATES GENERALLY  
17 ACCEPTED ACCOUNTING PRINCIPLES.

### 18 PART 3

### 19 EXEMPTIONS

20 **11-110-301. Exemptions.** (1) THIS ARTICLE 110 DOES NOT APPLY  
21 TO:

22 (a) AN OPERATOR OF A PAYMENT SYSTEM TO THE EXTENT THAT IT  
23 PROVIDES PROCESSING, CLEARING, OR SETTLEMENT SERVICES, BETWEEN  
24 OR AMONG PERSONS EXEMPTED BY THIS SECTION OR LICENSEES, IN  
25 CONNECTION WITH WIRE TRANSFERS, CREDIT CARD TRANSACTIONS, DEBIT  
26 CARD TRANSACTIONS, STORED-VALUE TRANSACTIONS, AUTOMATED  
27 CLEARING HOUSE TRANSFERS, OR SIMILAR MONEY TRANSFERS;

1 (b) A PERSON APPOINTED AS AN AGENT OF A PAYEE TO COLLECT  
2 AND PROCESS A PAYMENT FROM A PAYER TO THE PAYEE FOR GOODS OR  
3 SERVICES, OTHER THAN MONEY TRANSMISSION ITSELF, PROVIDED TO THE  
4 PAYER BY THE PAYEE, SO LONG AS:

5 (I) THERE EXISTS A WRITTEN AGREEMENT BETWEEN THE PAYEE  
6 AND THE AGENT DIRECTING THE AGENT TO COLLECT AND PROCESS  
7 PAYMENTS FROM PAYERS ON THE PAYEE'S BEHALF;

8 (II) THE PAYEE HOLDS THE AGENT OUT TO THE PUBLIC AS  
9 ACCEPTING PAYMENTS FOR GOODS OR SERVICES ON THE PAYEE'S BEHALF;  
10 AND

11 (III) PAYMENT FOR THE GOODS AND SERVICES IS TREATED AS  
12 RECEIVED BY THE PAYEE UPON RECEIPT BY THE AGENT SO THAT THE  
13 PAYER'S OBLIGATION IS EXTINGUISHED AND THERE IS NO RISK OF LOSS TO  
14 THE PAYER IF THE AGENT FAILS TO REMIT THE MONEY TO THE PAYEE;

15 (c) A PERSON THAT ACTS AS AN INTERMEDIARY BY PROCESSING  
16 PAYMENTS BETWEEN AN ENTITY THAT HAS DIRECTLY INCURRED AN  
17 OUTSTANDING MONEY TRANSMISSION OBLIGATION TO A SENDER, AND THE  
18 SENDER'S DESIGNATED RECIPIENT, IF THE ENTITY:

19 (I) IS PROPERLY LICENSED OR EXEMPT FROM LICENSING  
20 REQUIREMENTS UNDER THIS ARTICLE 110;

21 (II) PROVIDES A RECEIPT, ELECTRONIC RECORD, OR OTHER  
22 WRITTEN CONFIRMATION TO THE SENDER IDENTIFYING THE ENTITY AS THE  
23 PROVIDER OF MONEY TRANSMISSION IN THE TRANSACTION; AND

24 (III) BEARS SOLE RESPONSIBILITY TO SATISFY THE OUTSTANDING  
25 MONEY TRANSMISSION OBLIGATION TO THE SENDER, INCLUDING THE  
26 OBLIGATION TO MAKE THE SENDER WHOLE IN CONNECTION WITH ANY  
27 FAILURE TO TRANSMIT THE MONEY TO THE SENDER'S DESIGNATED

- 1 RECIPIENT;
- 2 (d) THE UNITED STATES OR A DEPARTMENT, AGENCY, OR  
3 INSTRUMENTALITY OF THE UNITED STATES OR ITS AGENT;
- 4 (e) MONEY TRANSMISSION BY THE UNITED STATES POSTAL  
5 SERVICE OR BY AN AGENT OF THE UNITED STATES POSTAL SERVICE;
- 6 (f) A STATE, COUNTY, OR CITY OR ANY OTHER GOVERNMENTAL  
7 AGENCY OR GOVERNMENTAL SUBDIVISION OR INSTRUMENTALITY OF A  
8 STATE OR ITS AGENT;
- 9 (g) A FEDERALLY INSURED DEPOSITORY FINANCIAL INSTITUTION;  
10 BANK HOLDING COMPANY; OFFICE OF AN INTERNATIONAL BANKING  
11 CORPORATION; FOREIGN BANK THAT ESTABLISHES A FEDERAL BRANCH  
12 PURSUANT TO THE FEDERAL "INTERNATIONAL BANK ACT", 12 U.S.C. SEC.  
13 3102, AS AMENDED; A CORPORATION ORGANIZED PURSUANT TO THE  
14 FEDERAL "BANK SERVICE CORPORATION ACT", 12 U.S.C. SECS. 1861 TO  
15 1867, AS AMENDED; OR A CORPORATION ORGANIZED UNDER THE "EDGE  
16 ACT", 12 U.S.C. SECS. 611 TO 633, AS AMENDED;
- 17 (h) ELECTRONIC FUNDS TRANSFER OF GOVERNMENTAL BENEFITS  
18 FOR A FEDERAL, STATE, COUNTY, OR GOVERNMENTAL AGENCY BY A  
19 CONTRACTOR ON BEHALF OF THE UNITED STATES OR A DEPARTMENT,  
20 AGENCY, OR INSTRUMENTALITY OF THE UNITED STATES OR ON BEHALF OF  
21 A STATE OR GOVERNMENTAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY  
22 OF A STATE;
- 23 (i) A BOARD OF TRADE DESIGNATED AS A CONTRACT MARKET  
24 UNDER THE FEDERAL "COMMODITY EXCHANGE ACT", 7 U.S.C. SECS. 1 TO  
25 25, AS AMENDED, OR A PERSON THAT, IN THE ORDINARY COURSE OF  
26 BUSINESS, PROVIDES CLEARANCE AND SETTLEMENT SERVICES FOR A  
27 BOARD OF TRADE TO THE EXTENT OF ITS OPERATION AS OR FOR SUCH A

1 BOARD;

2 (j) A REGISTERED FUTURES COMMISSION MERCHANT UNDER  
3 FEDERAL COMMODITIES LAWS TO THE EXTENT OF ITS OPERATION AS SUCH  
4 A MERCHANT;

5 (k) A PERSON REGISTERED AS A SECURITIES BROKER-DEALER  
6 UNDER FEDERAL OR STATE SECURITIES LAWS TO THE EXTENT OF THE  
7 PERSON'S OPERATION AS SUCH A BROKER-DEALER;

8 (l) AN INDIVIDUAL EMPLOYED BY A LICENSEE, AN AUTHORIZED  
9 DELEGATE, OR ANY PERSON EXEMPTED FROM THE LICENSING  
10 REQUIREMENTS OF THIS ARTICLE 110 WHEN ACTING WITHIN THE SCOPE OF  
11 EMPLOYMENT AND UNDER THE SUPERVISION OF THE LICENSEE,  
12 AUTHORIZED DELEGATE, OR EXEMPTED PERSON AS AN EMPLOYEE AND NOT  
13 AS AN INDEPENDENT CONTRACTOR;

14 (m) A PERSON EXPRESSLY APPOINTED AS A THIRD-PARTY SERVICE  
15 PROVIDER TO OR AGENT OF AN ENTITY EXEMPT UNDER SUBSECTION (1)(g)  
16 OF THIS SECTION, SOLELY TO THE EXTENT THAT:

17 (I) THE SERVICE PROVIDER OR AGENT IS ENGAGING IN MONEY  
18 TRANSMISSION ON BEHALF OF AND PURSUANT TO A WRITTEN AGREEMENT  
19 WITH THE EXEMPT ENTITY THAT SETS FORTH THE SPECIFIC FUNCTIONS  
20 THAT THE SERVICE PROVIDER OR AGENT IS TO PERFORM; AND

21 (II) THE EXEMPT ENTITY ASSUMES ALL RISK OF LOSS AND ALL  
22 LEGAL RESPONSIBILITY FOR SATISFYING THE OUTSTANDING MONEY  
23 TRANSMISSION OBLIGATIONS OWED TO PURCHASERS AND HOLDERS OF THE  
24 OUTSTANDING MONEY TRANSMISSION OBLIGATIONS UPON RECEIPT OF THE  
25 PURCHASER'S OR HOLDER'S MONEY OR MONETARY VALUE BY THE SERVICE  
26 PROVIDER OR AGENT; OR

27 (n) A PERSON EXEMPT BY REGULATION OR ORDER IF THE BANKING

1 BOARD FINDS AN EXEMPTION TO BE IN THE PUBLIC INTEREST AND THAT THE  
2 REGULATION OF SUCH PERSON IS NOT NECESSARY FOR THE PURPOSES OF  
3 THIS ARTICLE 110.

4 **11-110-302. Authority to require demonstration of exemption.**

5 THE BANKING BOARD MAY REQUIRE THAT A PERSON CLAIMING TO BE  
6 EXEMPT FROM LICENSING PURSUANT TO SECTION 11-110-301 PROVIDE  
7 INFORMATION AND DOCUMENTATION TO THE BOARD DEMONSTRATING  
8 THAT THE PERSON QUALIFIES FOR THE CLAIMED EXEMPTION.

9 **PART 4**  
10 **IMPLEMENTATION, CONFIDENTIALITY, SUPERVISION,**  
11 **AND RELATIONSHIP TO FEDERAL LAW**

12 **11-110-401. Implementation - rules. (1) Powers.** IN ORDER TO  
13 CARRY OUT THE PURPOSES OF THIS ARTICLE 110, THE BANKING BOARD  
14 MAY, SUBJECT TO THE PROVISIONS OF SECTION 11-110-402 (1) AND (2):

15 (a) ENTER INTO AGREEMENTS OR RELATIONSHIPS WITH OTHER  
16 GOVERNMENT OFFICIALS OR FEDERAL AND STATE REGULATORY AGENCIES  
17 AND REGULATORY ASSOCIATIONS IN ORDER TO IMPROVE EFFICIENCIES AND  
18 REDUCE REGULATORY BURDEN BY STANDARDIZING METHODS OR  
19 PROCEDURES AND SHARING RESOURCES, RECORDS, OR RELATED  
20 INFORMATION OBTAINED UNDER THIS ARTICLE 110;

21 (b) USE, HIRE, CONTRACT, OR EMPLOY ANALYTICAL SYSTEMS,  
22 METHODS, OR SOFTWARE TO EXAMINE OR INVESTIGATE ANY PERSON  
23 SUBJECT TO THIS ARTICLE 110;

24 (c) ACCEPT, FROM OTHER STATE OR FEDERAL GOVERNMENTAL  
25 AGENCIES OR OFFICIALS, LICENSING, EXAMINATION, OR INVESTIGATION  
26 REPORTS MADE BY SUCH OTHER STATE OR FEDERAL GOVERNMENTAL  
27 AGENCIES OR OFFICIALS; AND

1 (d) ACCEPT AUDIT REPORTS MADE BY AN INDEPENDENT CERTIFIED  
2 PUBLIC ACCOUNTANT OR OTHER QUALIFIED THIRD-PARTY AUDITOR FOR AN  
3 APPLICANT OR LICENSEE AND INCORPORATE THE AUDIT REPORT IN ANY  
4 REPORT OF EXAMINATION OR INVESTIGATION.

5 (2) **Broad administrative authority - rules.** (a) THE BANKING  
6 BOARD HAS BROAD ADMINISTRATIVE AUTHORITY TO:

7 (I) ADMINISTER, INTERPRET, AND ENFORCE THIS ARTICLE 110;

8 (II) ADOPT RULES IMPLEMENTING THIS ARTICLE 110, INCLUDING  
9 RULES TO CONFORM TO APPLICABLE FEDERAL REGULATIONS;

10 (III) RECOVER THE COST OF ADMINISTERING AND ENFORCING THIS  
11 ARTICLE 110 BY IMPOSING AND COLLECTING PROPORTIONATE AND  
12 EQUITABLE FEES AND COSTS ASSOCIATED WITH APPLICATIONS,  
13 EXAMINATIONS, AND INVESTIGATIONS; AND

14 (IV) TAKE OTHER REASONABLE ACTIONS REQUIRED TO ACHIEVE  
15 THE PURPOSES OF THIS ARTICLE 110.

16 (b) THE POWERS, DUTIES, AND FUNCTIONS OF THE BANKING BOARD  
17 AND THE COMMISSIONER SET FORTH IN ARTICLE 102 OF THIS TITLE 11 AND  
18 THE DECLARATION OF POLICY SET FORTH IN SECTION 11-101-102 APPLY TO  
19 THIS ARTICLE 110. FOR PURPOSES OF THIS SECTION AND SECTION  
20 11-102-104, THE BANKING BOARD HAS THE SAME POWERS, DUTIES, AND  
21 FUNCTIONS CONCERNING A VIOLATION OF THIS ARTICLE 110, OR A RULE  
22 ADOPTED PURSUANT TO THIS ARTICLE 110, AS THE BOARD HAS  
23 CONCERNING A VIOLATION OF THE "COLORADO BANKING CODE",  
24 ARTICLES 101 TO 109 AND ARTICLE 10.5 OF THIS TITLE 11, OR A RULE  
25 ADOPTED PURSUANT TO THAT CODE.

26 **11-110-402. Confidentiality.** (1) EXCEPT AS OTHERWISE  
27 PROVIDED IN SUBSECTION (2) OF THIS SECTION, ALL INFORMATION OR



1 REPORTS OBTAINED BY THE BANKING BOARD FROM AN APPLICANT,  
2 LICENSEE, OR AUTHORIZED DELEGATE, AND ALL INFORMATION CONTAINED  
3 IN OR RELATED TO AN EXAMINATION, INVESTIGATION, OPERATING REPORT,  
4 OR CONDITION REPORT PREPARED BY, ON BEHALF OF, OR FOR THE USE OF  
5 THE BOARD, OR FINANCIAL STATEMENTS, BALANCE SHEETS, OR  
6 AUTHORIZED DELEGATE INFORMATION, ARE CONFIDENTIAL AND ARE NOT  
7 SUBJECT TO DISCLOSURE UNDER THE "COLORADO OPEN RECORDS ACT",  
8 PART 2 OF ARTICLE 72 OF TITLE 24.

9 (2) THE BANKING BOARD MAY DISCLOSE INFORMATION NOT  
10 OTHERWISE SUBJECT TO DISCLOSURE UNDER SUBSECTION (1) OF THIS  
11 SECTION TO REPRESENTATIVES OF STATE OR FEDERAL AGENCIES WHO  
12 PROMISE IN A RECORD THAT THEY WILL MAINTAIN THE CONFIDENTIALITY  
13 OF THE INFORMATION OR WHERE THE BOARD FINDS THAT THE RELEASE IS  
14 REASONABLY NECESSARY FOR THE PROTECTION AND INTEREST OF THE  
15 PUBLIC.

16 (3) THIS SECTION DOES NOT PROHIBIT THE BANKING BOARD FROM  
17 DISCLOSING TO THE PUBLIC A LIST OF ALL LICENSEES OR THE AGGREGATED  
18 FINANCIAL OR TRANSACTIONAL DATA CONCERNING THOSE LICENSEES.

19 (4) INFORMATION CONTAINED IN THE RECORDS OF THE DIVISION  
20 THAT IS NOT CONFIDENTIAL AND MAY BE MADE AVAILABLE TO THE PUBLIC  
21 EITHER ON THE DIVISION'S WEBSITE, UPON RECEIPT BY THE DIVISION OF A  
22 WRITTEN REQUEST, OR IN NMLS MUST INCLUDE:

23 (a) THE NAME, BUSINESS ADDRESS, TELEPHONE NUMBER, AND  
24 UNIQUE IDENTIFIER OF A LICENSEE;

25 (b) THE BUSINESS ADDRESS OF A LICENSEE'S REGISTERED AGENT  
26 FOR SERVICE;

27 (c) THE NAME, BUSINESS ADDRESS, AND TELEPHONE NUMBER OF

1 ALL AUTHORIZED DELEGATES;

2 (d) THE TERMS OF OR A COPY OF ANY BOND FILED BY A LICENSEE,  
3 SO LONG AS CONFIDENTIAL INFORMATION, INCLUDING BUT NOT LIMITED TO  
4 PRICES AND FEES, FOR SUCH BOND IS REDACTED;

5 (e) COPIES OF ANY NONCONFIDENTIAL FINAL ORDERS OF THE  
6 DIVISION RELATING TO ANY VIOLATION OF THIS ARTICLE 110 OR RULES  
7 IMPLEMENTING THIS ARTICLE 110; AND

8 (f) IMPOSITION OF AN ADMINISTRATIVE FINE OR PENALTY UNDER  
9 THIS ARTICLE 110.

10 **11-110-403. Supervision.** (1) THE BANKING BOARD MAY  
11 CONDUCT AN EXAMINATION OR INVESTIGATION OF A LICENSEE OR  
12 AUTHORIZED DELEGATE OR OTHERWISE TAKE INDEPENDENT ACTION  
13 AUTHORIZED BY THIS ARTICLE 110 OR BY A RULE ADOPTED OR ORDER  
14 ISSUED UNDER THIS ARTICLE 110 AS REASONABLY NECESSARY OR  
15 APPROPRIATE TO ADMINISTER AND ENFORCE THIS ARTICLE 110, RULES  
16 IMPLEMENTING THIS ARTICLE 110, AND OTHER APPLICABLE LAW,  
17 INCLUDING THE BANK SECRECY ACT AND THE FEDERAL "USA PATRIOT  
18 ACT", PUB.L. 107-56. THE BANKING BOARD MAY:

19 (a) CONDUCT AN EXAMINATION EITHER ON SITE OR OFF SITE AS THE  
20 BOARD MAY REASONABLY REQUIRE;

21 (b) CONDUCT AN EXAMINATION IN CONJUNCTION WITH AN  
22 EXAMINATION CONDUCTED BY REPRESENTATIVES OF OTHER STATE  
23 AGENCIES OR AGENCIES OF ANOTHER STATE OR OF THE FEDERAL  
24 GOVERNMENT;

25 (c) ACCEPT THE EXAMINATION REPORT OF ANOTHER STATE  
26 AGENCY OR AN AGENCY OF ANOTHER STATE OR OF THE FEDERAL  
27 GOVERNMENT, OR A REPORT PREPARED BY AN INDEPENDENT ACCOUNTING

1 FIRM, WHICH, UPON BEING ACCEPTED, IS CONSIDERED FOR ALL PURPOSES  
2 AS AN OFFICIAL REPORT OF THE BOARD; AND

3 (d) SUMMON AND EXAMINE UNDER OATH A KEY INDIVIDUAL OR  
4 EMPLOYEE OF A LICENSEE OR AUTHORIZED DELEGATE AND REQUIRE THE  
5 KEY INDIVIDUAL, EMPLOYEE, OR AUTHORIZED DELEGATE TO PRODUCE  
6 RECORDS REGARDING ANY MATTER RELATED TO THE CONDITION AND  
7 BUSINESS OF THE LICENSEE OR AUTHORIZED DELEGATE.

8 (2) A LICENSEE OR AUTHORIZED DELEGATE SHALL PROVIDE, AND  
9 THE BANKING BOARD SHALL HAVE FULL AND COMPLETE ACCESS TO, ALL  
10 RECORDS THE BOARD MAY REQUIRE TO CONDUCT A COMPLETE  
11 EXAMINATION. THE RECORDS MUST BE PROVIDED AT THE LOCATION AND  
12 IN THE FORMAT SPECIFIED BY THE BOARD; HOWEVER, THE BOARD MAY  
13 UTILIZE MULTISTATE RECORD PRODUCTION STANDARDS AND  
14 EXAMINATION PROCEDURES WHEN SUCH STANDARDS WILL REASONABLY  
15 ACHIEVE THE REQUIREMENTS OF THIS SUBSECTION (2).

16 (3) UNLESS OTHERWISE DIRECTED BY THE BANKING BOARD, A  
17 LICENSEE SHALL PAY ALL COSTS REASONABLY INCURRED IN CONNECTION  
18 WITH AN EXAMINATION OF THE LICENSEE OR THE LICENSEE'S AUTHORIZED  
19 DELEGATES.

20 **11-110-404. Networked supervision.** (1) TO EFFICIENTLY AND  
21 EFFECTIVELY ADMINISTER AND ENFORCE THIS ARTICLE 110 AND TO  
22 MINIMIZE REGULATORY BURDEN, THE BANKING BOARD MAY PARTICIPATE  
23 IN MULTISTATE SUPERVISORY PROCESSES ESTABLISHED BETWEEN STATES  
24 AND COORDINATED THROUGH THE CONFERENCE OF STATE BANK  
25 SUPERVISORS, THE MONEY TRANSMITTER REGULATORS ASSOCIATION,  
26 AND AFFILIATES AND SUCCESSORS THEREOF FOR ALL LICENSEES THAT  
27 HOLD LICENSES IN THIS STATE AND OTHER STATES. AS A PARTICIPANT IN

1 MULTISTATE SUPERVISION, THE BANKING BOARD SHALL:

2 (a) COOPERATE, COORDINATE, AND SHARE INFORMATION WITH  
3 OTHER STATE AND FEDERAL REGULATORS IN ACCORDANCE WITH SECTION  
4 11-110-402;

5 (b) ENTER INTO WRITTEN COOPERATION, COORDINATION, OR  
6 INFORMATION-SHARING CONTRACTS OR AGREEMENTS WITH  
7 ORGANIZATIONS, THE MEMBERSHIP OF WHICH IS MADE UP OF STATE OR  
8 FEDERAL GOVERNMENTAL AGENCIES; AND

9 (c) COOPERATE, COORDINATE, AND SHARE INFORMATION WITH  
10 ORGANIZATIONS, THE MEMBERSHIP OF WHICH IS MADE UP OF STATE OR  
11 FEDERAL GOVERNMENTAL AGENCIES, IF THE ORGANIZATIONS AGREE IN  
12 WRITING TO MAINTAIN THE CONFIDENTIALITY AND SECURITY OF THE  
13 SHARED INFORMATION IN ACCORDANCE WITH SECTION 11-110-402.

14 (2) THE BANKING BOARD DOES NOT WAIVE, AND NOTHING IN THIS  
15 SECTION CONSTITUTES A WAIVER OF, THE BOARD'S AUTHORITY TO  
16 CONDUCT AN EXAMINATION OR INVESTIGATION OR OTHERWISE TAKE  
17 INDEPENDENT ACTION AUTHORIZED BY THIS ARTICLE 110 OR A RULE  
18 ADOPTED OR ORDER ISSUED UNDER THIS ARTICLE 110 TO ENFORCE  
19 COMPLIANCE WITH APPLICABLE STATE OR FEDERAL LAW.

20 (3) A JOINT EXAMINATION OR INVESTIGATION, OR ACCEPTANCE OF  
21 AN EXAMINATION OR INVESTIGATION REPORT, DOES NOT WAIVE AN  
22 EXAMINATION ASSESSMENT PROVIDED FOR IN THIS ARTICLE 110.

23 **11-110-405. Relationship to federal law - interpretative**  
24 **guidance.** (1) IN THE EVENT STATE MONEY TRANSMISSION JURISDICTION  
25 IS CONDITIONED ON A FEDERAL LAW, ANY INCONSISTENCIES BETWEEN A  
26 PROVISION OF THIS ARTICLE 110 AND FEDERAL LAW GOVERNING MONEY  
27 TRANSMISSION IS GOVERNED BY THE APPLICABLE FEDERAL LAW TO THE

1 EXTENT OF THE INCONSISTENCY.

2 (2) IN THE EVENT OF ANY INCONSISTENCIES BETWEEN THIS  
3 ARTICLE 110 AND FEDERAL LAW THAT GOVERNS MONEY TRANSMISSION  
4 PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE BANKING BOARD MAY  
5 PROVIDE INTERPRETIVE GUIDANCE THAT:

6 (a) IDENTIFIES THE INCONSISTENCY; AND

7 (b) IDENTIFIES THE APPROPRIATE MEANS OF COMPLIANCE WITH  
8 FEDERAL LAW.

9

## PART 5

10

### MONEY TRANSMISSION LICENSES

11

**11-110-501. License required.** (1) A PERSON SHALL NOT ENGAGE  
12 IN THE BUSINESS OF MONEY TRANSMISSION OR ADVERTISE, SOLICIT, OR  
13 MAKE REPRESENTATIONS THAT THE PERSON MAY PROVIDE MONEY  
14 TRANSMISSION UNLESS THE PERSON IS LICENSED UNDER THIS ARTICLE 110.

15 (2) SUBSECTION (1) OF THIS SECTION DOES NOT APPLY TO:

16 (a) A PERSON THAT IS AN AUTHORIZED DELEGATE OF A PERSON  
17 LICENSED UNDER THIS ARTICLE 110 ACTING WITHIN THE SCOPE OF  
18 AUTHORITY CONFERRED BY A WRITTEN CONTRACT WITH THE LICENSEE; OR

19 (b) A PERSON THAT IS EXEMPT PURSUANT TO SECTION 11-110-301  
20 AND DOES NOT ENGAGE IN MONEY TRANSMISSION OUTSIDE THE SCOPE OF  
21 SUCH EXEMPTION.

22

**11-110-502. Consistent state licensing - rules.** (1) TO ESTABLISH  
23 CONSISTENT LICENSING BETWEEN COLORADO AND OTHER STATES, THE  
24 BANKING BOARD MAY:

25 (a) IMPLEMENT ALL LICENSING PROVISIONS OF THIS ARTICLE 110  
26 IN A MANNER THAT IS CONSISTENT WITH OTHER STATES THAT HAVE  
27 ADOPTED LAWS REGULATING MONEY TRANSMISSION THAT ARE SIMILAR TO

1 THE PROVISIONS OF THIS ARTICLE 110 OR MULTISTATE LICENSING  
2 PROCESSES; AND

3 (b) PARTICIPATE IN NATIONWIDE PROTOCOLS FOR LICENSING  
4 COOPERATION AND COORDINATION AMONG STATE REGULATORS IF SUCH  
5 PROTOCOLS ARE CONSISTENT WITH THIS ARTICLE 110.

6 (2) IN ORDER TO FULFILL THE PURPOSES OF THIS ARTICLE 110, THE  
7 BANKING BOARD MAY ESTABLISH RELATIONSHIPS OR CONTRACTS WITH  
8 NMLS OR OTHER ENTITIES DESIGNATED BY NMLS TO ENABLE THE BOARD  
9 TO:

10 (a) COLLECT AND MAINTAIN RECORDS;

11 (b) COORDINATE MULTISTATE LICENSING PROCESSES AND  
12 SUPERVISION PROCESSES;

13 (c) PROCESS FEES; AND

14 (d) FACILITATE COMMUNICATION BETWEEN COLORADO AND  
15 LICENSEES OR OTHER PERSONS SUBJECT TO THIS ARTICLE 110.

16 (3) THE BANKING BOARD MAY UTILIZE NMLS FOR ALL ASPECTS OF  
17 LICENSING IN ACCORDANCE WITH THIS ARTICLE 110, INCLUDING BUT NOT  
18 LIMITED TO LICENSE APPLICATIONS, APPLICATIONS FOR ACQUISITIONS OF  
19 CONTROL, SURETY BONDS, REPORTING, CRIMINAL HISTORY BACKGROUND  
20 CHECKS, CREDIT CHECKS, FEE PROCESSING, AND EXAMINATIONS.

21 (4) THE BANKING BOARD MAY UTILIZE NMLS FORMS, PROCESSES,  
22 AND FUNCTIONALITIES IN ACCORDANCE WITH THIS ARTICLE 110. IN THE  
23 EVENT NMLS DOES NOT PROVIDE FORMS, PROCESSES, OR  
24 FUNCTIONALITIES FOR A PROVISION OF THIS ARTICLE 110, THE BOARD MAY  
25 IMPLEMENT THIS ARTICLE 110 IN A MANNER THAT FACILITATES  
26 UNIFORMITY WITH RESPECT TO LICENSING, SUPERVISION, REPORTING, AND  
27 REGULATION OF LICENSEES THAT ARE LICENSED IN MULTIPLE

1 JURISDICTIONS.

2 (5) **Waive or modify requirements.** FOR THE PURPOSE OF  
3 PARTICIPATING IN NMLS, THE BANKING BOARD MAY WAIVE OR MODIFY,  
4 IN WHOLE OR IN PART, BY RULE OR ORDER, ANY OR ALL OF THE  
5 REQUIREMENTS AND ESTABLISH NEW REQUIREMENTS AS REASONABLY  
6 NECESSARY TO PARTICIPATE IN NMLS.

7 **11-110-503. Application for license - license fee - rules.** (1) AN  
8 APPLICANT FOR A LICENSE SHALL APPLY WITH THE BANKING BOARD IN A  
9 FORM AND IN A MEDIUM PRESCRIBED BY THE BOARD. THE BOARD BY RULE  
10 OR PROCEDURE SHALL DETERMINE THE CONTENT OF THE APPLICATION AND  
11 MAY CHANGE OR UPDATE THE APPLICATION IN ACCORDANCE WITH  
12 APPLICABLE LAW OR TO CARRY OUT THE PURPOSES OF THIS ARTICLE 110  
13 AND MAINTAIN CONSISTENCY WITH NMLS LICENSING STANDARDS OR  
14 PRACTICES. THE APPLICATION MUST STATE OR CONTAIN, AS APPLICABLE:

15 (a) THE LEGAL NAME AND RESIDENTIAL AND BUSINESS ADDRESSES  
16 OF THE APPLICANT AND ANY FICTITIOUS OR TRADE NAME USED BY THE  
17 APPLICANT IN CONDUCTING THE APPLICANT'S BUSINESS;

18 (b) A LIST OF ANY CRIMINAL CONVICTIONS OF THE APPLICANT AND  
19 ANY MATERIAL LITIGATION IN WHICH THE APPLICANT HAS BEEN INVOLVED  
20 IN THE TEN-YEAR PERIOD IMMEDIATELY PRECEDING THE SUBMISSION OF  
21 THE APPLICATION;

22 (c) A DESCRIPTION OF ANY MONEY TRANSMISSION PREVIOUSLY  
23 PROVIDED BY THE APPLICANT AND THE MONEY TRANSMISSION THAT THE  
24 APPLICANT SEEKS TO PROVIDE IN THIS STATE;

25 (d) A LIST OF THE APPLICANT'S PROPOSED AUTHORIZED DELEGATES  
26 AND THE LOCATIONS IN THIS STATE WHERE THE APPLICANT AND THE  
27 APPLICANT'S AUTHORIZED DELEGATES PROPOSE TO ENGAGE IN MONEY

1 TRANSMISSION;

2 (e) A LIST OF OTHER STATES IN WHICH THE APPLICANT IS LICENSED  
3 TO ENGAGE IN MONEY TRANSMISSION AND ANY LICENSE REVOCATIONS,  
4 SUSPENSIONS, OR OTHER DISCIPLINARY ACTION TAKEN AGAINST THE  
5 APPLICANT IN ANOTHER STATE;

6 (f) INFORMATION CONCERNING ANY BANKRUPTCY OR  
7 RECEIVERSHIP PROCEEDINGS AFFECTING THE APPLICANT OR A PERSON IN  
8 CONTROL OF AN APPLICANT;

9 (g) A SAMPLE FORM OF CONTRACT FOR AUTHORIZED DELEGATES,  
10 IF APPLICABLE;

11 (h) A SAMPLE FORM OF PAYMENT INSTRUMENT OR STORED VALUE,  
12 AS APPLICABLE;

13 (i) THE NAME AND ADDRESS OF ANY FEDERALLY INSURED  
14 DEPOSITORY FINANCIAL INSTITUTION THROUGH WHICH THE APPLICANT  
15 PLANS TO CONDUCT MONEY TRANSMISSION; AND

16 (j) ANY OTHER INFORMATION THE BOARD OR NMLS REASONABLY  
17 REQUIRES WITH RESPECT TO THE APPLICANT.

18 (2) IF AN APPLICANT IS A CORPORATION, LIMITED LIABILITY  
19 COMPANY, PARTNERSHIP, OR OTHER LEGAL ENTITY, THE APPLICANT SHALL  
20 ALSO PROVIDE:

21 (a) THE DATE OF THE APPLICANT'S INCORPORATION OR FORMATION  
22 AND STATE OR COUNTRY OF INCORPORATION OR FORMATION;

23 (b) IF APPLICABLE, A CERTIFICATE OF GOOD STANDING FROM THE  
24 STATE OR COUNTRY IN WHICH THE APPLICANT IS INCORPORATED OR  
25 FORMED;

26 (c) A BRIEF DESCRIPTION OF THE STRUCTURE OR ORGANIZATION OF  
27 THE APPLICANT, INCLUDING ANY PARENTS OR SUBSIDIARIES OF THE



1 APPLICANT, AND WHETHER ANY PARENTS OR SUBSIDIARIES ARE PUBLICLY  
2 TRADED;

3 (d) THE LEGAL NAME, ANY FICTITIOUS OR TRADE NAME, ALL  
4 BUSINESS AND RESIDENTIAL ADDRESSES, AND THE EMPLOYMENT, AS  
5 APPLICABLE, IN THE TEN-YEAR PERIOD IMMEDIATELY PRECEDING THE  
6 SUBMISSION OF THE APPLICATION OF EACH KEY INDIVIDUAL AND PERSON  
7 IN CONTROL OF THE APPLICANT;

8 (e) A LIST OF ANY CRIMINAL CONVICTIONS AND MATERIAL  
9 LITIGATION IN WHICH A PERSON IN CONTROL OF THE APPLICANT THAT IS  
10 NOT AN INDIVIDUAL HAS BEEN INVOLVED IN THE TEN-YEAR PERIOD  
11 IMMEDIATELY PRECEDING THE SUBMISSION OF THE APPLICATION;

12 (f) A COPY OF AUDITED FINANCIAL STATEMENTS OF THE APPLICANT  
13 FOR THE MOST RECENT FISCAL YEAR AND FOR THE TWO-YEAR PERIOD  
14 IMMEDIATELY PRECEDING THE SUBMISSION OF THE APPLICATION OR, IF  
15 DETERMINED TO BE ACCEPTABLE TO THE BANKING BOARD, CERTIFIED  
16 UNAUDITED FINANCIAL STATEMENTS FOR THE MOST RECENT FISCAL YEAR  
17 OR OTHER PERIOD ACCEPTABLE TO THE BOARD;

18 (g) A CERTIFIED COPY OF UNAUDITED FINANCIAL STATEMENTS OF  
19 THE APPLICANT FOR THE MOST RECENT FISCAL QUARTER;

20 (h) IF THE APPLICANT IS A PUBLICLY TRADED CORPORATION, A  
21 COPY OF THE MOST RECENT REPORT FILED WITH THE UNITED STATES  
22 SECURITIES AND EXCHANGE COMMISSION UNDER SECTION 13 OF THE  
23 FEDERAL "SECURITIES EXCHANGE ACT OF 1934", 15 U.S.C. SEC. 78m, AS  
24 AMENDED;

25 (i) IF THE APPLICANT IS A WHOLLY OWNED SUBSIDIARY OF:

26 (I) A CORPORATION PUBLICLY TRADED IN THE UNITED STATES, A  
27 COPY OF AUDITED FINANCIAL STATEMENTS FOR THE PARENT CORPORATION

1 FOR THE MOST RECENT FISCAL YEAR OR A COPY OF THE PARENT  
2 CORPORATION'S MOST RECENT REPORT FILED UNDER SECTION 13 OF THE  
3 FEDERAL "SECURITIES EXCHANGE ACT OF 1934", 15 U.S.C. SEC. 78m, AS  
4 AMENDED; OR

5 (II) A CORPORATION PUBLICLY TRADED OUTSIDE THE UNITED  
6 STATES, A COPY OF SIMILAR DOCUMENTATION FILED WITH THE REGULATOR  
7 OF THE PARENT CORPORATION'S DOMICILE OUTSIDE THE UNITED STATES;

8 (j) THE NAME AND ADDRESS OF THE APPLICANT'S REGISTERED  
9 AGENT IN THIS STATE; AND

10 (k) ANY OTHER INFORMATION THE BANKING BOARD REASONABLY  
11 REQUIRES WITH RESPECT TO THE APPLICANT.

12 (3) AN APPLICANT MUST SUBMIT A NONREFUNDABLE LICENSE FEE,  
13 AS DETERMINED BY THE BANKING BOARD, WITH THE APPLICATION FOR A  
14 LICENSE.

15 (4) THE BANKING BOARD MAY WAIVE ONE OR MORE  
16 REQUIREMENTS OF SUBSECTION (1) OR (2) OF THIS SECTION OR PERMIT AN  
17 APPLICANT TO SUBMIT OTHER INFORMATION IN LIEU OF THE REQUIRED  
18 INFORMATION.

19 **11-110-504. Information requirements for certain individuals**  
20 **- background check - name-based judicial record check.** (1) AN  
21 INDIVIDUAL IN CONTROL OF A LICENSEE OR APPLICANT, AN INDIVIDUAL  
22 THAT SEEKS TO ACQUIRE CONTROL OF A LICENSEE, AND EACH KEY  
23 INDIVIDUAL SHALL FURNISH TO THE BANKING BOARD THROUGH NMLS  
24 THE FOLLOWING ITEMS:

25 (a) THE INDIVIDUAL'S FINGERPRINTS FOR SUBMISSION TO THE  
26 FEDERAL BUREAU OF INVESTIGATION AND THE BOARD FOR PURPOSES OF A  
27 NATIONAL CRIMINAL HISTORY BACKGROUND CHECK UNLESS THE PERSON

1 CURRENTLY RESIDES OUTSIDE OF THE UNITED STATES AND HAS RESIDED  
2 OUTSIDE OF THE UNITED STATES FOR THE LAST TEN YEARS; AND

3 (b) PERSONAL HISTORY AND EXPERIENCE IN A FORM AND IN A  
4 MEDIUM PRESCRIBED BY THE BOARD TO OBTAIN THE FOLLOWING:

5 (I) INFORMATION RELATED TO ANY CRIMINAL CONVICTIONS OR  
6 PENDING CHARGES; AND

7 (II) INFORMATION RELATED TO ANY REGULATORY OR  
8 ADMINISTRATIVE ACTION AND ANY CIVIL LITIGATION INVOLVING CLAIMS  
9 OF FRAUD, MISREPRESENTATION, CONVERSION, MISMANAGEMENT OF  
10 MONEY, BREACH OF FIDUCIARY DUTY, OR BREACH OF CONTRACT.

11 (2) IF THE INDIVIDUAL DESCRIBED IN SUBSECTION (1) OF THIS  
12 SECTION HAS RESIDED OUTSIDE OF THE UNITED STATES AT ANY TIME IN  
13 THE LAST TEN YEARS, THE INDIVIDUAL SHALL ALSO PROVIDE TO THE  
14 BANKING BOARD AN INVESTIGATIVE BACKGROUND REPORT PREPARED BY  
15 AN INDEPENDENT SEARCH FIRM THAT MEETS THE FOLLOWING  
16 REQUIREMENTS:

17 (a) AT A MINIMUM, THE SEARCH FIRM SHALL:

18 (I) DEMONSTRATE THAT IT HAS SUFFICIENT KNOWLEDGE AND  
19 RESOURCES AND EMPLOYS ACCEPTED AND REASONABLE METHODOLOGIES  
20 TO CONDUCT THE RESEARCH OF THE BACKGROUND REPORT; AND

21 (II) NOT BE AFFILIATED WITH OR HAVE AN INTEREST WITH THE  
22 INDIVIDUAL IT IS RESEARCHING.

23 (b) AT A MINIMUM, THE INVESTIGATIVE BACKGROUND REPORT  
24 MUST BE WRITTEN IN THE ENGLISH LANGUAGE AND MUST CONTAIN THE  
25 FOLLOWING:

26 (I) CRIMINAL RECORDS INFORMATION FOR THE PAST TEN YEARS,  
27 INCLUDING BUT NOT LIMITED TO FELONIES, MISDEMEANORS, OR SIMILAR

1 CONVICTIONS FOR VIOLATIONS OF LAW IN THE COUNTRIES, PROVINCES,  
2 STATES, CITIES, TOWNS, AND CONTIGUOUS AREAS WHERE THE INDIVIDUAL  
3 RESIDED AND WORKED;

4 (II) EMPLOYMENT HISTORY;

5 (III) MEDIA HISTORY, INCLUDING AN ELECTRONIC SEARCH OF  
6 NATIONAL AND LOCAL PUBLICATIONS, WIRE SERVICES, AND BUSINESS  
7 APPLICATIONS; AND

8 (IV) FINANCIAL SERVICES-RELATED REGULATORY HISTORY,  
9 INCLUDING BUT NOT LIMITED TO MONEY TRANSMISSION, SECURITIES,  
10 BANKING, INSURANCE, AND MORTGAGE-RELATED INDUSTRIES.

11 (3) WHEN THE RESULTS OF A CRIMINAL HISTORY RECORD CHECK  
12 PERFORMED PURSUANT TO THIS SECTION REVEAL A RECORD OF ARREST  
13 WITHOUT A DISPOSITION, THE BOARD SHALL REQUIRE THE INDIVIDUAL TO  
14 SUBMIT TO AND PAY THE REQUIRED COST FOR A NAME-BASED JUDICIAL  
15 RECORD CHECK, AS DEFINED IN SECTION 22-2-119.3 (6)(d).

16 **11-110-505. Issuance of license - investigation of financial**  
17 **condition - initial license term - denial - appeal.** (1) WHEN AN  
18 APPLICATION FOR AN ORIGINAL LICENSE APPEARS TO INCLUDE ALL THE  
19 ITEMS AND ADDRESSES ALL OF THE MATTERS THAT ARE REQUIRED  
20 PURSUANT TO THIS ARTICLE 110, THE APPLICATION IS COMPLETE, AND THE  
21 BANKING BOARD SHALL PROMPTLY NOTIFY THE APPLICANT IN A RECORD  
22 OF THE DATE ON WHICH THE APPLICATION IS DETERMINED TO BE COMPLETE  
23 AND THE DATE OF SCHEDULED ACTION BY THE BOARD.

24 (2) A DETERMINATION BY THE BANKING BOARD THAT AN  
25 APPLICATION IS COMPLETE AND IS ACCEPTED FOR PROCESSING MEANS  
26 ONLY THAT THE APPLICATION, ON ITS FACE, APPEARS TO INCLUDE ALL OF  
27 THE ITEMS, INCLUDING THE CRIMINAL BACKGROUND CHECK RESPONSE

1 FROM THE FEDERAL BUREAU OF INVESTIGATION AND THE RESULTS OF A  
2 NAME-BASED JUDICIAL RECORD CHECK, IF APPLICABLE, AND ADDRESSES  
3 ALL OF THE MATTERS THAT ARE REQUIRED PURSUANT TO THIS ARTICLE  
4 110, AND THE DETERMINATION IS NOT AN ASSESSMENT OF THE SUBSTANCE  
5 OF THE APPLICATION OR OF THE SUFFICIENCY OF THE INFORMATION  
6 PROVIDED.

7 (3) WHEN AN APPLICATION IS FILED AND CONSIDERED COMPLETE  
8 UNDER THIS SECTION, THE BANKING BOARD SHALL INVESTIGATE THE  
9 APPLICANT'S FINANCIAL CONDITION AND RESPONSIBILITY, FINANCIAL AND  
10 BUSINESS EXPERIENCE, COMPETENCE, CHARACTER, AND GENERAL FITNESS.  
11 THE BOARD MAY CONDUCT AN ON-SITE INVESTIGATION OF THE APPLICANT,  
12 WITH THE APPLICANT PAYING THE REASONABLE COST OF THE  
13 INVESTIGATION. THE BOARD SHALL ISSUE A LICENSE TO AN APPLICANT  
14 UNDER THIS SECTION IF THE BOARD FINDS THAT ALL OF THE FOLLOWING  
15 CONDITIONS HAVE BEEN FULFILLED:

16 (a) THE APPLICANT HAS COMPLIED WITH SECTIONS 11-110-503  
17 AND 11-110-504; AND

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

25 (4) IF AN APPLICANT USES OR IS OTHERWISE SUBJECT TO A  
26 MULTISTATE LICENSING PROCESS:

27 (a) THE BANKING BOARD MAY ACCEPT THE INVESTIGATION

1 RESULTS OF A LEAD INVESTIGATIVE STATE FOR THE PURPOSE OF  
2 SUBSECTION (3) OF THIS SECTION IF THE LEAD INVESTIGATIVE STATE HAS  
3 SUFFICIENT STAFFING, EXPERTISE, AND MINIMUM STANDARDS; OR

4 (b) IF COLORADO IS A LEAD INVESTIGATIVE STATE, THE BANKING  
5 BOARD MAY INVESTIGATE THE APPLICANT PURSUANT TO SUBSECTION (3)  
6 OF THIS SECTION AND THE TIME FRAMES ESTABLISHED BY AGREEMENT  
7 THROUGH THE MULTISTATE LICENSING PROCESS.

8 (5) THE BANKING BOARD SHALL ISSUE A FORMAL WRITTEN NOTICE  
9 OF THE DENIAL OF A LICENSE APPLICATION WITHIN THIRTY DAYS AFTER  
10 THE DECISION TO DENY THE APPLICATION. THE BOARD SHALL SET FORTH  
11 IN THE NOTICE OF DENIAL THE SPECIFIC REASONS FOR THE DENIAL OF THE  
12 APPLICATION. AN APPLICANT WHOSE APPLICATION IS DENIED BY THE  
13 BOARD UNDER THIS SUBSECTION (5) MAY APPEAL WITHIN THIRTY DAYS  
14 AFTER RECEIPT OF THE WRITTEN NOTICE OF THE DENIAL PURSUANT TO  
15 STATE ADMINISTRATIVE LAW PROCEDURES.

16 (6) THE INITIAL LICENSE TERM BEGINS ON THE DAY THE LICENSE  
17 IS ISSUED. THE LICENSE EXPIRES ON DECEMBER 31 OF THE YEAR IN WHICH  
18 THE LICENSE TERM BEGAN; EXCEPT THAT, IF THE INITIAL LICENSE DATE IS  
19 BETWEEN NOVEMBER 1 AND DECEMBER 31, THE INITIAL LICENSE TERM  
20 RUNS THROUGH DECEMBER 31 OF THE FOLLOWING YEAR.

21 (7) A LICENSE ISSUED UNDER THIS SECTION IS NOT TRANSFERABLE  
22 OR ASSIGNABLE.

23 **11-110-506. Renewal of license - annual fee - renewal report.**

24 (1) (a) A LICENSE ISSUED UNDER THIS ARTICLE 110 SHALL BE RENEWED  
25 ANNUALLY.

26 (b) NOT MORE THAN SIXTY DAYS BEFORE THE LICENSE  
27 EXPIRATION, A LICENSEE SHALL PAY AN ANNUAL LICENSE FEE TO THE

1 BANKING BOARD, AS ESTABLISHED BY THE BANKING BOARD.

2 (c) THE RENEWAL TERM IS FOR A PERIOD OF ONE YEAR AND BEGINS  
3 ON JANUARY 1 OF EACH YEAR AFTER THE INITIAL LICENSE TERM AND  
4 EXPIRES ON DECEMBER 31 OF THE YEAR THE RENEWAL TERM BEGINS.

5 (2) A LICENSEE SHALL SUBMIT A RENEWAL REPORT WITH THE  
6 ANNUAL FEE TO THE BANKING BOARD, IN A FORM AND IN A MEDIUM  
7 PRESCRIBED BY THE BOARD BY RULE. THE RENEWAL REPORT MUST STATE  
8 OR CONTAIN A DESCRIPTION OF EACH MATERIAL CHANGE IN INFORMATION  
9 SUBMITTED BY THE LICENSEE IN ITS ORIGINAL LICENSE APPLICATION THAT  
10 HAS NOT BEEN REPORTED TO THE BOARD.

11 (3) THE BANKING BOARD MAY GRANT AN EXTENSION OF THE  
12 RENEWAL DATE FOR GOOD CAUSE.

13 (4) THE BANKING BOARD MAY UTILIZE NMLS TO PROCESS LICENSE  
14 RENEWALS IF THE FUNCTIONALITY IS CONSISTENT WITH THE  
15 REQUIREMENTS OF THIS SECTION.

16 **11-110-507. Maintenance of license - suspension and**  
17 **revocation.** (1) IF A LICENSEE DOES NOT CONTINUE TO MEET THE  
18 QUALIFICATIONS OR SATISFY THE REQUIREMENTS FOR AN APPLICANT FOR  
19 A NEW MONEY TRANSMISSION LICENSE DESCRIBED IN THIS ARTICLE 110,  
20 THE BANKING BOARD MAY SUSPEND OR REVOKE THE LICENSEE'S LICENSE  
21 IN ACCORDANCE WITH THE PROCEDURES ESTABLISHED BY THIS ARTICLE  
22 110 OR OTHER APPLICABLE STATE LAW FOR SUCH SUSPENSION OR  
23 REVOCATION.

24 (2) AN APPLICANT FOR A MONEY TRANSMISSION LICENSE SHALL  
25 DEMONSTRATE THAT THE APPLICANT MEETS OR WILL MEET, AND A  
26 LICENSEE SHALL AT ALL TIMES MEET, THE REQUIREMENTS IN SECTIONS  
27 11-110-1001, 11-110-1002, AND 11-110-1003.

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PART 6  
ACQUISITION OF CONTROL AND CHANGE  
OF KEY INDIVIDUAL

**11-110-601. Acquisition of control - application - fee - investigation of financial condition - denial - appeal - exemptions.**

(1) A PERSON, OR GROUP OF PERSONS ACTING IN CONCERT, SEEKING TO ACQUIRE CONTROL OF A LICENSEE SHALL OBTAIN THE WRITTEN APPROVAL OF THE BANKING BOARD PRIOR TO ACQUIRING CONTROL. AN INDIVIDUAL IS NOT DEEMED TO ACQUIRE CONTROL OF A LICENSEE AND IS NOT SUBJECT TO THIS SECTION IF THAT INDIVIDUAL BECOMES A KEY INDIVIDUAL IN THE ORDINARY COURSE OF BUSINESS.

(2) A PERSON, OR GROUP OF PERSONS ACTING IN CONCERT, SEEKING TO ACQUIRE CONTROL OF A LICENSEE SHALL, IN COOPERATION WITH THE LICENSEE:

(a) SUBMIT AN APPLICATION IN A FORM AND IN A MEDIUM PRESCRIBED BY THE BANKING BOARD BY RULE; AND

(b) SUBMIT WITH THE REQUEST FOR APPROVAL A NONREFUNDABLE FEE ESTABLISHED BY THE BANKING BOARD.

(3) UPON REQUEST, THE BANKING BOARD MAY PERMIT A LICENSEE OR A PERSON, OR GROUP OF PERSONS ACTING IN CONCERT, TO SUBMIT SOME OR ALL INFORMATION REQUIRED BY THE BOARD PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION WITHOUT USING NMLS.

(4) THE APPLICATION REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION MUST INCLUDE INFORMATION REQUIRED BY SECTION 11-110-504 FOR NEW KEY INDIVIDUALS THAT HAVE NOT PREVIOUSLY COMPLETED THE REQUIREMENTS OF SECTION 11-110-504 FOR A LICENSEE.

(5) WHEN AN APPLICATION FOR ACQUISITION OF CONTROL



1 SUBMITTED UNDER THIS SECTION APPEARS TO INCLUDE ALL THE ITEMS AND  
2 ADDRESS ALL OF THE MATTERS THAT ARE REQUIRED, THE APPLICATION IS  
3 CONSIDERED COMPLETE, AND THE BANKING BOARD SHALL PROMPTLY  
4 NOTIFY THE APPLICANT IN A RECORD OF THE DATE ON WHICH THE  
5 APPLICATION WAS DETERMINED TO BE COMPLETE AND APPROVE OR DENY  
6 THE APPLICATION WITHIN NINETY DAYS AFTER THE COMPLETION DATE.

7 (6) WHEN AN APPLICATION IS FILED AND CONSIDERED COMPLETE  
8 PURSUANT TO SUBSECTION (5) OF THIS SECTION, THE BANKING BOARD  
9 SHALL INVESTIGATE THE FINANCIAL CONDITION AND RESPONSIBILITY,  
10 FINANCIAL AND BUSINESS EXPERIENCE, COMPETENCE, CHARACTER, AND  
11 GENERAL FITNESS OF THE PERSON, OR GROUP OF PERSONS ACTING IN  
12 CONCERT, SEEKING TO ACQUIRE CONTROL. THE BOARD SHALL APPROVE AN  
13 ACQUISITION OF CONTROL PURSUANT TO THIS SECTION IF THE BOARD FINDS  
14 THAT ALL OF THE FOLLOWING CONDITIONS HAVE BEEN FULFILLED:

15 (a) THE REQUIREMENTS OF SUBSECTIONS (2) AND (4) OF THIS  
16 SECTION HAVE BEEN MET, AS APPLICABLE; AND

17 (b) THE FINANCIAL CONDITION AND RESPONSIBILITY, FINANCIAL  
18 AND BUSINESS EXPERIENCE, COMPETENCE, CHARACTER, AND GENERAL  
19 FITNESS OF THE PERSON, OR GROUP OF PERSONS ACTING IN CONCERT,  
20 SEEKING TO ACQUIRE CONTROL, AND THE COMPETENCE, EXPERIENCE,  
21 CHARACTER, AND GENERAL FITNESS OF THE KEY INDIVIDUALS AND  
22 PERSONS THAT WOULD BE IN CONTROL OF THE LICENSEE AFTER THE  
23 ACQUISITION OF CONTROL, INDICATE THAT IT IS IN THE INTEREST OF THE  
24 PUBLIC TO PERMIT THE PERSON, OR GROUP OF PERSONS ACTING IN  
25 CONCERT, TO CONTROL THE LICENSEE.

26 (7) IF AN APPLICANT USES OR IS OTHERWISE SUBJECT TO A  
27 MULTISTATE LICENSING PROCESS:

1 (a) THE BANKING BOARD MAY ACCEPT THE INVESTIGATION  
2 RESULTS OF A LEAD INVESTIGATIVE STATE FOR THE PURPOSE OF  
3 SUBSECTION (6) OF THIS SECTION IF THE LEAD INVESTIGATIVE STATE HAS  
4 SUFFICIENT STAFFING, EXPERTISE, AND MINIMUM STANDARDS; OR

5 (b) IF COLORADO IS A LEAD INVESTIGATIVE STATE, THE BANKING  
6 BOARD MAY INVESTIGATE THE APPLICANT PURSUANT TO SUBSECTION (6)  
7 OF THIS SECTION AND THE TIME FRAMES ESTABLISHED BY AGREEMENT  
8 THROUGH THE MULTISTATE LICENSING PROCESS.

9 (8) THE BANKING BOARD SHALL ISSUE A FORMAL WRITTEN NOTICE  
10 OF THE DENIAL OF AN APPLICATION TO ACQUIRE CONTROL WITHIN THIRTY  
11 DAYS AFTER THE DECISION TO DENY THE APPLICATION. THE BOARD SHALL  
12 SET FORTH IN THE NOTICE OF DENIAL THE SPECIFIC REASONS FOR THE  
13 DENIAL OF THE APPLICATION. AN APPLICANT WHOSE APPLICATION IS  
14 DENIED BY THE BOARD UNDER THIS SUBSECTION (8) MAY APPEAL WITHIN  
15 THIRTY DAYS AFTER RECEIPT OF THE WRITTEN NOTICE OF THE DENIAL  
16 PURSUANT TO STATE ADMINISTRATIVE LAW PROCEDURES.

17 (9) THE REQUIREMENTS OF SUBSECTIONS (1) AND (2) OF THIS  
18 SECTION DO NOT APPLY TO ANY OF THE FOLLOWING:

19 (a) A PERSON THAT ACTS AS A PROXY FOR THE SOLE PURPOSE OF  
20 VOTING AT A DESIGNATED MEETING OF THE SHAREHOLDERS OR HOLDERS  
21 OF VOTING SHARES OR VOTING INTERESTS OF A LICENSEE OR A PERSON IN  
22 CONTROL OF A LICENSEE;

23 (b) A PERSON THAT ACQUIRES CONTROL OF A LICENSEE BY DEVISE  
24 OR DESCENT;

25 (c) A PERSON THAT ACQUIRES CONTROL OF A LICENSEE AS A  
26 PERSONAL REPRESENTATIVE, CUSTODIAN, GUARDIAN, CONSERVATOR, OR  
27 TRUSTEE OR AS AN OFFICER APPOINTED BY A COURT OF COMPETENT

1 JURISDICTION OR BY OPERATION OF LAW;

2 (d) A PERSON THAT IS EXEMPT UNDER SECTION 11-110-301 (1)(g);

3 (e) A PERSON THAT THE BANKING BOARD DETERMINES IS NOT  
4 SUBJECT TO SUBSECTION (1) OF THIS SECTION BASED ON THE PUBLIC  
5 INTEREST;

6 (f) A PUBLIC OFFERING OF SECURITIES OF A LICENSEE OR A PERSON  
7 IN CONTROL OF A LICENSEE; OR

8 (g) AN INTERNAL REORGANIZATION OF A PERSON IN CONTROL OF  
9 A LICENSEE WHERE THE ULTIMATE PERSON IN CONTROL OF THE LICENSEE  
10 REMAINS THE SAME.

11 (10) PERSONS DESCRIBED IN SUBSECTIONS (9)(b), (9)(c), (9)(d),  
12 (9)(f), AND (9)(g) OF THIS SECTION SHALL, IN COOPERATION WITH THE  
13 LICENSEE, NOTIFY THE BANKING BOARD WITHIN FIFTEEN DAYS AFTER THE  
14 ACQUISITION OF CONTROL.

15 (11) **Streamlined acquisition of control.** (a) THE REQUIREMENTS  
16 OF SUBSECTIONS (1) AND (2) OF THIS SECTION DO NOT APPLY TO A PERSON  
17 THAT HAS COMPLIED WITH AND RECEIVED APPROVAL TO ENGAGE IN  
18 MONEY TRANSMISSION UNDER THIS ARTICLE 110 OR WAS IDENTIFIED AS A  
19 PERSON IN CONTROL IN A PRIOR APPLICATION FILED WITH AND APPROVED  
20 BY THE BANKING BOARD OR BY AN MSB ACCREDITED STATE PURSUANT TO  
21 A MULTISTATE LICENSING PROCESS, SO LONG AS:

22 (I) THE PERSON HAS NOT HAD A LICENSE REVOKED OR SUSPENDED  
23 OR CONTROLLED A LICENSEE THAT HAS HAD A LICENSE REVOKED OR  
24 SUSPENDED WHILE THE PERSON WAS IN CONTROL OF THE LICENSEE IN THE  
25 PREVIOUS FIVE YEARS;

26 (II) IF THE PERSON IS A LICENSEE, THE PERSON IS WELL MANAGED  
27 AND HAS RECEIVED AT LEAST A SATISFACTORY RATING FOR COMPLIANCE

1 AT THE PERSON'S MOST RECENT EXAMINATION BY AN MSB ACCREDITED  
2 STATE IF SUCH RATING WAS GIVEN;

3 (III) THE LICENSEE TO BE ACQUIRED IS PROJECTED TO MEET THE  
4 REQUIREMENTS OF SECTIONS 11-110-1001, 11-110-1002, AND  
5 11-110-1003 AFTER THE ACQUISITION OF CONTROL IS COMPLETED, AND,  
6 IF THE PERSON ACQUIRING CONTROL IS A LICENSEE, THAT LICENSEE IS ALSO  
7 PROJECTED TO MEET THE REQUIREMENTS OF SECTIONS 11-110-1001,  
8 11-110-1002, AND 11-110-1003 AFTER THE ACQUISITION OF CONTROL IS  
9 COMPLETED;

10 (IV) THE LICENSEE TO BE ACQUIRED WILL NOT IMPLEMENT ANY  
11 MATERIAL CHANGES TO ITS BUSINESS PLAN AS A RESULT OF THE  
12 ACQUISITION OF CONTROL, AND, IF THE PERSON ACQUIRING CONTROL IS A  
13 LICENSEE, THAT LICENSEE ALSO WILL NOT IMPLEMENT ANY MATERIAL  
14 CHANGES TO ITS BUSINESS PLAN AS A RESULT OF THE ACQUISITION OF  
15 CONTROL; AND

16 (V) THE PERSON PROVIDES NOTICE OF THE ACQUISITION IN  
17 COOPERATION WITH THE LICENSEE AND ATTESTS TO THE CONDITIONS  
18 SPECIFIED IN SUBSECTIONS (11)(a)(I) TO (11)(a)(IV) OF THIS SECTION IN  
19 A FORM AND IN A MEDIUM PRESCRIBED BY THE BOARD BY RULE.

20 (b) IF THE NOTICE IS NOT DISAPPROVED WITHIN NINETY DAYS  
21 AFTER THE DATE ON WHICH THE NOTICE WAS DETERMINED TO BE  
22 COMPLETE, THE NOTICE IS DEEMED APPROVED.

23 (12) BEFORE FILING AN APPLICATION FOR APPROVAL TO ACQUIRE  
24 CONTROL OF A LICENSEE, A PERSON MAY REQUEST IN WRITING A  
25 DETERMINATION FROM THE BANKING BOARD AS TO WHETHER THE PERSON  
26 WOULD BE CONSIDERED A PERSON IN CONTROL OF A LICENSEE UPON  
27 CONSUMMATION OF A PROPOSED TRANSACTION. IF THE BOARD

1 DETERMINES THAT THE PERSON WOULD NOT BE A PERSON IN CONTROL OF  
2 A LICENSEE, THE PROPOSED PERSON AND TRANSACTION IS NOT SUBJECT TO  
3 THE REQUIREMENTS OF SUBSECTIONS (1) AND (2) OF THIS SECTION.

4 (13) IF A MULTISTATE LICENSING PROCESS INCLUDES A  
5 DETERMINATION MADE PURSUANT TO SUBSECTION (12) OF THIS SECTION  
6 AND AN APPLICANT USES OR IS OTHERWISE SUBJECT TO THE MULTISTATE  
7 LICENSING PROCESS:

8 (a) THE BANKING BOARD IS AUTHORIZED AND ENCOURAGED TO  
9 ACCEPT THE CONTROL DETERMINATION OF A LEAD INVESTIGATIVE STATE  
10 WITH SUFFICIENT STAFFING, EXPERTISE, AND MINIMUM STANDARDS FOR  
11 THE PURPOSE OF THIS SUBSECTION (13); OR

12 (b) IF THE STATE IS A LEAD INVESTIGATIVE STATE, THE BANKING  
13 BOARD IS AUTHORIZED AND ENCOURAGED TO INVESTIGATE THE APPLICANT  
14 PURSUANT TO THIS SUBSECTION (13) AND THE TIME FRAMES ESTABLISHED  
15 BY AGREEMENT THROUGH THE MULTISTATE LICENSING PROCESS.

16 **11-110-602. Notice and information requirements for a change**  
17 **of key individuals.** A LICENSEE ADDING OR REPLACING A KEY INDIVIDUAL  
18 SHALL PROVIDE NOTICE TO THE BANKING BOARD IN A MANNER PRESCRIBED  
19 BY THE BOARD BY RULE WITHIN FIFTEEN DAYS AFTER THE EFFECTIVE DATE  
20 OF THE KEY INDIVIDUAL'S APPOINTMENT.

21 PART 7

22 REPORTING AND RECORDS

23 **11-110-701. Report of condition.** (1) EACH LICENSEE SHALL  
24 SUBMIT A REPORT OF CONDITION TO THE BANKING BOARD WITHIN  
25 FORTY-FIVE DAYS AFTER THE END OF A CALENDAR QUARTER OR WITHIN  
26 ANY EXTENDED TIME AS THE BOARD BY RULE MAY PRESCRIBE.

27 (2) THE REPORT OF CONDITION MUST INCLUDE:

- 1 (a) FINANCIAL INFORMATION AT THE LICENSEE LEVEL;
- 2 (b) NATIONWIDE AND STATE-SPECIFIC MONEY TRANSMISSION
- 3 TRANSACTION INFORMATION IN EVERY JURISDICTION IN THE UNITED
- 4 STATES WHERE THE LICENSEE IS LICENSED TO ENGAGE IN MONEY
- 5 TRANSMISSION;
- 6 (c) A PERMISSIBLE INVESTMENTS REPORT;
- 7 (d) TRANSACTION DESTINATION COUNTRY REPORTING FOR MONEY
- 8 RECEIVED FOR TRANSMISSION, IF APPLICABLE; AND
- 9 (e) ANY OTHER INFORMATION THE BANKING BOARD REASONABLY
- 10 REQUIRES WITH RESPECT TO THE LICENSEE.

11 (3) THE INFORMATION REQUIRED BY SUBSECTION (2)(d) OF THIS  
12 SECTION SHALL ONLY BE INCLUDED IN A REPORT OF CONDITION SUBMITTED  
13 WITHIN FORTY-FIVE DAYS AFTER THE END OF THE FOURTH CALENDAR  
14 QUARTER.

15 **11-110-702. Audited financials.** (1) EACH LICENSEE SHALL,  
16 WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR, OR WITHIN  
17 ANY EXTENDED TIME AS THE BANKING BOARD BY RULE MAY PRESCRIBE,  
18 FILE WITH THE BOARD:

19 (a) AN AUDITED FINANCIAL STATEMENT OF THE LICENSEE FOR THE  
20 FISCAL YEAR PREPARED IN ACCORDANCE WITH UNITED STATES  
21 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AND

22 (b) ANY OTHER INFORMATION THAT THE BOARD MAY REASONABLY  
23 REQUIRE.

24 (2) THE AUDITED FINANCIAL STATEMENTS SHALL BE PREPARED BY  
25 AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT OR INDEPENDENT  
26 PUBLIC ACCOUNTANT WHO IS SATISFACTORY TO THE BANKING BOARD.

27 (3) THE AUDITED FINANCIAL STATEMENTS MUST INCLUDE OR BE

1 ACCOMPANIED BY A CERTIFICATE OF OPINION OF THE INDEPENDENT  
2 CERTIFIED PUBLIC ACCOUNTANT OR INDEPENDENT PUBLIC ACCOUNTANT  
3 THAT IS SATISFACTORY IN FORM AND CONTENT TO THE BANKING BOARD.  
4 IF THE CERTIFICATE OR OPINION IS QUALIFIED, THE BOARD MAY ORDER THE  
5 LICENSEE TO TAKE ANY ACTION THAT THE BOARD MAY FIND NECESSARY  
6 TO ENABLE THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT OR  
7 INDEPENDENT PUBLIC ACCOUNTANT TO REMOVE THE QUALIFICATION.

8 **11-110-703. Authorized delegate reporting.** (1) EACH LICENSEE  
9 SHALL SUBMIT A REPORT OF AUTHORIZED DELEGATES TO THE BANKING  
10 BOARD WITHIN FORTY-FIVE DAYS AFTER THE END OF A CALENDAR  
11 QUARTER. THE BOARD IS AUTHORIZED AND ENCOURAGED TO UTILIZE  
12 NMLS FOR THE SUBMISSION OF THE REPORT REQUIRED BY THIS SECTION  
13 IF THE FUNCTIONALITY IS CONSISTENT WITH THE REQUIREMENTS OF THIS  
14 SECTION.

15 (2) THE AUTHORIZED DELEGATE REPORT MUST INCLUDE, AT A  
16 MINIMUM, THE FOLLOWING INFORMATION FOR EACH AUTHORIZED  
17 DELEGATE:

- 18 (a) COMPANY LEGAL NAME;
- 19 (b) TAXPAYER EMPLOYER IDENTIFICATION NUMBER;
- 20 (c) PRINCIPAL PROVIDER IDENTIFIER;
- 21 (d) PHYSICAL ADDRESS;
- 22 (e) MAILING ADDRESS;
- 23 (f) BUSINESS CONDUCTED IN OTHER STATES, IF ANY;
- 24 (g) FICTITIOUS OR TRADE NAMES, IF ANY;
- 25 (h) CONTACT PERSON NAME, PHONE NUMBER, AND EMAIL;
- 26 (i) START DATE AS LICENSEE'S AUTHORIZED DELEGATE;
- 27 (j) END DATE ACTING AS LICENSEE'S AUTHORIZED DELEGATE, IF

1 APPLICABLE; AND

2 (k) OTHER INFORMATION THE BANKING BOARD REASONABLY  
3 REQUIRES WITH RESPECT TO THE AUTHORIZED DELEGATE.

4 **11-110-704. Reports of certain events.** (1) A LICENSEE SHALL  
5 FILE A REPORT WITH THE BANKING BOARD WITHIN ONE BUSINESS DAY  
6 AFTER THE LICENSEE HAS REASON TO KNOW OF THE OCCURRENCE OF ANY  
7 OF THE FOLLOWING EVENTS:

8 (a) THE FILING OF A PETITION BY OR AGAINST THE LICENSEE UNDER  
9 THE UNITED STATES BANKRUPTCY CODE, 11 U.S.C. SECS. 101 TO 110, AS  
10 AMENDED, FOR BANKRUPTCY OR REORGANIZATION;

11 (b) THE FILING OF A PETITION BY OR AGAINST THE LICENSEE FOR  
12 RECEIVERSHIP, THE COMMENCEMENT OF ANY OTHER JUDICIAL OR  
13 ADMINISTRATIVE PROCEEDING FOR THE LICENSEE'S DISSOLUTION OR  
14 REORGANIZATION, OR THE MAKING OF A GENERAL ASSIGNMENT FOR THE  
15 BENEFIT OF THE LICENSEE'S CREDITORS; OR

16 (c) THE COMMENCEMENT OF A PROCEEDING TO REVOKE OR  
17 SUSPEND THE LICENSEE'S LICENSE IN A STATE OR COUNTRY IN WHICH THE  
18 LICENSEE ENGAGES IN BUSINESS OR IS LICENSED.

19 (2) A LICENSEE SHALL FILE A REPORT WITH THE BANKING BOARD  
20 WITHIN THREE BUSINESS DAYS AFTER THE LICENSEE HAS REASON TO KNOW  
21 OF THE OCCURRENCE OF ANY OF THE FOLLOWING EVENTS:

22 (a) A CHARGE OR CONVICTION OF THE LICENSEE OR OF A KEY  
23 INDIVIDUAL OR PERSON IN CONTROL OF THE LICENSEE FOR A FELONY; OR

24 (b) A CHARGE OR CONVICTION OF AN AUTHORIZED DELEGATE FOR  
25 A FELONY.

26 **11-110-705. Bank secrecy act reports.** A LICENSEE AND AN  
27 AUTHORIZED DELEGATE SHALL FILE ALL REPORTS REQUIRED BY FEDERAL



1 CURRENCY REPORTING, RECORD-KEEPING, AND SUSPICIOUS ACTIVITY  
2 REPORTING REQUIREMENTS AS SET FORTH IN THE BANK SECRECY ACT AND  
3 OTHER FEDERAL AND STATE LAWS PERTAINING TO MONEY LAUNDERING.  
4 THE TIMELY FILING OF A COMPLETE AND ACCURATE REPORT REQUIRED  
5 UNDER THIS SECTION WITH THE APPROPRIATE FEDERAL AGENCY IS DEEMED  
6 COMPLIANT WITH THE REQUIREMENTS OF THIS SECTION.

7 **11-110-706. Records - rules.** (1) A LICENSEE SHALL MAINTAIN  
8 THE FOLLOWING RECORDS FOR DETERMINING THE LICENSEE'S COMPLIANCE  
9 WITH THIS ARTICLE 110 FOR AT LEAST THREE YEARS AFTER THE CREATION  
10 OF THE RECORD:

11 (a) A RECORD OF EACH OUTSTANDING MONEY TRANSMISSION  
12 OBLIGATION SOLD;

13 (b) A GENERAL LEDGER POSTED AT LEAST MONTHLY CONTAINING  
14 ALL ASSET, LIABILITY, CAPITAL, INCOME, AND EXPENSE ACCOUNTS;

15 (c) BANK STATEMENTS AND BANK RECONCILIATION RECORDS;

16 (d) RECORDS OF OUTSTANDING MONEY TRANSMISSION  
17 OBLIGATIONS;

18 (e) RECORDS OF EACH OUTSTANDING MONEY TRANSMISSION  
19 OBLIGATION PAID WITHIN THE THREE-YEAR PERIOD;

20 (f) A LIST OF THE LAST-KNOWN NAMES AND ADDRESSES OF ALL OF  
21 THE LICENSEE'S AUTHORIZED DELEGATES; AND

22 (g) ANY OTHER RECORDS THE BANKING BOARD BY RULE  
23 REASONABLY REQUIRES.

24 (2) THE ITEMS SPECIFIED IN SUBSECTION (1) OF THIS SECTION MAY  
25 BE MAINTAINED IN ANY FORM OF RECORD.

26 (3) RECORDS SPECIFIED IN SUBSECTION (1) OF THIS SECTION MAY  
27 BE MAINTAINED OUTSIDE THIS STATE IF THEY ARE MADE ACCESSIBLE TO

1 THE BANKING BOARD WITH TEN BUSINESS DAYS' NOTICE THAT IS SENT IN  
2 A RECORD.

3 (4) ALL RECORDS MAINTAINED BY THE LICENSEE AS REQUIRED IN  
4 SUBSECTIONS (1) TO (3) OF THIS SECTION ARE OPEN TO INSPECTION BY THE  
5 BANKING BOARD PURSUANT TO SECTION 11-110-403 (1).

6 PART 8

7 AUTHORIZED DELEGATES

8 **11-110-801. Relationship between licensee and authorized**  
9 **delegate - written policies and procedures required - background**  
10 **investigation - definition.** (1) AS USED IN THIS SECTION, "REMIT" MEANS  
11 TO MAKE DIRECT PAYMENTS OF MONEY TO A LICENSEE OR THE LICENSEE'S  
12 REPRESENTATIVE AUTHORIZED TO RECEIVE MONEY OR TO DEPOSIT MONEY  
13 IN A BANK IN AN ACCOUNT SPECIFIED BY THE LICENSEE.

14 (2) BEFORE A LICENSEE IS AUTHORIZED TO CONDUCT BUSINESS  
15 THROUGH AN AUTHORIZED DELEGATE OR ALLOWS A PERSON TO ACT AS  
16 THE LICENSEE'S AUTHORIZED DELEGATE, THE LICENSEE SHALL:

17 (a) ADOPT, AND UPDATE AS NECESSARY, WRITTEN POLICIES AND  
18 PROCEDURES REASONABLY DESIGNED TO ENSURE THAT THE LICENSEE'S  
19 AUTHORIZED DELEGATES COMPLY WITH APPLICABLE STATE AND FEDERAL  
20 LAW;

21 (b) ENTER INTO A WRITTEN CONTRACT THAT COMPLIES WITH  
22 SUBSECTION (4) OF THIS SECTION; AND

23 (c) CONDUCT A REASONABLE RISK-BASED BACKGROUND  
24 INVESTIGATION SUFFICIENT FOR THE LICENSEE TO DETERMINE WHETHER  
25 THE AUTHORIZED DELEGATE HAS COMPLIED AND WILL LIKELY COMPLY  
26 WITH APPLICABLE STATE AND FEDERAL LAW.

27 (3) AN AUTHORIZED DELEGATE MUST OPERATE IN FULL

1 COMPLIANCE WITH THIS ARTICLE 110.

2 (4) THE WRITTEN CONTRACT REQUIRED BY SUBSECTION (2)(b) OF  
3 THIS SECTION MUST:

4 (a) BE SIGNED BY THE LICENSEE AND THE AUTHORIZED DELEGATE  
5 AND, AT A MINIMUM, MUST APPOINT THE PERSON SIGNING THE CONTRACT  
6 AS THE LICENSEE'S AUTHORIZED DELEGATE WITH THE AUTHORITY TO  
7 CONDUCT MONEY TRANSMISSION ON BEHALF OF THE LICENSEE;

8 (b) SET FORTH THE NATURE AND SCOPE OF THE RELATIONSHIP  
9 BETWEEN THE LICENSEE AND THE AUTHORIZED DELEGATE AND THE  
10 RESPECTIVE RIGHTS AND RESPONSIBILITIES OF THE PARTIES;

11 (c) REQUIRE THE AUTHORIZED DELEGATE TO AGREE TO FULLY  
12 COMPLY WITH ALL APPLICABLE STATE AND FEDERAL LAWS, RULES, AND  
13 REGULATIONS PERTAINING TO MONEY TRANSMISSION, INCLUDING THIS  
14 ARTICLE 110 AND RULES IMPLEMENTING THIS ARTICLE 110 AND RELEVANT  
15 PROVISIONS OF THE BANK SECRECY ACT AND THE FEDERAL "USA  
16 PATRIOT Act", PUB.L. 107-56;

17 (d) REQUIRE THE AUTHORIZED DELEGATE TO REMIT AND HANDLE  
18 MONEY AND MONETARY VALUE IN ACCORDANCE WITH THE TERMS OF THE  
19 CONTRACT BETWEEN THE LICENSEE AND THE AUTHORIZED DELEGATE;

20 (e) IMPOSE A TRUST ON MONEY AND MONETARY VALUE NET OF  
21 FEES RECEIVED FOR MONEY TRANSMISSION FOR THE BENEFIT OF THE  
22 LICENSEE;

23 (f) REQUIRE THE AUTHORIZED DELEGATE TO PREPARE AND  
24 MAINTAIN RECORDS AS REQUIRED BY THIS ARTICLE 110 OR RULES  
25 IMPLEMENTING THIS ARTICLE 110 OR AS REASONABLY REQUESTED BY THE  
26 BANKING BOARD;

27 (g) ACKNOWLEDGE THAT THE AUTHORIZED DELEGATE CONSENTS

1 TO EXAMINATION OR INVESTIGATION BY THE BANKING BOARD;

2 (h) STATE THAT THE LICENSEE IS SUBJECT TO REGULATION BY THE  
3 BANKING BOARD AND THAT, AS PART OF THAT REGULATION, THE BOARD  
4 MAY SUSPEND OR REVOKE AN AUTHORIZED DELEGATE DESIGNATION OR  
5 REQUIRE THE LICENSEE TO TERMINATE AN AUTHORIZED DELEGATE  
6 DESIGNATION; AND

7 (i) ACKNOWLEDGE RECEIPT OF THE WRITTEN POLICIES AND  
8 PROCEDURES REQUIRED UNDER SUBSECTION (2)(a) OF THIS SECTION.

9 (5) IF THE LICENSEE'S LICENSE IS SUSPENDED, REVOKED,  
10 SURRENDERED, OR EXPIRED, THE LICENSEE MUST, WITHIN FIVE BUSINESS  
11 DAYS, PROVIDE DOCUMENTATION TO THE BANKING BOARD THAT THE  
12 LICENSEE HAS NOTIFIED ALL APPLICABLE AUTHORIZED DELEGATES OF THE  
13 LICENSEE WHOSE NAMES ARE IN A RECORD FILED WITH THE BOARD OF THE  
14 SUSPENSION, REVOCATION, SURRENDER, OR EXPIRATION OF A LICENSE.  
15 UPON SUSPENSION, REVOCATION, SURRENDER, OR EXPIRATION OF A  
16 LICENSE, APPLICABLE AUTHORIZED DELEGATES SHALL IMMEDIATELY  
17 CEASE TO PROVIDE MONEY TRANSMISSION AS AN AUTHORIZED DELEGATE  
18 OF THE LICENSEE.

19 (6) AN AUTHORIZED DELEGATE OF A LICENSEE HOLDS IN TRUST FOR  
20 THE BENEFIT OF THE LICENSEE ALL MONEY NET OF FEES RECEIVED FROM  
21 MONEY TRANSMISSION. IF AN AUTHORIZED DELEGATE COMMINGLES ANY  
22 MONEY RECEIVED FROM MONEY TRANSMISSION WITH ANY OTHER MONEY  
23 OR PROPERTY OWNED OR CONTROLLED BY THE AUTHORIZED DELEGATE,  
24 ALL COMMINGLED MONEY AND OTHER PROPERTY SHALL BE CONSIDERED  
25 HELD IN TRUST IN FAVOR OF THE LICENSEE IN AN AMOUNT EQUAL TO THE  
26 AMOUNT OF MONEY NET OF FEES RECEIVED FROM MONEY TRANSMISSION.

27 (7) AN AUTHORIZED DELEGATE SHALL NOT USE A SUBDELEGATE TO

1 CONDUCT MONEY TRANSMISSION ON BEHALF OF A LICENSEE.

2 **11-110-802. Unauthorized activities - joint and several**  
3 **liability.** A PERSON SHALL NOT ENGAGE IN THE BUSINESS OF MONEY  
4 TRANSMISSION ON BEHALF OF A PERSON NOT LICENSED UNDER THIS  
5 ARTICLE 110 OR NOT EXEMPT PURSUANT TO PART 3 OF THIS ARTICLE 110.  
6 A PERSON THAT ENGAGES IN SUCH ACTIVITY PROVIDES MONEY  
7 TRANSMISSION TO THE SAME EXTENT AS IF THE PERSON WERE A LICENSEE  
8 AND SHALL BE JOINTLY AND SEVERALLY LIABLE WITH THE UNLICENSED OR  
9 NONEXEMPT PERSON.

10 PART 9

11 TIMELY TRANSMISSION, REFUNDS, AND DISCLOSURES

12 **11-110-901. Timely transmission.** (1) EVERY LICENSEE SHALL  
13 FORWARD ALL MONEY RECEIVED FOR TRANSMISSION IN ACCORDANCE  
14 WITH THE TERMS OF THE AGREEMENT BETWEEN THE LICENSEE AND THE  
15 SENDER UNLESS THE LICENSEE HAS A REASONABLE BELIEF OR A  
16 REASONABLE BASIS TO BELIEVE THAT THE SENDER MAY BE A VICTIM OF  
17 FRAUD OR THAT A CRIME OR VIOLATION OF A LAW, RULE, OR REGULATION  
18 HAS OCCURRED, IS OCCURRING, OR MAY OCCUR.

19 (2) IF A LICENSEE FAILS TO FORWARD MONEY RECEIVED FOR  
20 TRANSMISSION IN ACCORDANCE WITH THIS SECTION, THE LICENSEE MUST  
21 RESPOND TO INQUIRIES BY THE SENDER WITH THE REASON FOR THE  
22 FAILURE UNLESS PROVIDING A RESPONSE WOULD VIOLATE A STATE OR  
23 FEDERAL LAW, RULE, OR REGULATION.

24 **11-110-902. Refunds.** (1) THIS SECTION DOES NOT APPLY TO:

25 (a) MONEY RECEIVED FOR TRANSMISSION SUBJECT TO THE  
26 FEDERAL REMITTANCE RULE, 12 CFR 1005, SUBPART B; OR

27 (b) MONEY RECEIVED FOR TRANSMISSION PURSUANT TO A

1 WRITTEN AGREEMENT BETWEEN THE LICENSEE AND PAYEE TO PROCESS  
2 PAYMENTS FOR GOODS OR SERVICES PROVIDED BY THE PAYEE.

3 (2) EVERY LICENSEE SHALL REFUND TO THE SENDER WITHIN TEN  
4 DAYS AFTER RECEIPT OF THE SENDER'S WRITTEN REQUEST FOR A REFUND  
5 ANY AND ALL MONEY RECEIVED FOR TRANSMISSION UNLESS ANY OF THE  
6 FOLLOWING OCCURS:

7 (a) THE MONEY HAS BEEN FORWARDED WITHIN TEN DAYS AFTER  
8 THE DATE ON WHICH THE MONEY WAS RECEIVED FOR TRANSMISSION;

9 (b) INSTRUCTIONS HAVE BEEN GIVEN COMMITTING AN EQUIVALENT  
10 AMOUNT OF MONEY TO THE PERSON DESIGNATED BY THE SENDER WITHIN  
11 TEN DAYS AFTER THE DATE ON WHICH THE MONEY WAS RECEIVED FOR  
12 TRANSMISSION;

13 (c) THE AGREEMENT BETWEEN THE LICENSEE AND THE SENDER  
14 INSTRUCTS THE LICENSEE TO FORWARD THE MONEY AT A TIME THAT IS  
15 BEYOND TEN DAYS AFTER THE DATE ON WHICH THE MONEY WAS RECEIVED  
16 FOR TRANSMISSION. IF MONEY HAS NOT YET BEEN FORWARDED IN  
17 ACCORDANCE WITH THE TERMS OF THE AGREEMENT BETWEEN THE  
18 LICENSEE AND THE SENDER, THE LICENSEE SHALL ISSUE A REFUND IN  
19 ACCORDANCE WITH THE OTHER PROVISIONS OF THIS SECTION.

20 (d) THE REFUND IS REQUESTED FOR A TRANSACTION THAT THE  
21 LICENSEE HAS NOT COMPLETED BASED ON A REASONABLE BELIEF OR A  
22 REASONABLE BASIS TO BELIEVE THAT A CRIME OR VIOLATION OF LAW,  
23 RULE, OR REGULATION HAS OCCURRED, IS OCCURRING, OR MAY OCCUR; OR

24 (e) THE REFUND REQUEST DOES NOT ENABLE THE LICENSEE TO:

25 (I) IDENTIFY THE SENDER'S NAME AND ADDRESS OR TELEPHONE  
26 NUMBER; OR

27 (II) IDENTIFY THE PARTICULAR TRANSACTION TO BE REFUNDED IN

1 THE EVENT THE SENDER HAS MULTIPLE TRANSACTIONS OUTSTANDING.

2 **11-110-903. Receipts - definition.** (1) THIS SECTION DOES NOT  
3 APPLY TO:

4 (a) MONEY RECEIVED FOR TRANSMISSION SUBJECT TO THE  
5 FEDERAL REMITTANCE RULE, 12 CFR 1005, SUBPART B;

6 (b) MONEY RECEIVED FOR TRANSMISSION THAT IS NOT PRIMARILY  
7 FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES;

8 (c) MONEY RECEIVED FOR TRANSMISSION PURSUANT TO A WRITTEN  
9 AGREEMENT BETWEEN THE LICENSEE AND PAYEE TO PROCESS PAYMENTS  
10 FOR GOODS OR SERVICES PROVIDED BY THE PAYEE; OR

11 (d) PAYROLL PROCESSING SERVICES.

12 (2) AS USED IN THIS SECTION, "RECEIPT" MEANS A PAPER RECEIPT,  
13 ELECTRONIC RECORD, OR OTHER WRITTEN CONFIRMATION. FOR A  
14 TRANSACTION CONDUCTED IN PERSON, THE RECEIPT MAY BE PROVIDED  
15 ELECTRONICALLY IF THE SENDER REQUESTS OR AGREES TO RECEIVE AN  
16 ELECTRONIC RECEIPT. FOR A TRANSACTION CONDUCTED ELECTRONICALLY  
17 OR BY PHONE, A RECEIPT MAY BE PROVIDED ELECTRONICALLY. ALL  
18 ELECTRONIC RECEIPTS SHALL BE PROVIDED IN A RETAINABLE FORM.

19 (3) (a) EVERY LICENSEE OR EVERY LICENSEE'S AUTHORIZED  
20 DELEGATE SHALL PROVIDE THE SENDER A RECEIPT FOR MONEY RECEIVED  
21 FOR TRANSMISSION.

22 (b) THE RECEIPT MUST CONTAIN THE FOLLOWING INFORMATION, AS  
23 APPLICABLE:

24 (I) THE NAME OF THE SENDER;

25 (II) THE NAME OF THE DESIGNATED RECIPIENT;

26 (III) THE DATE OF THE TRANSACTION;

27 (IV) THE UNIQUE TRANSACTION OR IDENTIFICATION NUMBER;

1 (V) THE NAME OF THE LICENSEE, THE NMLS UNIQUE IDENTIFIER,  
2 THE LICENSEE'S BUSINESS ADDRESS, AND THE LICENSEE'S CUSTOMER  
3 SERVICE TELEPHONE NUMBER;

4 (VI) THE AMOUNT OF THE TRANSACTION IN UNITED STATES  
5 DOLLARS;

6 (VII) THE FEE CHARGED BY THE LICENSEE TO THE SENDER FOR THE  
7 TRANSACTION, IF ANY; AND

8 (VIII) TAXES COLLECTED BY THE LICENSEE FROM THE SENDER FOR  
9 THE TRANSACTION, IF ANY.

10 (c) THE RECEIPT REQUIRED BY THIS SECTION MUST BE IN ENGLISH  
11 AND IN THE LANGUAGE PRINCIPALLY USED BY THE LICENSEE OR  
12 AUTHORIZED DELEGATE, IF OTHER THAN ENGLISH, TO ADVERTISE, SOLICIT,  
13 OR NEGOTIATE, EITHER ORALLY OR IN WRITING, FOR A TRANSACTION  
14 CONDUCTED IN PERSON, ELECTRONICALLY, OR BY PHONE.

15 **11-110-904. Notice.** EVERY LICENSEE OR AUTHORIZED DELEGATE  
16 SHALL INCLUDE ON A RECEIPT DESCRIBED IN SECTION 11-110-903 OR  
17 DISCLOSE ON THE LICENSEE'S WEBSITE OR MOBILE APPLICATION THE NAME  
18 AND PHONE NUMBER OF THE DIVISION AND A STATEMENT THAT THE  
19 LICENSEE'S CUSTOMERS CAN CONTACT THE DIVISION WITH QUESTIONS OR  
20 COMPLAINTS ABOUT THE LICENSEE'S MONEY TRANSMISSION SERVICES.

21 **11-110-905. Disclosures for payroll processing services.** (1) A  
22 LICENSEE THAT PROVIDES PAYROLL PROCESSING SERVICES SHALL:

23 (a) ISSUE REPORTS TO CLIENTS DETAILING CLIENT PAYROLL  
24 OBLIGATIONS IN ADVANCE OF THE PAYROLL MONEY BEING DEDUCTED  
25 FROM AN ACCOUNT; AND

26 (b) MAKE AVAILABLE WORKER PAY STUBS OR AN EQUIVALENT  
27 STATEMENT TO WORKERS.





1           (2) THE AMOUNT OF THE REQUIRED SECURITY IS THE GREATER OF  
2 TWO HUNDRED FIFTY THOUSAND DOLLARS OR AN AMOUNT EQUAL TO ONE  
3 HUNDRED PERCENT OF THE LICENSEE'S AVERAGE DAILY MONEY  
4 TRANSMISSION LIABILITY IN THIS STATE CALCULATED FOR THE MOST  
5 RECENTLY COMPLETED THREE-MONTH PERIOD, UP TO A MAXIMUM OF ONE  
6 MILLION DOLLARS.

7           (3) A LICENSEE THAT MAINTAINS A BOND IN THE MAXIMUM  
8 AMOUNT PROVIDED FOR IN SUBSECTION (2) OF THIS SECTION IS NOT  
9 REQUIRED TO CALCULATE ITS AVERAGE DAILY MONEY TRANSMISSION  
10 LIABILITY IN THIS STATE FOR PURPOSES OF THIS SECTION.

11           **11-110-1003. Maintenance of permissible investments -**  
12 **statutory trust - rules.** (1) A LICENSEE SHALL MAINTAIN AT ALL TIMES  
13 PERMISSIBLE INVESTMENTS THAT HAVE A MARKET VALUE COMPUTED IN  
14 ACCORDANCE WITH UNITED STATES GENERALLY ACCEPTED ACCOUNTING  
15 PRINCIPLES OF NOT LESS THAN THE AGGREGATE AMOUNT OF ALL OF THE  
16 LICENSEE'S OUTSTANDING MONEY TRANSMISSION OBLIGATIONS.

17           (2) EXCEPT FOR PERMISSIBLE INVESTMENTS ENUMERATED IN  
18 SECTION 11-110-1004 (1), THE BANKING BOARD, WITH RESPECT TO A  
19 LICENSEE, MAY BY RULE OR ORDER LIMIT THE EXTENT TO WHICH A  
20 SPECIFIC INVESTMENT MAINTAINED BY A LICENSEE WITHIN A CLASS OF  
21 PERMISSIBLE INVESTMENTS MAY BE CONSIDERED A PERMISSIBLE  
22 INVESTMENT IF THE SPECIFIC INVESTMENT REPRESENTS UNDUE RISK TO  
23 CUSTOMERS NOT REFLECTED IN THE MARKET VALUE OF INVESTMENTS.

24           (3) PERMISSIBLE INVESTMENTS, EVEN IF COMMINGLED WITH OTHER  
25 ASSETS OF A LICENSEE, ARE HELD IN TRUST FOR THE BENEFIT OF THE  
26 PURCHASERS AND HOLDERS OF THE LICENSEE'S OUTSTANDING MONEY  
27 TRANSMISSION OBLIGATIONS IN THE EVENT OF INSOLVENCY; THE FILING OF

1 A PETITION BY OR AGAINST THE LICENSEE UNDER THE UNITED STATES  
2 BANKRUPTCY CODE, 11 U.S.C. SECS. 101 TO 110, AS AMENDED, FOR  
3 BANKRUPTCY OR REORGANIZATION; THE FILING OF A PETITION BY OR  
4 AGAINST THE LICENSEE FOR RECEIVERSHIP; THE COMMENCEMENT OF ANY  
5 OTHER JUDICIAL OR ADMINISTRATIVE PROCEEDING FOR THE LICENSEE'S  
6 DISSOLUTION OR REORGANIZATION; OR AN ACTION AGAINST THE LICENSEE  
7 BY A CREDITOR THAT IS NOT A BENEFICIARY OF THE STATUTORY TRUST.  
8 PERMISSIBLE INVESTMENTS IMPRESSED WITH A TRUST PURSUANT TO THIS  
9 SECTION ARE NOT SUBJECT TO ATTACHMENT, LEVY OF EXECUTION, OR  
10 SEQUESTRATION BY ORDER OF ANY COURT, EXCEPT FOR A BENEFICIARY OF  
11 THE STATUTORY TRUST.

12 (4) UPON THE ESTABLISHMENT OF A STATUTORY TRUST IN  
13 ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION OR WHEN MONEY IS  
14 DRAWN ON A LETTER OF CREDIT PURSUANT TO SECTION 11-110-1004  
15 (1)(d), THE BANKING BOARD SHALL NOTIFY THE APPLICABLE REGULATOR  
16 OF EACH STATE IN WHICH THE LICENSEE IS LICENSED TO ENGAGE IN MONEY  
17 TRANSMISSION, IF ANY, OF THE ESTABLISHMENT OF THE TRUST OR THE  
18 MONEY DRAWN ON THE LETTER OF CREDIT, AS APPLICABLE. NOTICE IS  
19 DEEMED SATISFIED IF PERFORMED PURSUANT TO A MULTISTATE  
20 AGREEMENT OR THROUGH NMLS. MONEY DRAWN ON A LETTER OF  
21 CREDIT, AND ANY OTHER PERMISSIBLE INVESTMENTS HELD IN TRUST FOR  
22 THE BENEFIT OF THE PURCHASERS AND HOLDERS OF THE LICENSEE'S  
23 OUTSTANDING MONEY TRANSMISSION OBLIGATIONS, IS DEEMED HELD IN  
24 TRUST FOR THE BENEFIT OF SUCH PURCHASERS AND HOLDERS ON A PRO  
25 RATA AND EQUITABLE BASIS IN ACCORDANCE WITH STATUTES PURSUANT  
26 TO WHICH PERMISSIBLE INVESTMENTS ARE REQUIRED TO BE HELD IN THIS  
27 STATE, AND OTHER STATES, AS APPLICABLE. A STATUTORY TRUST

1 ESTABLISHED PURSUANT TO THIS SECTION IS TERMINATED UPON  
2 EXTINGUISHMENT OF ALL OF THE LICENSEE'S OUTSTANDING MONEY  
3 TRANSMISSION OBLIGATIONS.

4 (5) THE BANKING BOARD BY RULE MAY ALLOW OTHER TYPES OF  
5 INVESTMENTS THAT THE BOARD DETERMINES ARE OF SUFFICIENT  
6 LIQUIDITY AND QUALITY TO BE A PERMISSIBLE INVESTMENT. THE BANKING  
7 BOARD MAY PARTICIPATE IN EFFORTS WITH OTHER STATE REGULATORS TO  
8 DETERMINE THAT OTHER TYPES OF INVESTMENTS ARE OF SUFFICIENT  
9 LIQUIDITY AND QUALITY TO BE A PERMISSIBLE INVESTMENT.

10 **11-110-1004. Types of permissible investments - rules.** (1) THE  
11 FOLLOWING INVESTMENTS ARE PERMISSIBLE UNDER SECTION 11-110-1003:

12 (a) CASH, INCLUDING DEMAND DEPOSITS, SAVINGS DEPOSITS, AND  
13 MONEY IN SUCH ACCOUNTS HELD FOR THE BENEFIT OF THE LICENSEE'S  
14 CUSTOMERS IN A FEDERALLY INSURED DEPOSITORY FINANCIAL  
15 INSTITUTION, AND CASH EQUIVALENTS, INCLUDING ACH ITEMS IN TRANSIT  
16 TO THE LICENSEE AND ACH ITEMS OR INTERNATIONAL WIRES IN TRANSIT  
17 TO A PAYEE, CASH IN TRANSIT VIA ARMORED CAR, CASH IN SMART SAFES,  
18 CASH IN LICENSEE-OWNED LOCATIONS, DEBIT CARD OR CREDIT  
19 CARD-FUNDED TRANSMISSION RECEIVABLES OWED BY A BANK, OR MONEY  
20 MARKET MUTUAL FUNDS RATED "AAA" BY S&P GLOBAL RATINGS OR THE  
21 EQUIVALENT FROM ANY ELIGIBLE RATING SERVICE;

22 (b) CERTIFICATES OF DEPOSIT OR SENIOR DEBT OBLIGATIONS OF AN  
23 INSURED DEPOSITORY INSTITUTION, AS DEFINED IN SECTION 3 OF THE  
24 "FEDERAL DEPOSIT INSURANCE ACT", 12 U.S.C. SEC. 1813, AS AMENDED,  
25 OR AS DEFINED UNDER THE "FEDERAL CREDIT UNION ACT", 12 U.S.C. SEC.  
26 1781, AS AMENDED;

27 (c) AN OBLIGATION OF THE UNITED STATES OR A COMMISSION,

1 AGENCY, OR INSTRUMENTALITY OF THE UNITED STATES; AN OBLIGATION  
2 THAT IS GUARANTEED FULLY AS TO PRINCIPAL AND INTEREST BY THE  
3 UNITED STATES; OR AN OBLIGATION OF A STATE OR A GOVERNMENTAL  
4 SUBDIVISION, AGENCY, OR INSTRUMENTALITY OF A STATE; OR

5 (d) THE FULL DRAWABLE AMOUNT OF AN IRREVOCABLE STANDBY  
6 LETTER OF CREDIT FOR WHICH THE STATED BENEFICIARY IS THE BANKING  
7 BOARD THAT STIPULATES THAT THE BENEFICIARY NEED ONLY DRAW A  
8 SIGHT DRAFT UNDER THE LETTER OF CREDIT AND PRESENT IT TO OBTAIN  
9 MONEY UP TO THE LETTER OF CREDIT AMOUNT WITHIN SEVEN DAYS AFTER  
10 PRESENTATION OF THE ITEMS REQUIRED BY SUBSECTION (2)(c) OF THIS  
11 SECTION.

12 (2) (a) THE LETTER OF CREDIT DESCRIBED IN SUBSECTION (1)(d) OF  
13 THIS SECTION MUST:

14 (I) BE ISSUED BY:

15 (A) A FEDERALLY INSURED DEPOSITORY FINANCIAL INSTITUTION;

16 (B) A FOREIGN BANK THAT IS AUTHORIZED UNDER FEDERAL LAW  
17 TO MAINTAIN A FEDERAL AGENCY OR FEDERAL BRANCH OFFICE IN A STATE  
18 OR STATES; OR

19 (C) A FOREIGN BANK THAT BEARS AN ELIGIBLE RATING, OR WHOSE  
20 PARENT COMPANY BEARS AN ELIGIBLE RATING; THAT IS REGULATED,  
21 SUPERVISED, AND EXAMINED BY FEDERAL OR STATE AUTHORITIES HAVING  
22 REGULATORY AUTHORITY OVER BANKS, CREDIT UNIONS, AND TRUST  
23 COMPANIES; AND THAT IS AUTHORIZED UNDER STATE LAW TO MAINTAIN  
24 A BRANCH IN A STATE;

25 (II) BE IRREVOCABLE, BE UNCONDITIONAL, AND INDICATE THAT  
26 THE LETTER OF CREDIT IS NOT SUBJECT TO ANY CONDITION OR  
27 QUALIFICATIONS OUTSIDE OF THE LETTER OF CREDIT;

1 (III) NOT CONTAIN REFERENCE TO ANY OTHER AGREEMENTS,  
2 DOCUMENTS, OR ENTITIES OR OTHERWISE PROVIDE FOR ANY SECURITY  
3 INTEREST IN THE LICENSEE; AND

4 (IV) CONTAIN AN ISSUE DATE AND EXPIRATION DATE, AND  
5 EXPRESSLY PROVIDE FOR AUTOMATIC EXTENSION, WITHOUT A WRITTEN  
6 AMENDMENT, FOR AN ADDITIONAL PERIOD OF ONE YEAR AFTER THE  
7 PRESENT AND EACH FUTURE EXPIRATION DATE, UNLESS THE ISSUER OF THE  
8 LETTER OF CREDIT NOTIFIES THE BANKING BOARD IN WRITING BY  
9 CERTIFIED OR REGISTERED MAIL OR COURIER MAIL OR OTHER RECEIPTED  
10 MEANS, AT LEAST SIXTY DAYS PRIOR TO ANY EXPIRATION DATE, THAT THE  
11 IRREVOCABLE LETTER OF CREDIT WILL NOT BE EXTENDED.

12 (b) IN THE EVENT OF A NOTICE OF EXPIRATION OR NONEXTENSION  
13 OF A LETTER OF CREDIT ISSUED UNDER SUBSECTION (2)(a)(IV) OF THIS  
14 SECTION, THE LICENSEE IS REQUIRED TO DEMONSTRATE TO THE  
15 SATISFACTION OF THE BANKING BOARD, AT LEAST FIFTEEN DAYS PRIOR TO  
16 EXPIRATION, THAT THE LICENSEE MAINTAINS AND WILL MAINTAIN  
17 PERMISSIBLE INVESTMENTS IN ACCORDANCE WITH SECTION 11-110-1003  
18 (1) UPON THE EXPIRATION OF THE LETTER OF CREDIT. IF THE LICENSEE IS  
19 NOT ABLE TO DO SO, THE BOARD MAY DRAW ON THE LETTER OF CREDIT IN  
20 AN AMOUNT UP TO THE AMOUNT NECESSARY TO MEET THE LICENSEE'S  
21 REQUIREMENTS TO MAINTAIN PERMISSIBLE INVESTMENTS IN ACCORDANCE  
22 WITH SECTION 11-110-1003 (1). A DRAW ON THE LETTER OF CREDIT BY  
23 THE BOARD SHALL BE OFFSET AGAINST THE LICENSEE'S OUTSTANDING  
24 MONEY TRANSMISSION OBLIGATIONS. THE DRAWN MONEY SHALL BE HELD  
25 IN TRUST BY THE BOARD OR THE BOARD'S DESIGNATED AGENT, TO THE  
26 EXTENT AUTHORIZED BY LAW, AS AGENT FOR THE BENEFIT OF THE  
27 PURCHASERS AND HOLDERS OF THE LICENSEE'S OUTSTANDING MONEY

1 TRANSMISSION OBLIGATIONS.

2 (c) THE LETTER OF CREDIT MUST PROVIDE THAT THE ISSUER OF THE  
3 LETTER OF CREDIT WILL HONOR, AT SIGHT, A PRESENTATION MADE BY THE  
4 BENEFICIARY TO THE ISSUER OF THE FOLLOWING DOCUMENTS ON OR PRIOR  
5 TO THE EXPIRATION DATE OF THE LETTER OF CREDIT:

6 (I) THE ORIGINAL LETTER OF CREDIT, INCLUDING ANY  
7 AMENDMENTS; AND

8 (II) A WRITTEN STATEMENT FROM THE BENEFICIARY STATING THAT  
9 ANY OF THE FOLLOWING EVENTS HAVE OCCURRED:

10 (A) THE FILING OF A PETITION BY OR AGAINST THE LICENSEE  
11 UNDER THE UNITED STATES BANKRUPTCY CODE, 11 U.S.C. SECS. 101 TO  
12 110, AS AMENDED, FOR BANKRUPTCY OR REORGANIZATION;

13 (B) THE FILING OF A PETITION BY OR AGAINST THE LICENSEE FOR  
14 RECEIVERSHIP OR THE COMMENCEMENT OF ANY OTHER JUDICIAL OR  
15 ADMINISTRATIVE PROCEEDING FOR ITS DISSOLUTION OR REORGANIZATION;

16 (C) THE SEIZURE OF ASSETS OF A LICENSEE BY A BANKING BOARD  
17 PURSUANT TO AN EMERGENCY ORDER ISSUED IN ACCORDANCE WITH  
18 APPLICABLE LAW, ON THE BASIS OF AN ACTION, VIOLATION, OR CONDITION  
19 THAT HAS CAUSED OR IS LIKELY TO CAUSE THE INSOLVENCY OF THE  
20 LICENSEE; OR

21 (D) THE BENEFICIARY HAS RECEIVED NOTICE OF EXPIRATION OR  
22 NONEXTENSION OF A LETTER OF CREDIT, AND THE LICENSEE FAILED TO  
23 DEMONSTRATE TO THE SATISFACTION OF THE BENEFICIARY THAT THE  
24 LICENSEE WILL MAINTAIN PERMISSIBLE INVESTMENTS IN ACCORDANCE  
25 WITH SECTION 11-110-1003 (1) UPON THE EXPIRATION OR NONEXTENSION  
26 OF THE LETTER OF CREDIT.

27 (d) THE BANKING BOARD MAY DESIGNATE AN AGENT TO SERVE ON

1 THE BOARD'S BEHALF AS BENEFICIARY TO A LETTER OF CREDIT SO LONG AS  
2 THE AGENT AND LETTER OF CREDIT MEET REQUIREMENTS ESTABLISHED BY  
3 THE BOARD. THE BOARD'S AGENT MAY SERVE AS AGENT FOR MULTIPLE  
4 LICENSING AUTHORITIES FOR A SINGLE IRREVOCABLE LETTER OF CREDIT IF  
5 THE PROCEEDS OF THE DRAWABLE AMOUNT FOR THE PURPOSES OF  
6 SUBSECTION (1)(d) OF THIS SECTION ARE ASSIGNED TO THE BOARD.

7 (e) THE BANKING BOARD IS AUTHORIZED AND ENCOURAGED TO  
8 PARTICIPATE IN MULTISTATE LICENSING PROCESSES DESIGNED TO  
9 FACILITATE THE ISSUANCE AND ADMINISTRATION OF LETTERS OF CREDIT,  
10 INCLUDING BUT NOT LIMITED TO SERVICES PROVIDED BY NMLS AND THE  
11 STATE REGULATORY REGISTRY, LLC.

12 (3) UNLESS PERMITTED BY THE BANKING BOARD BY RULE OR BY  
13 ORDER TO EXCEED THE LIMITS AS SET FORTH IN THIS SUBSECTION (3), THE  
14 FOLLOWING INVESTMENTS ARE PERMISSIBLE UNDER SECTION 11-110-1003,  
15 TO THE EXTENT SPECIFIED:

16 (a) (I) EXCEPT AS PROVIDED IN SUBSECTION (3)(a)(II) OF THIS  
17 SECTION, RECEIVABLES THAT ARE PAYABLE TO A LICENSEE FROM THE  
18 LICENSEE'S AUTHORIZED DELEGATES IN THE ORDINARY COURSE OF  
19 BUSINESS THAT ARE LESS THAN SEVEN DAYS OLD, UP TO FIFTY PERCENT OF  
20 THE AGGREGATE VALUE OF THE LICENSEE'S TOTAL PERMISSIBLE  
21 INVESTMENTS.

22 (II) OF THE RECEIVABLES PERMISSIBLE UNDER SUBSECTION  
23 (3)(a)(I) OF THIS SECTION, RECEIVABLES THAT ARE PAYABLE TO A  
24 LICENSEE FROM A SINGLE AUTHORIZED DELEGATE IN THE ORDINARY  
25 COURSE OF BUSINESS MUST NOT EXCEED TEN PERCENT OF THE AGGREGATE  
26 VALUE OF THE LICENSEE'S TOTAL PERMISSIBLE INVESTMENTS.

27 (b) THE FOLLOWING INVESTMENTS, UP TO TWENTY PERCENT PER



1 CATEGORY AND COMBINED UP TO FIFTY PERCENT OF THE AGGREGATE  
2 VALUE OF THE LICENSEE'S TOTAL PERMISSIBLE INVESTMENTS:

3 (I) A SHORT-TERM INVESTMENT OF UP TO SIX MONTHS BEARING AN  
4 ELIGIBLE RATING;

5 (II) COMMERCIAL PAPER BEARING AN ELIGIBLE RATING;

6 (III) A BILL, NOTE, BOND, OR DEBENTURE BEARING AN ELIGIBLE  
7 RATING;

8 (IV) UNITED STATES TRI-PARTY REPURCHASE AGREEMENTS,  
9 COLLATERALIZED AT ONE HUNDRED PERCENT OR MORE, WITH UNITED  
10 STATES GOVERNMENT OR AGENCY SECURITIES, MUNICIPAL BONDS, OR  
11 OTHER SECURITIES BEARING AN ELIGIBLE RATING;

12 (V) MONEY MARKET MUTUAL FUNDS RATED LESS THAN "AAA"  
13 AND EQUAL TO OR HIGHER THAN "A-" BY S&P GLOBAL RATINGS OR THE  
14 EQUIVALENT FROM ANY OTHER ELIGIBLE RATING SERVICE; AND

15 (VI) A MUTUAL FUND OR OTHER INVESTMENT FUND COMPOSED  
16 SOLELY AND EXCLUSIVELY OF ONE OR MORE PERMISSIBLE INVESTMENTS  
17 LISTED IN SUBSECTIONS (1)(a) TO (1)(c) OF THIS SECTION; AND

18 (c) CASH, INCLUDING DEMAND DEPOSITS, SAVINGS DEPOSITS, AND  
19 CASH IN SUCH ACCOUNTS HELD FOR THE BENEFIT OF THE LICENSEE'S  
20 CUSTOMERS AT FOREIGN DEPOSITORY INSTITUTIONS, UP TO TEN PERCENT  
21 OF THE AGGREGATE VALUE OF THE LICENSEE'S TOTAL PERMISSIBLE  
22 INVESTMENTS IF THE LICENSEE HAS RECEIVED A SATISFACTORY RATING IN  
23 THE LICENSEE'S MOST RECENT EXAMINATION AND IF THE FOREIGN  
24 DEPOSITORY INSTITUTION:

25 (I) HAS AN ELIGIBLE RATING;

26 (II) IS REGISTERED UNDER THE FEDERAL "FOREIGN ACCOUNT TAX  
27 COMPLIANCE ACT", PUB.L. 111-47;

1 (III) IS NOT LOCATED IN ANY COUNTRY SUBJECT TO SANCTIONS  
2 FROM THE OFFICE OF FOREIGN ASSETS CONTROL; AND

3 (IV) IS NOT LOCATED IN A HIGH-RISK OR NONCOOPERATIVE  
4 JURISDICTION AS DESIGNATED BY THE INTERNATIONAL FINANCIAL ACTION  
5 TASK FORCE.

6 PART 11

7 ENFORCEMENT AND JUDICIAL REVIEW

8 **11-110-1101. Suspension and revocation of license.** (1) THE  
9 BANKING BOARD MAY SUSPEND OR REVOKE A LICENSE OR ORDER A  
10 LICENSEE TO REVOKE THE DESIGNATION OF AN AUTHORIZED DELEGATE IF:

11 (a) THE LICENSEE VIOLATES THIS ARTICLE 110 OR A RULE ADOPTED  
12 OR AN ORDER ISSUED UNDER THIS ARTICLE 110;

13 (b) THE LICENSEE DOES NOT COOPERATE WITH AN EXAMINATION  
14 OR INVESTIGATION BY THE BOARD;

15 (c) THE LICENSEE ENGAGES IN FRAUD, INTENTIONAL  
16 MISREPRESENTATION, OR GROSS NEGLIGENCE;

17 (d) AN AUTHORIZED DELEGATE IS CONVICTED OF A VIOLATION OF  
18 A STATE OR FEDERAL ANTI-MONEY LAUNDERING STATUTE, OR VIOLATES  
19 A RULE ADOPTED OR AN ORDER ISSUED UNDER THIS ARTICLE 110, AS A  
20 RESULT OF THE LICENSEE'S WILLFUL MISCONDUCT OR WILLFUL BLINDNESS;

21 (e) THE COMPETENCE, EXPERIENCE, CHARACTER, OR GENERAL  
22 FITNESS OF THE LICENSEE, AUTHORIZED DELEGATE, PERSON IN CONTROL  
23 OF THE LICENSEE, KEY INDIVIDUAL, OR RESPONSIBLE PERSON OF THE  
24 AUTHORIZED DELEGATE INDICATES THAT IT IS NOT IN THE PUBLIC INTEREST  
25 TO PERMIT THE PERSON TO PROVIDE MONEY TRANSMISSION;

26 (f) THE LICENSEE ENGAGES IN AN UNSAFE OR UNSOUND PRACTICE;

27 (g) THE LICENSEE IS INSOLVENT, SUSPENDS PAYMENT OF ITS

1 OBLIGATIONS, OR MAKES A GENERAL ASSIGNMENT FOR THE BENEFIT OF ITS  
2 CREDITORS; OR

3 (h) THE LICENSEE DOES NOT REMOVE AN AUTHORIZED DELEGATE  
4 AFTER THE BOARD ISSUES AND SERVES UPON THE LICENSEE A FINAL  
5 ORDER, INCLUDING A FINDING THAT THE AUTHORIZED DELEGATE HAS  
6 VIOLATED THIS ARTICLE 110.

7 (2) IN DETERMINING WHETHER A LICENSEE IS ENGAGING IN AN  
8 UNSAFE OR UNSOUND PRACTICE, THE BANKING BOARD MAY CONSIDER THE  
9 SIZE AND CONDITION OF THE LICENSEE'S MONEY TRANSMISSION, THE  
10 MAGNITUDE OF THE LOSS, THE GRAVITY OF THE VIOLATION OF THIS  
11 ARTICLE 110 OR A RULE ADOPTED OR ORDER ISSUED UNDER THIS ARTICLE  
12 110, AND THE PREVIOUS CONDUCT OF THE PERSON INVOLVED.

13 **11-110-1102. Suspension and revocation of authorized**  
14 **delegates.** (1) THE BANKING BOARD MAY ISSUE AN ORDER SUSPENDING  
15 OR REVOKING THE DESIGNATION OF AN AUTHORIZED DELEGATE IF THE  
16 BOARD FINDS THAT:

17 (a) THE AUTHORIZED DELEGATE VIOLATED THIS ARTICLE 110 OR  
18 A RULE ADOPTED OR AN ORDER ISSUED UNDER THIS ARTICLE 110;

19 (b) THE AUTHORIZED DELEGATE DID NOT COOPERATE WITH AN  
20 EXAMINATION OR INVESTIGATION BY THE BOARD;

21 (c) THE AUTHORIZED DELEGATE ENGAGED IN FRAUD, INTENTIONAL  
22 MISREPRESENTATION, OR GROSS NEGLIGENCE;

23 (d) THE AUTHORIZED DELEGATE IS CONVICTED OF A VIOLATION OF  
24 A STATE OR FEDERAL ANTI-MONEY LAUNDERING STATUTE;

25 (e) THE COMPETENCE, EXPERIENCE, CHARACTER, OR GENERAL  
26 FITNESS OF THE AUTHORIZED DELEGATE OR A PERSON IN CONTROL OF THE  
27 AUTHORIZED DELEGATE INDICATES THAT IT IS NOT IN THE PUBLIC INTEREST

1 TO PERMIT THE AUTHORIZED DELEGATE TO PROVIDE MONEY  
2 TRANSMISSION; OR

3 (f) THE AUTHORIZED DELEGATE IS ENGAGING IN AN UNSAFE OR  
4 UNSOUND PRACTICE.

5 (2) IN DETERMINING WHETHER AN AUTHORIZED DELEGATE IS  
6 ENGAGING IN AN UNSAFE OR UNSOUND PRACTICE, THE BANKING BOARD  
7 MAY CONSIDER THE SIZE AND CONDITION OF THE AUTHORIZED DELEGATE'S  
8 PROVISION OF MONEY TRANSMISSION, THE MAGNITUDE OF THE LOSS, THE  
9 GRAVITY OF THE VIOLATION OF THIS ARTICLE 110 OR A RULE ADOPTED OR  
10 ORDER ISSUED UNDER THIS ARTICLE 110, AND THE PREVIOUS CONDUCT OF  
11 THE AUTHORIZED DELEGATE.

12 (3) AN AUTHORIZED DELEGATE MAY APPLY FOR RELIEF FROM A  
13 SUSPENSION OR REVOCATION OF DESIGNATION AS AN AUTHORIZED  
14 DELEGATE ACCORDING TO PROCEDURES PRESCRIBED BY THE BANKING  
15 BOARD BY RULE.

16 **11-110-1103. Orders to cease and desist.** (1) IF THE BANKING  
17 BOARD DETERMINES THAT A VIOLATION OF THIS ARTICLE 110 OR A RULE  
18 ADOPTED OR AN ORDER ISSUED UNDER THIS ARTICLE 110 BY A LICENSEE  
19 OR AUTHORIZED DELEGATE IS LIKELY TO CAUSE IMMEDIATE AND  
20 IRREPARABLE HARM TO THE LICENSEE, THE LICENSEE'S CUSTOMERS, OR  
21 THE PUBLIC AS A RESULT OF THE VIOLATION, OR CAUSE INSOLVENCY OR  
22 SIGNIFICANT DISSIPATION OF ASSETS OF THE LICENSEE, THE BOARD MAY  
23 ISSUE AN ORDER REQUIRING THE LICENSEE OR AUTHORIZED DELEGATE TO  
24 CEASE AND DESIST FROM THE VIOLATION. THE ORDER BECOMES EFFECTIVE  
25 UPON SERVICE OF THE ORDER UPON THE LICENSEE OR AUTHORIZED  
26 DELEGATE.

27 (2) THE BANKING BOARD MAY ISSUE AN ORDER AGAINST A

1 LICENSEE TO CEASE AND DESIST FROM PROVIDING MONEY TRANSMISSION  
2 THROUGH AN AUTHORIZED DELEGATE THAT IS THE SUBJECT OF A  
3 SEPARATE ORDER BY THE BOARD.

4 (3) AN ORDER TO CEASE AND DESIST REMAINS EFFECTIVE AND  
5 ENFORCEABLE PENDING THE COMPLETION OF AN ADMINISTRATIVE  
6 PROCEEDING PURSUANT TO STATE ADMINISTRATIVE PROCEDURES.

7 (4) A LICENSEE OR AN AUTHORIZED DELEGATE THAT IS SERVED  
8 WITH AN ORDER TO CEASE AND DESIST MAY PETITION THE APPROPRIATE  
9 COURT FOR A JUDICIAL ORDER SETTING ASIDE, LIMITING, OR SUSPENDING  
10 THE ENFORCEMENT, OPERATION, OR EFFECTIVENESS OF THE ORDER  
11 PENDING THE COMPLETION OF AN ADMINISTRATIVE PROCEEDING  
12 PURSUANT TO STATE ADMINISTRATIVE PROCEDURES.

13 (5) AN ORDER TO CEASE AND DESIST EXPIRES WITHIN TEN DAYS  
14 AFTER THE ORDER IS ISSUED UNLESS THE BANKING BOARD COMMENCES AN  
15 ADMINISTRATIVE PROCEEDING PURSUANT TO STATE ADMINISTRATIVE  
16 PROCEDURES.

17 **11-110-1104. Consent orders.** THE BANKING BOARD MAY ENTER  
18 INTO A CONSENT ORDER AT ANY TIME WITH A PERSON TO RESOLVE A  
19 MATTER ARISING UNDER THIS ARTICLE 110 OR A RULE ADOPTED OR ORDER  
20 ISSUED UNDER THIS ARTICLE 110. A CONSENT ORDER MUST BE SIGNED BY  
21 THE PERSON TO WHOM IT IS ISSUED OR BY THE PERSON'S AUTHORIZED  
22 REPRESENTATIVE AND MUST INDICATE AGREEMENT WITH THE TERMS  
23 CONTAINED IN THE ORDER. A CONSENT ORDER MAY PROVIDE THAT IT DOES  
24 NOT CONSTITUTE AN ADMISSION BY A PERSON THAT THIS ARTICLE 110 OR  
25 A RULE ADOPTED OR AN ORDER ISSUED UNDER THIS ARTICLE 110 HAS BEEN  
26 VIOLATED.

27 **11-110-1105. Criminal penalties.** (1) AN INDIVIDUAL THAT

1 INTENTIONALLY MAKES A FALSE STATEMENT, MISREPRESENTATION, OR  
2 FALSE CERTIFICATION IN A RECORD FILED OR REQUIRED TO BE MAINTAINED  
3 UNDER THIS ARTICLE 110 OR THAT INTENTIONALLY MAKES A FALSE ENTRY  
4 OR OMITTS A MATERIAL ENTRY IN SUCH A RECORD COMMITS A CLASS 2  
5 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION  
6 18-1.3-501.

7 (2) AN INDIVIDUAL THAT KNOWINGLY ENGAGES IN AN ACTIVITY  
8 FOR WHICH A LICENSE IS REQUIRED UNDER THIS ARTICLE 110 WITHOUT  
9 BEING LICENSED UNDER THIS ARTICLE 110 AND THAT RECEIVES MORE  
10 THAN FIVE HUNDRED DOLLARS IN COMPENSATION WITHIN A THIRTY-DAY  
11 PERIOD FROM THIS ACTIVITY COMMITS A CLASS 2 MISDEMEANOR AND  
12 SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501.

13 (3) AN INDIVIDUAL THAT KNOWINGLY ENGAGES IN AN ACTIVITY  
14 FOR WHICH A LICENSE IS REQUIRED UNDER THIS ARTICLE 110 WITHOUT  
15 BEING LICENSED UNDER THIS ARTICLE 110 AND THAT RECEIVES NO MORE  
16 THAN FIVE HUNDRED DOLLARS IN COMPENSATION WITHIN A THIRTY-DAY  
17 PERIOD FROM THIS ACTIVITY COMMITS A CLASS 2 MISDEMEANOR AND  
18 SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501.

19 **11-110-1106. Civil penalties.** THE BANKING BOARD MAY ASSESS  
20 A CIVIL PENALTY AGAINST A PERSON THAT VIOLATES THIS ARTICLE 110 OR  
21 A RULE ADOPTED OR AN ORDER ISSUED UNDER THIS ARTICLE 110 IN AN  
22 AMOUNT AS DETERMINED BY THE BOARD FOR EACH DAY THE VIOLATION  
23 IS OUTSTANDING, PLUS THIS STATE'S COSTS AND EXPENSES FOR THE  
24 INVESTIGATION AND PROSECUTION OF THE MATTER, INCLUDING  
25 REASONABLE ATTORNEY FEES.

26 **11-110-1107. Unlicensed persons.** (1) IF THE BANKING BOARD  
27 HAS REASON TO BELIEVE THAT A PERSON HAS VIOLATED OR IS VIOLATING

1 SECTION 11-110-501, THE BOARD MAY ISSUE AN ORDER TO SHOW CAUSE  
2 WHY AN ORDER TO CEASE AND DESIST SHOULD NOT BE ISSUED REQUIRING  
3 THAT THE PERSON CEASE AND DESIST FROM THE VIOLATION OF SECTION  
4 11-110-501.

5 (2) IN AN EMERGENCY, THE BANKING BOARD MAY PETITION THE  
6 APPROPRIATE COURT FOR THE ISSUANCE OF A TEMPORARY RESTRAINING  
7 ORDER EX PARTE PURSUANT TO THE RULES OF CIVIL PROCEDURE.

8 (3) AN ORDER TO CEASE AND DESIST BECOMES EFFECTIVE UPON  
9 SERVICE OF THE ORDER UPON THE PERSON.

10 (4) AN ORDER TO CEASE AND DESIST REMAINS EFFECTIVE AND  
11 ENFORCEABLE PENDING THE COMPLETION OF AN ADMINISTRATIVE  
12 PROCEEDING PURSUANT TO STATE ADMINISTRATIVE PROCEDURES.

13 (5) A PERSON THAT IS SERVED WITH AN ORDER TO CEASE AND  
14 DESIST FOR VIOLATING SECTION 11-110-501 MAY PETITION THE  
15 APPROPRIATE COURT FOR A JUDICIAL ORDER SETTING ASIDE, LIMITING, OR  
16 SUSPENDING THE ENFORCEMENT, OPERATION, OR EFFECTIVENESS OF THE  
17 ORDER PENDING THE COMPLETION OF AN ADMINISTRATIVE PROCEEDING  
18 PURSUANT TO STATE ADMINISTRATIVE PROCEDURES.

19 **11-110-1108. Judicial review.** A PERSON AGGRIEVED AND  
20 DIRECTLY AFFECTED BY AN ORDER OF THE BANKING BOARD ISSUED UNDER  
21 THIS ARTICLE 110 MAY SEEK A REVIEW IN THE DISTRICT COURT OF THIS  
22 STATE IN AND FOR THE COUNTY IN WHICH THE PRINCIPAL PLACE OF  
23 BUSINESS OF THE APPLICANT, LICENSEE, OR AUTHORIZED DELEGATE IS  
24 LOCATED WITHIN THIRTY DAYS AFTER RECEIPT OF WRITTEN NOTICE OF THE  
25 ORDER.

26  
27

PART 12  
MISCELLANEOUS PROVISIONS

1           **11-110-1201. Uniformity of application and construction.** IN  
2 APPLYING AND CONSTRUING THIS ARTICLE 110, CONSIDERATION MUST BE  
3 GIVEN TO THE NEED TO PROMOTE UNIFORMITY OF THE LAW WITH RESPECT  
4 TO ITS SUBJECT MATTER AMONG STATES THAT ENACT IT.

5           **11-110-1202. Severability.** IF ANY PROVISION OF THIS ARTICLE  
6 110 OR THE APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCE IS  
7 HELD INVALID, SUCH INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR  
8 APPLICATIONS OF THIS ARTICLE 110 THAT CAN BE GIVEN EFFECT WITHOUT  
9 THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE  
10 PROVISIONS OF THIS ARTICLE 110 ARE DECLARED TO BE SEVERABLE.

11           **11-110-1203. Repeal of article - review of functions.** THIS  
12 ARTICLE 110 IS REPEALED, EFFECTIVE SEPTEMBER 1, 2030. BEFORE THE  
13 REPEAL, THIS ARTICLE 110 IS SCHEDULE FOR REVIEW IN ACCORDANCE  
14 WITH SECTION 24-34-104.

15           **SECTION 2. Act subject to petition - effective date.** This act  
16 takes effect at 12:01 a.m. on the day following the expiration of the  
17 ninety-day period after final adjournment of the general assembly; except  
18 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
19 of the state constitution against this act or an item, section, or part of this  
20 act within such period, then the act, item, section, or part will not take  
21 effect unless approved by the people at the general election to be held in  
22 November 2026 and, in such case, will take effect on the date of the  
23 official declaration of the vote thereon by the governor.