

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 834, Page 1, Section A, Line 3, by inserting after all of said section and line the
3 following:

4
5 "361.900. Sections 361.900 to 361.1035 shall be known and may be cited as the "Money
6 Transmission Modernization Act of 2024".

7 361.903. Sections 361.900 to 361.1035 are designed to replace existing state money
8 transmission laws currently codified in law and to:

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

11 (2) Protect the public from financial crime;

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

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

16 361.906. For purposes of sections 361.900 to 361.1035, the following terms shall mean:

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

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

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

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

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

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1 (6) "Control":

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

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

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

9

10 A person is presumed to exercise a controlling influence if the person holds the power to vote,
 11 directly or indirectly, at least ten percent of the outstanding voting shares or voting interests of a
 12 licensee or person in control of a licensee. A person presumed to exercise a controlling influence as
 13 defined under this subdivision can rebut the presumption of control if the person is a passive
 14 investor. For purposes of determining the percentage of a person controlled by any other person, the
 15 person's interest shall be aggregated with the interest of any other immediate family member,
 16 including the person's spouse, parents, children, siblings, mothers- and fathers-in law, sons- and
 17 daughters-in-law, brothers- and sisters-in-law, and any other person who shares such person's home;

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

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

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

25 (10) "Federally insured depository financial institution", a bank, credit union, savings and
 26 loan association, trust company, savings association, savings bank, industrial bank, or industrial loan
 27 company organized under the laws of the United States or any state of the United States if such
 28 bank, credit union, savings and loan association, trust company, savings association, savings bank,
 29 industrial bank, or industrial loan company has federally insured deposits;

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

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

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

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

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

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

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

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

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

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

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

14
 15 The term includes payroll processing services. The term does not include the provision solely of
 16 online or telecommunications services or network access;

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

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

25 (21) "Outstanding money transmission obligations":

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

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

33
 34 For purposes of this subdivision, "in the United States" shall include, to the extent applicable, a
 35 person in any state, territory, or possession of the United States; the District of Columbia; the
 36 Commonwealth of Puerto Rico; or a U.S. military installation that is located in a foreign country;

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

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

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

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

8 (d) Either:

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

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

13 (23) "Payment instrument", a written or electronic check, draft, money order, traveler's
14 check, or other written or electronic instrument for the transmission or payment of money or
15 monetary value, regardless of whether negotiable. The term does not include stored value or any
16 instrument that:

17 (a) Is redeemable by the issuer only for goods or services provided by the issuer or its
18 affiliate or franchisees of the issuer or its affiliate, except to the extent required by applicable law to
19 be redeemable in cash for its cash value; or

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

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

28 (25) "Person", any individual, general partnership, limited partnership, limited liability
29 company, corporation, trust, association, joint stock corporation, or other corporate entity identified
30 by the director;

31 (26) "Receiving money for transmission" or "money received for transmission", receiving
32 money or monetary value in the United States for transmission within or outside the United States
33 by electronic or other means;

34 (27) "Stored value", monetary value representing a claim against the issuer evidenced by an
35 electronic or digital record and that is intended and accepted for use as a means of redemption for
36 money, or monetary value, or payment for goods or services. The term includes, but is not limited
37 to, "prepaid access" as defined under 31 CFR Section 1010.100, as amended or recodified from time
38 to time. Notwithstanding the provisions of this subdivision, the term does not include a payment

1 instrument or closed loop stored value, or stored value not sold to the public but issued and
2 distributed as part of a loyalty, rewards, or promotional program;

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

6 361.909. Sections 361.900 to 361.1035 shall not apply to:

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

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

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

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

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

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

24 (a) Is properly licensed or exempt from licensing requirements under sections 361.900 to
25 361.1035;

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

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

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

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

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

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

1 amended or recodified from time to time; or corporation organized under the Edge Act, 12 U.S.C.
2 Sections 611-633, as amended or recodified from time to time, under the laws of a state or the
3 United States;

4 (8) Electronic funds transfer of governmental benefits for a federal, state, county, or
5 governmental agency by a contractor on behalf of the United States or a department, agency, or
6 instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or
7 instrumentality thereof;

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

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

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

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

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

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

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

29 361.912. The director may require that any person claiming to be exempt from licensing
30 under section 361.909 provide information and documentation to the director demonstrating that the
31 person qualifies for any claimed exemption.

32 361.915. 1. In order to carry out the purposes of sections 361.900 to 361.1035, the director
33 may, subject to the provisions of subsections 1 and 2 of section 361.918:

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

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

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

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

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

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

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

14 3. The director shall promulgate all necessary rules and regulations for the administration of
15 sections 361.900 to 361.1035. Any rule or portion of a rule, as that term is defined in section
16 536.010, that is created under the authority delegated in this section shall become effective only if it
17 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
18 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the
19 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
20 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
21 rule proposed or adopted after August 28, 2024, shall be invalid and void.

22 361.918. 1. Except as otherwise provided in subsection 2 of this section, all information or
23 reports obtained by the director from an applicant, licensee, or authorized delegate and all
24 information contained in or related to an examination, investigation, operating report, or condition
25 report prepared by, on behalf of, or for the use of the director, or financial statements, balance
26 sheets, or authorized delegate information, shall be confidential and held in accordance with section
27 361.080.

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

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

33 361.921. 1. The director may conduct an examination or investigation of a licensee or
34 authorized delegate or otherwise take independent action authorized by sections 361.900 to
35 361.1035 or by a rule adopted or order issued under sections 361.900 to 361.1035 as reasonably
36 necessary or appropriate to administer and enforce sections 361.900 to 361.1035, regulations
37 implementing sections 361.900 to 361.1035, and other applicable law, including the Bank Secrecy
38 Act and the USA PATRIOT Act. The director may:

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

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

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

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

9 2. A licensee or authorized delegate shall provide, and the director shall have full and
10 complete access to, all records the director may reasonably require to conduct a complete
11 examination. The records shall be provided at the location and in the format specified by the
12 director. The director may utilize multistate record production standards and examination
13 procedures if such standards and procedures will reasonably achieve the requirements of this
14 subsection.

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

17 361.924. 1. To efficiently and effectively administer and enforce sections 361.900 to
18 361.1035 and to minimize regulatory burden, the director is authorized to participate in multistate
19 supervisory processes established between states or coordinated through the Conference of State
20 Bank Supervisors, Money Transmitter Regulators Association, and affiliates and successors thereof
21 for all licensees that hold licenses in this state and other states. As a participant in multistate
22 supervision, the director may:

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

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

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

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

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

38 361.927. 1. In the event state money transmission jurisdiction is conditioned on a federal
39 law, any inconsistencies between a provision of sections 361.900 to 361.1035 and the federal law

1 governing money transmission shall be governed by the applicable federal law to the extent of the
2 inconsistency.

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

6 (1) Identifies the inconsistency; and

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

8 361.930. 1. A person shall not engage in the business of money transmission or advertise,
9 solicit, or hold itself out as providing money transmission unless the person is licensed under
10 sections 361.900 to 361.1035.

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

12 (1) A person that is an authorized delegate of a person licensed under sections 361.900 to
13 361.1035 acting within the scope of authority conferred by a written contract with the licensee; or

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

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

17 361.933. 1. To establish consistent licensing between this state and other states, the director
18 is authorized to:

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

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

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

27 (1) Collect and maintain records;

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

29 (3) Process fees; and

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

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

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

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

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

11 361.936. 1. Applicants for a license shall apply in a form and in a medium as prescribed by
12 the director. Each such form shall contain content as set forth by rule, regulation, instruction, or
13 procedure of the director and may be changed or updated by the director in accordance with
14 applicable law in order to carry out the purposes of sections 361.900 to 361.1035 and maintain
15 consistency with licensing standards and practices. The application shall state or contain, as
16 applicable:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (3) A brief description of the structure or organization of the applicant, including any
6 parents or subsidiaries of the applicant, and whether any parents or subsidiaries are publicly traded;

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

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

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

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

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

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

23 (a) A corporation publicly traded in the United States, a copy of audited financial statements
24 for the parent corporation for the most recent fiscal year or a copy of the parent corporation's most
25 recent report filed under Section 13 of the U.S. Securities Exchange Act of 1934, 15 U.S.C. Section
26 78m, as amended or recodified from time to time; or

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

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

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

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

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

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

37 361.939. 1. Any individual in control of a licensee or applicant, any individual that seeks to
38 acquire control of a licensee, and each key individual shall furnish to the director through NMLS the
39 following:

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

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

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

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

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

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

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

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

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

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

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

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

30 (c) Employment history;

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

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

35 361.942. 1. If an application for an original license under sections 361.900 to 361.1035
36 appears to include all the items and addresses and all of the matters that are required, the application
37 is complete and the director shall promptly notify the applicant in a record of the date on which the
38 application is determined to be complete, and:

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

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

5 (a) The application is approved; and

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

8
9 The director may for good cause extend the application period.

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

15 3. If an application is filed and considered complete under this section, the director shall
16 investigate the applicant's financial condition and responsibility, financial and business experience,
17 character, and general fitness. The director may conduct an onsite investigation of the applicant, the
18 reasonable cost of which the applicant shall pay. The director shall issue a license to an applicant
19 under this section if the director finds that all of the following conditions have been fulfilled:

20 (1) The applicant has complied with the provisions of sections 361.936 and 361.939; and

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

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

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

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

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

38 6. The initial license term shall begin on the day the application is approved. The license
39 shall expire on December thirty-first of the year in which the license term began unless the initial

1 license date is between November first and December thirty-first, in which instance the initial
2 license term shall run through December thirty-first of the following year.

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

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

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

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

15 361.948. 1. If a licensee does not continue to meet the qualifications or satisfy the
16 requirements that apply to an applicant for a new money transmission license, the director may
17 suspend or revoke the licensee's license in accordance with the procedures established under
18 sections 361.900 to 361.1035 or other applicable state law for such suspension or revocation.

19 2. An applicant for a money transmission license shall demonstrate that it meets or will
20 meet, and a money transmission licensee shall at all times meet, the requirements in sections
21 361.999, 361.1002, and 361.1005.

22 361.951. 1. Any person, or group of persons acting in concert, seeking to acquire control of
23 a licensee shall obtain the written approval of the director prior to acquiring control. An individual
24 is not deemed to acquire control of a licensee and is not subject to the acquisition of control
25 provisions if that individual becomes a key individual in the ordinary course of business.

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

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

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

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

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

37 5. When an application for acquisition of control under this section appears to include all the
38 items and address all of the matters that are required, the application shall be considered complete.

1 The director shall promptly notify the applicant in a record of the date on which the application was
2 determined to be complete, and:

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

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

6 (a) The application is approved; and

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

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

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

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

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

21 (2) The financial condition and responsibility, financial and business experience,
22 competence, character, and general fitness of the person, or group of persons acting in concert,
23 seeking to acquire control and the competence, experience, character, and general fitness of the key
24 individuals and persons that would be in control of the licensee after the acquisition of control
25 indicate that it is in the interest of the public to permit the person, or group of persons acting in
26 concert, to control the licensee.

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

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

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

34 9. The director shall issue a formal written notice of the denial of an application to acquire
35 control within thirty days of the decision to deny the application. The director shall set forth in the
36 notice of denial the specific reasons for the denial of the application. An applicant whose
37 application is denied by the director under this subsection may appeal within thirty days after receipt
38 of the written notice of the denial under chapter 536.

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

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

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

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

10 (4) A person that is exempt under subdivision (7) of section 361.909;

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

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

14 (7) An internal reorganization of a person in control of the licensee where the ultimate
15 person in control of the licensee remains the same.

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

19 12. (1) The requirements of subsections 1 and 2 of this section shall not apply to a person
20 that has complied with and received approval to engage in money transmission under sections
21 361.900 to 361.1035 or was identified as a person in control in a prior application filed with and
22 approved by the director or by another state under a multistate licensing process, provided that:

23 (a) The person has not had a license revoked or suspended or controlled a licensee that has
24 had a license revoked or suspended while the person was in control of the licensee in the previous
25 five years;

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

29 (c) The licensee to be acquired is projected to meet the requirements of sections 361.999,
30 361.1002, and 361.1005 after the acquisition of control is completed, and if the person acquiring
31 control is a licensee, that licensee is also projected to meet the requirements of sections 361.999,
32 361.1002, and 361.1005 after the acquisition of control is completed;

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

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

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

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

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

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

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

16 361.954. 1. A licensee adding or replacing any key individual shall:

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

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

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

26 3. A notice of disapproval shall contain a statement of the basis for disapproval and shall be
27 sent to the licensee and the disapproved individual. A licensee may appeal a notice of disapproval
28 under chapter 536 within thirty days after receipt of such notice of disapproval.

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

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

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

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

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

3 2. The report of condition shall include:

4 (1) Financial information at the licensee level;

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

7 (3) Permissible investments report;

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

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

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

17 361.960. 1. Each licensee shall, within ninety days after the end of each fiscal year or
18 within any extended time as the director may prescribe, file with the director:

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

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

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

24 3. The audited financial statements shall include or be accompanied by a certificate of
25 opinion of the independent certified public accountant or independent public accountant that is
26 satisfactory in form and content to the director. If the certificate or opinion is qualified, the director
27 may order the licensee to take any action as the director may find necessary to enable the
28 independent certified public accountant or independent public accountant to remove the
29 qualification.

30 361.963. 1. Each licensee shall submit a report of authorized delegates within forty-five
31 days of the end of the calendar quarter. The director is authorized to utilize NMLS for the
32 submission of the report required under this section, provided that such functionality is consistent
33 with the requirements of this section.

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

35 (1) Company legal name;

36 (2) Taxpayer employer identification number;

37 (3) Principal provider identifier;

38 (4) Physical address, if any;

39 (5) Mailing address;

1 (6) Any business conducted in other states;

2 (7) Any fictitious or trade name;

3 (8) Contact person name, phone number, and email;

4 (9) Start date as licensee's authorized delegate;

5 (10) End date acting as licensee's authorized delegate, if applicable; and

6 (11) Any other information the director reasonably requires with respect to the authorized
7 delegate.

8 361.966. 1. A licensee shall file a report with the director within one business day after the
9 licensee has reason to know of the occurrence of any of the following events:

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

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

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

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

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

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

25 361.969. A licensee and an authorized delegate shall file all reports required by federal
26 currency reporting, record keeping, and suspicious activity reporting requirements as set forth in the
27 Bank Secrecy Act and other federal and state laws pertaining to money laundering. The timely
28 filing of a complete and accurate report required under this section with the appropriate federal
29 agency is deemed compliant with the requirements of this section.

30 361.972. 1. A licensee shall maintain the following records for determining its compliance
31 with sections 361.900 to 361.1035 for at least three years:

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

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

35 (3) Bank statements and bank reconciliation records;

36 (4) Records of outstanding money transmission obligations;

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

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

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

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

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

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

10 361.975. 1. As used in this section, "remit" means to make direct payments of money to a
11 licensee or its representative authorized to receive money or to deposit money in a bank in an
12 account specified by the licensee.

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

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

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

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

21 3. An authorized delegate shall operate in full compliance with sections 361.900 to
22 361.1035.

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

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

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

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

33 (4) Require the authorized delegate to remit and handle money and monetary value in
34 accordance with the terms of the contract between the licensee and the authorized delegate;

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

37 (6) Require the authorized delegate to prepare and maintain records as required by sections
38 361.900 to 361.1035 or regulations implementing sections 361.900 to 361.1035, or as reasonably
39 requested by the director;

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

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

6 (9) Acknowledge receipt of the written policies and procedures required under subdivision
7 (1) of subsection 1 of this section.

8 5. If the licensee's license is suspended, revoked, surrendered, or expired, the licensee shall,
9 within five business days, provide documentation to the director that the licensee has notified all
10 applicable authorized delegates of the licensee whose names are in a record filed with the directors
11 of the suspension, revocation, surrender, or expiration of a license. Upon suspension, revocation,
12 surrender, or expiration of a license, applicable authorized delegates shall immediately cease to
13 provide money transmission as an authorized delegate of the licensee.

14 6. An authorized delegate of a licensee holds in trust for the benefit of the licensee all
15 money net of fees received from money transmission. If any authorized delegate commingles any
16 funds received from money transmission with any other funds or property owned or controlled by
17 the authorized delegate, all commingled funds and other property shall be considered held in trust in
18 favor of the licensee in an amount equal to the amount of money net of fees received from money
19 transmission.

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

22 361.978. A person shall not engage in the business of money transmission on behalf of a
23 person not licensed under sections 361.900 to 361.1035 or not exempt under sections 361.909 and
24 361.912. A person that engages in such activity provides money transmission to the same extent as
25 if the person were a licensee and shall be jointly and severally liable with the unlicensed or
26 nonexempt person.

27 361.981. 1. The circuit court in an action brought by a licensee shall have jurisdiction to
28 grant appropriate equitable or legal relief, including without limitation prohibiting the authorized
29 delegate from directly or indirectly acting as an authorized delegate for any licensee in this state and
30 the payment of restitution, damages, or other monetary relief, if the circuit court finds that an
31 authorized delegate failed to remit money in accordance with the written contract required by
32 subsection 2 of section 361.1275 or as otherwise directed by the licensee or required by law.

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

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

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

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

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

11 361.987. 1. This section shall not apply to:

12 (1) Money received for transmission subject to the federal Remittance Rule, 12 CFR Part
13 1005, Subpart B, as amended or recodified from time to time; or

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

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

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

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

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

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

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

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

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

36 361.990. 1. This section shall not apply to:

37 (1) Money received for transmission subject to the federal Remittance Rule, 12 CFR Part
38 1005, Subpart B, as amended or recodified from time to time;

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

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

5 (4) Payroll processing services.

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

11 3. (1) Every licensee or its authorized delegate shall provide the sender a receipt for money
 12 received for transmission. The receipt shall contain the following information, as applicable:

13 (a) The name of the sender;

14 (b) The name of the designated recipient;

15 (c) The date of the transaction;

16 (d) The unique transaction or identification number;

17 (e) The name of the licensee, NMLS unique identifier, the licensee's business address, and
 18 the licensee's customer service telephone number;

19 (f) The amount of the transaction in United States dollars;

20 (g) Any fee charged by the licensee to the sender for the transaction; and

21 (h) Any taxes collected by the licensee from the sender for the transaction.

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

25 361.996. 1. A licensee that provides payroll processing services shall:

26 (1) Issue reports to clients detailing client payroll obligations in advance of the payroll funds
 27 being deducted from an account; and

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

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

32 3. A licensee may appoint an agent to provide payroll processing services for which the
 33 agent would otherwise need to be licensed, provided that:

34 (1) There is a written agreement between the licensee and the agent that directs the agent to
 35 provide payroll processing services on the licensee's behalf;

36 (2) The licensee holds the agent out to employees and other licensees as providing payroll
 37 processing services on the licensee's behalf; and

38 (3) The licensee's obligation to the payee, including an employee or any other party entitled
 39 to receive funds, from the payroll processing services provided by the agent shall not be
 40 extinguished if the agent fails to remit the funds to the proper recipient.

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

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

8 3. Notwithstanding the provisions of this section, the director shall have the authority, for
9 good cause shown, to exempt, in part or in whole, from the requirements of this section any
10 applicant or licensee.

11 361.1002. 1. An applicant for a money transmission license shall provide, and a licensee at
12 all times shall maintain, security consisting of a surety bond in a form satisfactory to the director.

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

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

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

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

22 361.1005. 1. A licensee shall maintain at all times permissible investments that have a
23 market value computed in accordance with United States generally accepted accounting principles
24 of not less than the aggregate amount of all of its outstanding money transmission obligations.

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

30 3. Permissible investments, even if commingled with other assets of the licensee, are held in
31 trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission
32 obligations in the event of insolvency, the filing of a petition by or against the licensee under the
33 United States Bankruptcy Code, 11 U.S.C. Section 101-110, as amended or recodified from time to
34 time, for bankruptcy or reorganization, the filing of a petition by or against the licensee for
35 receivership, the commencement of any other judicial or administrative proceeding for its
36 dissolution or reorganization, or in the event of an action by a creditor against the licensee who is
37 not a beneficiary of the statutory trust. No permissible investments impressed with a trust under this
38 subsection shall be subject to attachment, levy of execution, or sequestration by order of any court,
39 except for a beneficiary of the statutory trust.

1 4. Upon the establishment of a statutory trust in accordance with subsection 3 of this section
2 or when any funds are drawn on a letter of credit under subdivision (4) of subsection 1 of section
3 361.1008, the director shall notify the applicable regulator of each state in which the licensee is
4 licensed to engage in money transmission, if any, of the establishment of the trust or the funds
5 drawn on the letter of credit, as applicable. Notice shall be deemed satisfied if performed under a
6 multistate agreement or through NMLS. Funds drawn on a letter of credit, and any other
7 permissible investments held in trust for the benefit of the purchasers and holders of the licensee's
8 outstanding money transmission obligations, are deemed held in trust for the benefit of such
9 purchasers and holders on a pro rata and equitable basis in accordance with statutes under which
10 permissible investments are required to be held in this state, and other states, as applicable. Any
11 statutory trust established under this subsection shall be terminated upon extinguishment of all of
12 the licensee's outstanding money transmission obligations.

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

17 361.1008. 1. The following investments are permissible under section 361.1005:

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

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

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

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

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

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

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

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

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

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

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

16 2. In the event of any notice of expiration or nonextension of a letter of credit issued under
17 subdivision (5) of subsection 1 of this section, the licensee shall be required to demonstrate to the
18 satisfaction of the director, fifteen days prior to expiration, that the licensee maintains and will
19 maintain permissible investments in accordance with subsection 1 of section 361.1005 upon the
20 expiration of the letter of credit. If the licensee is not able to do so, the director may draw on the
21 letter of credit in an amount up to the amount necessary to meet the licensee's requirements to
22 maintain permissible investments in accordance with subsection 1 of section 361.1005. Any such
23 draw shall be offset against the licensee's outstanding money transmission obligations. The drawn
24 funds shall be held in trust by the director or the director's designated agent, to the extent authorized
25 by law, as agent for the benefit of the purchasers and holders of the licensee's outstanding money
26 transmission obligations.

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

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

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

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

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

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

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

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

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

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

18 (1) Receivables that are payable to a licensee from its authorized delegates in the ordinary
19 course of business that are less than seven days old, up to fifty percent of the aggregate value of the
20 licensee's total permissible investments. Of the receivables permissible under this subdivision,
21 receivables that are payable to a licensee from a single authorized delegate in the ordinary course of
22 business shall not exceed ten percent of the aggregate value of the licensee's total permissible
23 investments;

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

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

28 (b) Commercial paper bearing an eligible rating;

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

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

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

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

37 (3) Cash, including demand deposits, savings deposits, and funds in such accounts held for
38 the benefit of the licensee's customers, at foreign depository institutions to ten percent of the

1 aggregate value of the licensee's total permissible investments if the licensee has received a
2 satisfactory rating in its most recent examination and the foreign depository institution:

3 (a) Has an eligible rating;

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

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

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

9 361.1011. 1. The director may suspend or revoke a license or order a licensee to revoke the
10 designation of an authorized delegate if:

11 (1) The licensee violates sections 361.900 to 361.1035 or a rule adopted or an order issued
12 under sections 361.900 to 361.1035;

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

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

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

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

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

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

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

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

33 361.1014. 1. The director may issue an order suspending or revoking the designation of an
34 authorized delegate, if the director finds that:

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

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

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

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

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

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

9 2. In determining whether an authorized delegate is engaging in an unsafe or unsound
10 practice, the director may consider the size and condition of the authorized delegate's provision of
11 money transmission, the magnitude of the loss, the gravity of the violation of sections 361.900 to
12 361.1035 or a rule adopted or order issued under sections 361.900 to 361.1035, and the previous
13 conduct of the authorized delegate.

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

16 361.1017. 1. If the director determines that a violation of sections 361.900 to 361.1035 or
17 of a rule adopted or an order issued under sections 361.900 to 361.1035 by a licensee or authorized
18 delegate is likely to cause immediate and irreparable harm to the licensee, its customers, or the
19 public as a result of the violation, or cause insolvency or significant dissipation of assets of the
20 licensee, the director may issue an order requiring the licensee or authorized delegate to cease and
21 desist from the violation. The order becomes effective upon service to the licensee or authorized
22 delegate.

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

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

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

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

34 361.1020. The director may enter into a consent order at any time with a person to resolve a
35 matter arising under sections 361.900 to 361.1035 or a rule adopted or order issued under sections
36 361.900 to 361.1035. A consent order shall be signed by the person to whom it is issued or by the
37 person's authorized representative and shall indicate agreement with the terms contained in the
38 order. A consent order may provide that it does not constitute an admission by a person that

1 sections 361.900 to 361.1035 or a rule adopted or an order issued under sections 361.900 to
2 361.1035 has been violated.

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

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

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

15 361.1026. The director may assess a civil penalty against a person that violates sections
16 361.900 to 361.1035 or a rule adopted or an order issued under sections 361.900 to 361.1035 in an
17 amount not to exceed one thousand dollars per day for each day the violation is outstanding, plus
18 this state's costs and expenses for the investigation and prosecution of the matter, including
19 reasonable attorney's fees.

20 361.1029. 1. If the director has reason to believe that a person has violated or is violating
21 section 361.930, the director may issue an order to show cause why an order to cease and desist
22 shall not be issued requiring that the person cease and desist from the violation of section 361.930.

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

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

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

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

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

34 361.1032. In applying and construing sections 361.900 to 361.1035, consideration shall be
35 given to the need to promote uniformity of the law with respect to its subject matter among states
36 that enact it.

37 361.1035. 1. A person licensed in this state to engage in the business of money transmission
38 shall not be subject to the provisions of sections 361.900 to 361.1035 to the extent that they conflict

1 with current law or establish new requirements not imposed under current law, until such time as the
 2 licensee renews the licensee's current license.

3 2. Notwithstanding subsection 1 of this section, a licensee shall be required only to amend
 4 its authorized delegate contracts for contracts entered into or amended after the effective date or the
 5 completion of any transition period contemplated under subsection 1 of this section. Nothing herein
 6 shall be construed as limiting an authorized delegate's obligations to operate in full compliance with
 7 sections 361.900 to 361.1035 as required by subsection 3 of section 361.975."; and

8
 9 Further amend said bill, Page 12, Section 380.631, Line 21, by inserting after all of said section and
 10 line the following:

11
 12 "427.300. 1. This section shall be known, and may be cited as, the "Commercial Financing
 13 Disclosure Law".

14 2. For purposes of this section, the following terms mean:

15 (1) "Account";

16 (a) Includes:

17 a. A right to payment of a monetary obligation, regardless of whether earned by
 18 performance, for one of the following:

19 (i) Property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed
 20 of;

21 (ii) Services rendered or to be rendered;

22 (iii) A policy of insurance issued or to be issued;

23 (iv) A secondary obligation incurred or to be incurred;

24 (v) Energy provided or to be provided;

25 (vi) The use or hire of a vessel under a charter or other contract;

26 (vii) Arising out of the use of a credit or charge card or information contained on or for use
 27 with the card; or

28 (viii) As winnings in a lottery or other game of chance operated or sponsored by a state,
 29 governmental unit of a state, or person licensed or authorized to operate the game by a state or
 30 governmental unit of a state; and

31 b. Health-care-insurance receivables; and

32 (b) does not include:

33 a. Rights to payment evidenced by chattel paper or an instrument;

34 b. Commercial tort claims;

35 c. Deposit accounts;

36 d. Investment property;

37 e. Letter-of-credit rights or letters of credit; or

38 f. Rights to payment for moneys or funds advanced or sold, other than rights arising out of
 39 the use of a credit or charge card or information contained on or for use with the card;

40 (2) "Accounts receivable purchase transaction", any transaction in which the business
 41 forwards or otherwise sells to the provider all or a portion of the business's accounts or payment

1 intangibles at a discount to their expected value. The provider's characterization of an accounts
2 receivable purchase transaction as a purchase is conclusive that the accounts receivable purchase
3 transaction is not a loan or a transaction for the use, forbearance, or detention of money;

4 (3) "Broker", any person who, for compensation or the expectation of compensation, obtains
5 a commercial financing transaction or an offer for a commercial financing transaction from a third
6 party that would, if executed, be binding upon that third party and communicates that offer to a
7 business located in this state. The term "broker" excludes a provider, or any individual or entity
8 whose compensation is not based or dependent on the terms of the specific commercial financing
9 transaction obtained or offered;

10 (4) "Business", an individual or group of individuals, sole proprietorship, corporation,
11 limited liability company, trust, estate, cooperative, association, or limited or general partnership
12 engaged in a business activity;

13 (5) "Business purpose transaction", any transaction where the proceeds are provided to a
14 business or are intended to be used to carry on a business and not for personal, family, or household
15 purposes. For purposes of determining whether a transaction is a business purpose transaction, the
16 provider may rely on any written statement of intended purpose signed by the business. The
17 statement may be a separate statement or may be contained in an application, agreement, or other
18 document signed by the business or the business owner or owners;

19 (6) "Commercial financing facility", a provider's plan for purchasing multiple accounts
20 receivable from the recipient over a period of time pursuant to an agreement that sets forth the terms
21 and conditions governing the use of the facility;

22 (7) "Commercial financing transaction", any commercial loan, accounts receivable purchase
23 transaction, commercial open-end credit plan or each to the extent the transaction is a business
24 purpose transaction;

25 (8) "Commercial loan", a loan to a business, whether secured or unsecured;

26 (9) "Commercial open-end credit plan", commercial financing extended by any provider
27 under a plan in which:

28 (a) The provider reasonably contemplates repeat transactions; and

29 (b) The amount of financing that may be extended to the business during the term of the
30 plan, up to any limit set by the provider, is generally made available to the extent that any
31 outstanding balance is repaid;

32 (10) "Depository institution", any of the following:

33 (a) A bank, trust company, or industrial loan company doing business under the authority of,
34 or in accordance with, a license, certificate, or charter issued by the United States, this state, or any
35 other state, district, territory, or commonwealth of the United States that is authorized to transact
36 business in this state;

37 (b) A federally chartered savings and loan association, federal savings bank, or federal
38 credit union that is authorized to transact business in this state; or

1 (c) A savings and loan association, savings bank, or credit union organized under the laws
2 of this or any other state that is authorized to transact business in this state;

3 (11) "General intangible", any personal property, including things in action, other than
4 accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments,
5 investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals
6 before extraction. "General intangible" also includes payment intangibles and software;

7 (12) "Payment intangible", a general intangible under which the account debtor's principal
8 obligation is a monetary obligation;

9 (13) "Provider", a person who consummates more than five commercial financing
10 transactions to a business located in this state in any calendar year. "Provider" also includes a
11 person that enters into a written agreement with a depository institution to arrange for the extension
12 of a commercial financing transaction by the depository institution to a business via an online
13 lending platform administered by the person. The fact that a provider extends a specific offer for a
14 commercial financing transaction on behalf of a depository institution shall not be construed to
15 mean that the provider engaged in lending or financing or originated that loan or financing.

16 3. (1) A provider that consummates a commercial financing transaction shall disclose the
17 terms of the commercial financing transaction as required by this section. The disclosures shall be
18 provided at or before consummation of the transaction. Only one disclosure is required for each
19 commercial financing transaction, and a disclosure is not required as a result of the modification,
20 forbearance, or change to a consummated commercial financing transaction.

21 (2) A provider shall disclose the following in connection with each commercial financing
22 transaction:

23 (a) The total amount of funds provided to the business under the terms of the commercial
24 financing transaction agreement. This disclosure shall be labeled "Total Amount of Funds
25 Provided";

26 (b) The total amount of funds disbursed to the business under the terms of the commercial
27 financing transaction, if less than the total amount of funds provided, as a result of any fees
28 deducted or withheld at disbursement and any amount paid to a third party on behalf of the business.
29 This disclosure shall be labeled "Total Amount of Funds Disbursed";

30 (c) The total amount to be paid to the provider pursuant to the commercial financing
31 transaction agreement. This disclosure shall be labeled "Total of Payments";

32 (d) The total dollar cost of the commercial financing transaction under the terms of the
33 agreement, derived by subtracting the total amount of funds provided from the total of payments.
34 This calculation shall include any fees or charges deducted by the provider from the "Total Amount
35 of Funds Provided". This disclosure shall be labeled "Total Dollar Cost of Financing";

36 (e) The manner, frequency, and amount of each payment. This disclosure shall be labeled
37 "Payments". If the payments may vary, the provider shall instead disclose the manner, frequency,
38 and the estimated amount of the initial payment labeled "Estimated Payments" and the commercial

1 financing transaction agreement shall include a description of the methodology for calculating any
2 variable payment and the circumstances when payments may vary;

3 (f) A statement of whether there are any costs or discounts associated with prepayment of
4 the commercial financing product including a reference to the paragraph in the agreement that
5 creates the contractual rights of the parties related to prepayment. This disclosure shall be labeled
6 "Prepayment"; and

7 (3) A provider that consummates a commercial financing facility may provide disclosures of
8 this subsection which are based on an example of a transaction that could occur under the
9 agreement. The example shall be based on an accounts receivable total face amount owed of ten
10 thousand dollars. Only one disclosure is required for each commercial financing facility, and a
11 disclosure is not required as result of a modification, forbearance, or change to the facility. A new
12 disclosure is not required each time accounts receivable are purchased under the facility.

13 4. The provisions of this section shall not apply to the following:

14 (1) A provider that is a depository institution or a subsidiary or affiliate of a depository
15 institution; A provider that is a service corporation to a depository institution to a depository
16 institution that is:

17 (a) Owned and controlled by a depository institution; and

18 (b) Regulated by a federal banking agency;

19 (2) A provider that is a lender regulated under the federal Farm Credit Act, 12 U.S.C.
20 Section 2001 et seq.;

21 (3) A commercial financing transaction that is:

22 (a) Secured by real property;

23 (b) A lease; or

24 (c) A purchase money obligation that is incurred as all or part of the price of the collateral or
25 for value given to enable the business to acquire rights in or the use of the collateral if the value is in
26 fact so used;

27 (4) A commercial financing transaction in which the recipient is a motor vehicle dealer or
28 an affiliate of such a dealer, or a vehicle rental company, or an affiliate of such a company, pursuant
29 to a commercial loan or commercial open-end credit plan of at least fifty thousand dollars or a
30 commercial financing transaction offered by a person in connection with the sale or lease of
31 products or services that such person manufactures, licenses, or distributes, or whose parent
32 company or any of its directly or indirectly owned and controlled subsidiaries manufactures,
33 licenses, or distributes;

34 (5) A commercial financing transaction that is a factoring transaction, purchase, sale,
35 advance, or similar of accounts receivable owed to a health care provider because of a patient's
36 personal injury treated by the health care provider;

37 (6) A provider that is licensed as a money transmitter in accordance with a license,
38 certificate, or charter issued by this state or any other state, district, territory, or commonwealth of
39 the United States;

1 (7) A commercial financing transaction that is a premium finance agreement as defined in
2 subdivision (3) of section 364.100 offered or entered into by a provider that is a registered premium
3 finance company;

4 (8) A provider that consummates no more than five commercial financing transactions in
5 this state in a twelve-month period; or

6 (9) A commercial financing transaction of more than five hundred thousand dollars.

7 5. (1) No person shall engage in business as a broker within this state for compensation,
8 unless prior to conducting such business, the person has filed a registration with the division of
9 finance within the department of commerce and insurance and has on file a good and sufficient bond
10 as specified in this subsection. The registration shall be effective upon receipt by the division of
11 finance of a completed registration form and the required registration fee, and shall remain effective
12 until the time of renewal.

13 (2) After filing an initial registration form, a broker shall file, on or before January thirty-
14 first of each year, a renewal registration form along with the required renewal registration fee.

15 (3) The broker shall pay a one-hundred-dollar registration fee upon the filing of an initial
16 registration and a fifty-dollar renewal registration fee upon the filing of a renewal registration.

17 (4) The registration form required by this subsection shall include the following:

18 (a) The name of the broker;

19 (b) The name in which the broker is transacted if different from that stated in paragraph (a)
20 of this subdivision;

21 (c) The address of the broker's principal office, which may be outside this state;

22 (d) Whether any officer, director, manager, operator, or principal of the broker has been
23 convicted of a felony involving an act of fraud, dishonesty, breach of trust, or money laundering;
24 and

25 (e) The name and address in this state of a designated agent upon whom service of process
26 may be made.

27 (5) If information in a registration form changes or otherwise becomes inaccurate after
28 filing, the broker shall not be required to file a further registration form prior to the time of renewal.

29 (6) Every broker shall obtain a surety bond issued by a surety company authorized to do
30 business in this state. The amount of the bond shall be ten thousand dollars. The bond shall be in
31 favor of the state of Missouri. Any person damaged by the broker's breach of contract or of any
32 obligation arising therefrom, or by any violation of this section, may bring an action against the
33 bond to recover damages suffered. The aggregate liability of the surety shall be only for actual
34 damages and in no event shall exceed the amount of the bond.

35 (7) Employees regularly employed by a broker who has complied with this subsection shall
36 not be required to file a registration or obtain a surety bond when acting within the scope of their
37 employment for the broker.

38 6. (1) Any person who violates any provision of this section shall be punished by a fine of
39 five hundred dollars per incident, not to exceed twenty thousand dollars for all aggregated violations

1 arising from the use of the transaction documentation or materials found to be in violation of this
 2 section. Any person who violates any provision of this section after receiving written notice of a
 3 prior violation from the attorney general shall be punished by a fine of one thousand dollars per
 4 incident, not to exceed fifty thousand dollars for all aggregated violations arising from the use of the
 5 transaction documentation or materials found to be in violation of this section.

6 (2) Violation of any provision of this section shall not affect the enforceability or validity of
 7 the underlying agreement.

8 (3) This section shall not create a private right of action against any person or other entity
 9 based upon compliance or noncompliance with its provisions.

10 (4) Authority to enforce compliance with this section is vested exclusively in the attorney
 11 general of this state.

12 7. The requirements of subsections 3 and 5 of this section shall take effect upon either:

13 (1) Six months after the division of finance finalizes promulgating rules, if the division
 14 intends to promulgate rules; or

15 (2) February 28, 2025, if the division does not intend to promulgate rules.

16 8. The division of finance may promulgate rules implementing this section. If the division
 17 of finance intends to promulgate rules, it shall declare its intent to do so no later than February 28,
 18 2025. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under
 19 the authority delegated in this section shall become effective only if it complies with and is subject
 20 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter
 21 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter
 22 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held
 23 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
 24 August 28, 2024, shall be invalid and void.

25
 26 ~~[361.700. 1. Sections 361.700 to 361.727 shall be known and may be~~
 27 ~~cited as the "Sale of Checks Law".~~

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

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

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

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

35 ~~(4) "Person", any individual, partnership, association, trust or corporation.]~~
 36

37 ~~[361.705. 1. No person shall issue checks in this state for a consideration~~
 38 ~~without first obtaining a license from the director; provided, however, that sections~~
 39 ~~361.700 to 361.727 shall not apply to the receipt of money by an incorporated~~
 40 ~~telegraph company at any office or agency of such company for immediate~~
 41 ~~transmission by telegraph nor to any bank, trust company, savings and loan~~
 42 ~~association, credit union, or agency of the United States government.~~

1 2. Any person who violates any of the provisions of sections 361.700 to
2 361.727 or attempts to sell or issue checks without having first obtained a license
3 from the director shall be deemed guilty of a class A misdemeanor.]
4

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

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

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

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

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

16 ~~[361.711. Each application for a license shall be accompanied by a~~
17 ~~corporate surety bond in the principal sum of one hundred thousand dollars. The~~
18 ~~bond shall be in form satisfactory to the director and shall be issued by a bonding~~
19 ~~company or insurance company authorized to do business in this state, to secure~~
20 ~~the faithful performance of the obligations of the applicant and the agents and~~
21 ~~subagents of the applicant with respect to the receipt, transmission, and payment~~
22 ~~of money in connection with the sale or issuance of checks and also to pay the~~
23 ~~costs incurred by the division to remedy any breach of the obligations of the~~
24 ~~applicant subject to the bond or to pay examination costs of the division owed and~~
25 ~~not paid by the applicant. Upon license renewal, the required amount of bond~~
26 ~~shall be as follows:~~

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

30 ~~(2) For all licensees receiving money for transmission, five times the~~
31 ~~greatest amount transmitted in a single day during the previous year with a~~
32 ~~minimum of one hundred thousand dollars and a maximum of one million dollars.~~

33
34 ~~If in the opinion of the director the bond shall at any time appear to be inadequate,~~
35 ~~insecure, exhausted, or otherwise doubtful, additional bond in form and with~~
36 ~~surety satisfactory to the director shall be filed within fifteen days after notice of~~
37 ~~the requirement is given to the licensee by the director. An applicant or licensee~~
38 ~~may, in lieu of filing any bond required under this section, provide the director~~
39 ~~with an irrevocable letter of credit, as defined in section 400.5-103, issued by any~~
40 ~~state or federal financial institution. Whenever in the director's judgment it is~~
41 ~~necessary or expedient, the director may perform a special examination of any~~
42 ~~person licensed under sections 361.700 to 361.727 with all authority under section~~
43 ~~361.160 as though the licensee were a bank. The cost of such examination shall be~~
44 ~~paid by the licensee.]~~

45
46 ~~[361.715. 1. Upon the filing of the application, the filing of a certified~~
47 ~~audit, the payment of the investigation fee and the approval by the director of the~~
48 ~~necessary bond, the director shall cause, investigate, and determine whether the~~

1 character, responsibility, and general fitness of the principals of the applicant or
2 any affiliates are such as to command confidence and warrant belief that the
3 business of the applicant will be conducted honestly and efficiently and that the
4 applicant is in compliance with all other applicable state and federal laws. If
5 satisfied, the director shall issue to the applicant a license pursuant to the
6 provisions of sections 361.700 to 361.727. In processing a renewal license, the
7 director shall require the same information and follow the same procedures
8 described in this subsection.

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

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

14
15 [361.718. Every licensee shall at all times have on demand deposit in a
16 federally insured depository institution or in the form of cash on hand or in the
17 hands of his agents or in readily marketable securities an amount equal to all
18 outstanding unpaid checks sold by him or his agents in Missouri, in addition to the
19 amount of his bond. Upon demand by the director, licensees must immediately
20 provide proof of such funds or securities. The director may make such demand as
21 often as reasonably necessary and shall make such demand to each licensee,
22 without prior notice, at least twice each license year.]

23
24 [361.720. Each licensee may conduct business at one or more locations
25 within this state and by means of employees, agents, subagents or representatives
26 as such licensee may designate. No license under sections 361.700 to 361.727
27 shall be required of any such employee, agent, subagent or representative who
28 sells checks in behalf of a licensee. Each such agent, subagent or representative
29 shall upon demand transfer and deliver to the licensee the proceeds of the sale of
30 licensee's checks less the fees, if any, due such agent, subagent or representative.]

31
32 [361.723. Each licensee shall file with the director annually on or before
33 April fifteenth of each year a statement listing the locations of the offices of the
34 licensee and the names and locations of the agents or subagents authorized by the
35 licensee to engage in the sale of checks of which the licensee is the issuer.]

36
37 [361.725. The director may at any time suspend or revoke a license, for
38 any reason he might refuse to grant a license, for failure to pay an annual fee or for
39 a violation of any provision of sections 361.700 to 361.727. No license shall be
40 denied, revoked or suspended except on ten days' notice to the applicant or
41 licensee. Upon receipt of such notice the applicant or licensee may, within five
42 days of such receipt, make written demand for a hearing. The director shall
43 thereafter hear and determine the matter in accordance with the provisions of
44 chapter 536.]

45
46 [361.727. The director shall issue regulations necessary to carry out the
47 intent and purposes of sections 361.700 to 361.727, pursuant to the provisions of
48 section 361.105 and chapter 536.]; and

- 1
- 2 Further amend said bill by amending the title, enacting clause, and intersectional references
- 3 accordingly.