

House _____ Amendment NO. _____

Offered By

1 AMEND House Bill No. 2780, Page 2, Section 34.700, Line 10, by inserting after all of said section and line
2 the following:

3
4 "361.900. Sections 361.900 to 361.1035 shall be known and may be cited as the "Money
5 Transmission Modernization Act of 2024".

6 361.903. Sections 361.900 to 361.1035 are designed to replace existing state money transmission
7 laws currently codified in law and to:

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

10 (2) Protect the public from financial crime;

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

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

15 361.906. For purposes of sections 361.900 to 361.1035, the following terms shall mean:

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

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

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

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

28 (5) "Closed loop stored value", stored value that is redeemable by the issuer only for goods or
29 services provided by the issuer or its affiliate or franchisees of the issuer or its affiliate, except to the extent
30 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 voting
3 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, managers,
5 directors, trustees, or other persons exercising managerial authority of a person in control of a licensee; or

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

8
9 A person is presumed to exercise a controlling influence if the person holds the power to vote, directly or
10 indirectly, at least ten percent of the outstanding voting shares or voting interests of a licensee or person in
11 control of a licensee. A person presumed to exercise a controlling influence as defined under this subdivision
12 can rebut the presumption of control if the person is a passive investor. For purposes of determining the
13 percentage of a person controlled by any other person, the person's interest shall be aggregated with the
14 interest of any other immediate family member, including the person's spouse, parents, children, siblings,
15 mothers- and fathers-in law, sons- and daughters-in-law, brothers- and sisters-in-law, and any other person
16 who shares such person's home;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12
 13 The term includes payroll processing services. The term does not include the provision solely of online or
 14 telecommunications services or network access;

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

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

23 (21) "Outstanding money transmission obligations":

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

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

31
 32 For purposes of this subdivision, "in the United States" shall include, to the extent applicable, a person in any
 33 state, territory, or possession of the United States; the District of Columbia; the Commonwealth of Puerto
 34 Rico; or a U.S. military installation that is located in a foreign country;

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

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

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

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

3 (d) Either:

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

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

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

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

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

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

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

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

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

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

36 361.909. Sections 361.900 to 361.1035 shall not apply to:

37 (1) An operator of a payment system to the extent that it provides processing, clearing, or settlement
38 services between or among persons exempted under this section or licensees in connection with wire

1 transfers, credit card transactions, debit card transactions, stored value transactions, automated clearinghouse
2 transfers, or similar funds transfers;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 361.912. The director may require that any person claiming to be exempt from licensing under
19 section 361.909 provide information and documentation to the director demonstrating that the person
20 qualifies for any claimed exemption.

21 361.915. 1. In order to carry out the purposes of sections 361.900 to 361.1035, the director may,
22 subject to the provisions of subsections 1 and 2 of section 361.918:

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

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

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

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

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

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

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

1 3. The director shall promulgate all necessary rules and regulations for the administration of sections
2 361.900 to 361.1035. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
3 under the authority delegated in this section shall become effective only if it complies with and is subject to
4 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
5 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to
6 delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
7 grant of rulemaking authority and any rule proposed or adopted after August 28, 2024, shall be invalid and
8 void.

9 361.918. 1. Except as otherwise provided in subsection 2 of this section, all information or reports
10 obtained by the director from an applicant, licensee, or authorized delegate and all information contained in
11 or related to an examination, investigation, operating report, or condition report prepared by, on behalf of, or
12 for the use of the director, or financial statements, balance sheets, or authorized delegate information, are
13 confidential and are not subject to disclosure under chapter 610.

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

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

19 361.921. 1. The director may conduct an examination or investigation of a licensee or authorized
20 delegate or otherwise take independent action authorized by sections 361.900 to 361.1035 or by a rule
21 adopted or order issued under sections 361.900 to 361.1035 as reasonably necessary or appropriate to
22 administer and enforce sections 361.900 to 361.1035, regulations implementing sections 361.900 to
23 361.1035, and other applicable law, including the Bank Secrecy Act and the USA PATRIOT Act. The
24 director may:

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

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

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

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

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

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

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

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

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

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

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

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

21 361.927. 1. In the event state money transmission jurisdiction is conditioned on a federal law, any
22 inconsistencies between a provision of sections 361.900 to 361.1035 and the federal law governing money
23 transmission shall be governed by the applicable federal law to the extent of the inconsistency.

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

26 (1) Identifies the inconsistency; and

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

28 361.930. 1. A person shall not engage in the business of money transmission or advertise, solicit, or
29 hold itself out as providing money transmission unless the person is licensed under sections 361.900 to
30 361.1035.

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

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

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

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

37 361.933. 1. To establish consistent licensing between this state and other states, the director is
38 authorized to:

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

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

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

9 (1) Collect and maintain records;

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

11 (3) Process fees; and

12 (4) Facilitate communication between this state and licensees or other persons subject to sections
13 361.900 to 361.1035.

14 3. The director is authorized to utilize NMLS for all aspects of licensing in accordance with sections
15 361.900 to 361.1035 including, but not limited to, license applications, applications for acquisitions of
16 control, surety bonds, reporting, criminal history background checks, credit checks, fee processing, and
17 examinations.

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

20 5. (1) The director is authorized to establish and adopt, by rule or regulation, requirements for
21 participation by applicants and licensees in NMLS upon the division of finance's determination that each
22 requirement is consistent with law, public interest, and the purposes of this section.

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

29 361.936. 1. Applicants for a license shall apply in a form and in a medium as prescribed by the
30 director. Each such form shall contain content as set forth by rule, regulation, instruction, or procedure of the
31 director and may be changed or updated by the director in accordance with applicable law in order to carry
32 out the purposes of sections 361.900 to 361.1035 and maintain consistency with licensing standards and
33 practices. The application shall state or contain, as applicable:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (a) A corporation publicly traded in the United States, a copy of audited financial statements for the
38 parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed

1 under Section 13 of the U.S. Securities Exchange Act of 1934, 15 U.S.C. Section 78m, as amended or
2 recodified from time to time; or

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

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

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

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

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

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

13 361.939. 1. Any individual in control of a licensee or applicant, any individual that seeks to acquire
14 control of a licensee, and each key individual shall furnish to the director through NMLS the following:

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

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

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

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

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

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

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

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

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

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

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

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

4 **(c) Employment history;**

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

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

9 **361.942. 1. If an application for an original license under sections 361.900 to 361.1035 appears to**
10 **include all the items and addresses and all of the matters that are required, the application is complete and the**
11 **director shall promptly notify the applicant in a record of the date on which the application is determined to**
12 **be complete, and:**

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

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

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

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

20
21 **The director may for good cause extend the application period.**

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

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

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

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

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

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

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

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

12 6. The initial license term shall begin on the day the application is approved. The license shall
13 expire on December thirty-first of the year in which the license term began unless the initial license date is
14 between November first and December thirty-first, in which instance the initial license term shall run through
15 December thirty-first of the following year.

16 361.945. 1. A license under sections 361.900 to 361.1035 shall be renewed annually. An annual
17 renewal fee, to be determined by the director, shall be paid no more than sixty days before the license
18 expiration. The renewal term shall be for a period of one year and shall begin on January first of each year
19 after the initial license term and shall expire on December thirty-first of the year the renewal term begins.

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

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

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

27 361.948. 1. If a licensee does not continue to meet the qualifications or satisfy the requirements that
28 apply to an applicant for a new money transmission license, the director may suspend or revoke the licensee's
29 license in accordance with the procedures established under sections 361.900 to 361.1035 or other applicable
30 state law for such suspension or revocation.

31 2. An applicant for a money transmission license shall demonstrate that it meets or will meet, and a
32 money transmission licensee shall at all times meet, the requirements in sections 361.999, 361.1002, and
33 361.1005.

34 361.951. 1. Any person, or group of persons acting in concert, seeking to acquire control of a
35 licensee shall obtain the written approval of the director prior to acquiring control. An individual is not
36 deemed to acquire control of a licensee and is not subject to the acquisition of control provisions if that
37 individual becomes a key individual in the ordinary course of business.

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

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

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

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

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

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

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

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

15 (a) The application is approved; and

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

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

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

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

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

28 (2) The financial condition and responsibility, financial and business experience, competence,
29 character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control
30 and the competence, experience, character, and general fitness of the key individuals and persons that would
31 be in control of the licensee after the acquisition of control indicate that it is in the interest of the public to
32 permit the person, or group of persons acting in concert, to control the licensee.

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

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

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

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

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

- 7 (1) A person that acts as a proxy for the sole purpose of voting at a designated meeting of the
8 shareholders or holders of voting shares or voting interests of a licensee or a person in control of a licensee;
9 (2) A person that acquires control of a licensee by devise or descent;
10 (3) A person that acquires control of a licensee as a personal representative, custodian, guardian,
11 conservator, or trustee, or as an officer appointed by a court of competent jurisdiction or by operation of law;
12 (4) A person that is exempt under subsection 7 of section 361.909;
13 (5) A person that the director determines is not subject to subsection 1 of this section based on the
14 public interest;
15 (6) A public offering of securities of a licensee or a person in control of a licensee; or
16 (7) An internal reorganization of a person in control of the licensee where the ultimate person in
17 control of the licensee remains the same.

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

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

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

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

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

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

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

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

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

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

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

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

13 361.954. 1. A licensee adding or replacing any key individual shall:

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

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

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

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

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

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

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

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

33 361.957. 1. Each licensee shall submit a report of condition within forty days of the end of the
34 calendar quarter or within any extended time as the director may prescribe.

35 2. The report of condition shall include:

36 (1) Financial information at the licensee level;

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

39 (3) Permissible investments report;

1 (4) Transaction destination country reporting for money received for transmission, if applicable; and
2 (5) Any other information the director reasonably requires with respect to the licensee. The director
3 is authorized to utilize NMLS for the submission of the report required by subsection 1 of this section and is
4 authorized to update as necessary the requirements of this section to carry out the purposes of sections
5 361.900 to 361.1035 and maintain consistency with NMLS reporting.

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

8 361.960. 1. Each licensee shall, within ninety days after the end of each fiscal year or within any
9 extended time as the director may prescribe, file with the director:

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

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

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

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

20 361.963. 1. Each licensee shall submit a report of authorized delegates within forty-five days of the
21 end of the calendar quarter. The director is authorized to utilize NMLS for the submission of the report
22 required under this section, provided that such functionality is consistent with the requirements of this
23 section.

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

25 (1) Company legal name;

26 (2) Taxpayer employer identification number;

27 (3) Principal provider identifier;

28 (4) Physical address, if any;

29 (5) Mailing address;

30 (6) Any business conducted in other states;

31 (7) Any fictitious or trade name;

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

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

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

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

36 361.966. 1. A licensee shall file a report with the director within one business day after the licensee
37 has reason to know of the occurrence of any of the following events:

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

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

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

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

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

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

13 361.969. A licensee and an authorized delegate shall file all reports required by federal currency
14 reporting, record keeping, and suspicious activity reporting requirements as set forth in the Bank Secrecy Act
15 and other federal and state laws pertaining to money laundering. The timely filing of a complete and accurate
16 report required under this section with the appropriate federal agency is deemed compliant with the
17 requirements of this section.

18 361.972. 1. A licensee shall maintain the following records for determining its compliance with
19 sections 361.900 to 361.1035 for at least three years:

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

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

23 (3) Bank statements and bank reconciliation records;

24 (4) Records of outstanding money transmission obligations;

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

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

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

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

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

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

33 361.975. 1. As used in this section, "remit" means to make direct payments of money to a licensee
34 or its representative authorized to receive money or to deposit money in a bank in an account specified by the
35 licensee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 361.984. 1. Every licensee shall forward all money received for transmission in accordance with the
21 terms of the agreement between the licensee and the sender unless the licensee has a reasonable belief or a
22 reasonable basis to believe that the sender may be a victim of fraud or that a crime or violation of law, rule, or
23 regulation has occurred, is occurring, or may occur.

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

27 361.987. 1. This section shall not apply to:

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

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

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

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

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

38 (3) The agreement between the licensee and the sender instructs the licensee to forward the money at
39 a time that is beyond ten days of the date on which the money was received for transmission. If funds have

1 not yet been forwarded in accordance with the terms of the agreement between the licensee and the sender,
 2 the licensee shall issue a refund in accordance with the other provisions of this section;

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

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

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

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

10 361.990. 1. This section shall not apply to:

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

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

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

17 (4) Payroll processing services.

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

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

24 (a) The name of the sender;

25 (b) The name of the designated recipient;

26 (c) The date of the transaction;

27 (d) The unique transaction or identification number;

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

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

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

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

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

36 361.996. 1. A licensee that provides payroll processing services shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 4. Upon the establishment of a statutory trust in accordance with subsection 3 of this section or when
40 any funds are drawn on a letter of credit under subdivision (4) of subsection 1 of section 361.1008, the

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

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

14 361.1008. 1. The following investments are permissible under section 361.1005:

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

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

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

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

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

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

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

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

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

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

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

10 2. In the event of any notice of expiration or nonextension of a letter of credit issued under paragraph
11 (d) of subdivision (4) of subsection 1 of this section, the licensee shall be required to demonstrate to the
12 satisfaction of the director, fifteen days prior to expiration, that the licensee maintains and will maintain
13 permissible investments in accordance with subsection 1 of section 361.1005 upon the expiration of the letter
14 of credit. If the licensee is not able to do so, the director may draw on the letter of credit in an amount up to
15 the amount necessary to meet the licensee's requirements to maintain permissible investments in accordance
16 with subsection 1 of section 361.1005. Any such draw shall be offset against the licensee's outstanding
17 money transmission obligations. The drawn funds shall be held in trust by the director or the director's
18 designated agent, to the extent authorized by law, as agent for the benefit of the purchasers and holders of the
19 licensee's outstanding money transmission obligations.

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (b) Commercial paper bearing an eligible rating;

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

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

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

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

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

27 (a) Has an eligible rating;

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

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

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

32 361.1011. 1. The director may suspend or revoke a license or order a licensee to revoke the
 33 designation of an authorized delegate if:

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

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

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

38 (4) An authorized delegate is convicted of, or enters a plea of guilty or nolo contendere to, a felony
 39 involving an act of fraud, dishonesty, a breach of trust, or money laundering, or violates a rule adopted or an

1 order issued under sections 361.900 to 361.1035 as a result of the licensee's willful misconduct or willful
 2 blindness;

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

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

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

9 (8) The licensee does not remove an authorized delegate after the director issues and serves upon the
 10 licensee a final order including a finding that the authorized delegate has violated sections 361.900 to
 11 361.1035.

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

15 361.1014. 1. The director may issue an order suspending or revoking the designation of an
 16 authorized delegate, if the director finds that:

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

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

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

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

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

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

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

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

33 361.1017. 1. If the director determines that a violation of sections 361.900 to 361.1035 or of a rule
 34 adopted or an order issued under sections 361.900 to 361.1035 by a licensee or authorized delegate is likely
 35 to cause immediate and irreparable harm to the licensee, its customers, or the public as a result of the
 36 violation, or cause insolvency or significant dissipation of assets of the licensee, the director may issue an
 37 order requiring the licensee or authorized delegate to cease and desist from the violation. The order becomes
 38 effective upon service to the licensee or authorized delegate.

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

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

5 4. A licensee or an authorized delegate that is served with an order to cease and desist may petition
6 the circuit court with jurisdiction for a judicial order setting aside, limiting, or suspending the enforcement,
7 operation, or effectiveness of the order pending the completion of an administrative proceeding under chapter
8 536.

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

11 361.1020. The director may enter into a consent order at any time with a person to resolve a matter
12 arising under sections 361.900 to 361.1035 or a rule adopted or order issued under sections 361.900 to
13 361.1035. A consent order shall be signed by the person to whom it is issued or by the person's authorized
14 representative and shall indicate agreement with the terms contained in the order. A consent order may
15 provide that it does not constitute an admission by a person that sections 361.900 to 361.1035 or a rule
16 adopted or an order issued under sections 361.900 to 361.1035 has been violated.

17 361.1023. 1. A person that intentionally makes a false statement, misrepresentation, or false
18 certification in a record filed or required to be maintained under sections 361.900 to 361.1035 or that
19 intentionally makes a false entry or omits a material entry in such a record is guilty of a class E felony.

20 2. A person that knowingly engages in an activity for which a license is required under sections
21 361.900 to 361.1035 without being licensed under sections 361.900 to 361.1035 and that receives more than
22 five hundred dollars in compensation within a thirty-day period for this activity is guilty of a class E felony.

23 3. A person that knowingly engages in an activity for which a license is required under sections
24 361.900 to 361.1035 without being licensed under sections 361.900 to 361.1035 and that receives no more
25 than five hundred dollars in compensation within a thirty-day period for this activity is guilty of a class A
26 misdemeanor.

27 361.1026. The director may assess a civil penalty against a person that violates sections 361.900 to
28 361.1035 or a rule adopted or an order issued under sections 361.900 to 361.1035 in an amount not to exceed
29 one thousand dollars per day for each day the violation is outstanding, plus this state's costs and expenses for
30 the investigation and prosecution of the matter, including reasonable attorney's fees.

31 361.1029. 1. If the director has reason to believe that a person has violated or is violating section
32 361.930, the director may issue an order to show cause why an order to cease and desist shall not be issued
33 requiring that the person cease and desist from the violation of section 361.930.

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

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

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

1 5. A person that is served with an order to cease and desist for violating section 361.930 may petition
 2 the circuit court with jurisdiction for a judicial order setting aside, limiting, or suspending the enforcement,
 3 operation, or effectiveness of the order pending the completion of an administrative proceeding under chapter
 4 536.

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

7 361.1032. In applying and construing sections 361.900 to 361.1035, consideration shall be given to
 8 the need to promote uniformity of the law with respect to its subject matter among states that enact it.

9 361.1035. 1. A person licensed in this state to engage in the business of money transmission shall
 10 not be subject to the provisions of sections 361.900 to 361.1035 to the extent that they conflict with current
 11 law or establish new requirements not imposed under current law, until such time as the licensee renews the
 12 licensee's current license.

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

18
 19 Further amend said bill, Page 102, Section 400.199-306, Line 10, by inserting after all of said section and line
 20 the following:

21
 22 "427.300. 1. This section shall be known, and may be cited as, the "Commercial Financing
 23 Disclosure Law".

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

25 (1) "Account";

26 (a) Includes:

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

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

30 (ii) Services rendered or to be rendered;

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

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

33 (v) Energy provided or to be provided;

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

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

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

40 b. Health-care-insurance receivables; and

41 (b) does not include:

- 1 a. Rights to payment evidenced by chattel paper or an instrument;
2 b. Commercial tort claims;
3 c. Deposit accounts;
4 d. Investment property;
5 e. Letter-of-credit rights or letters of credit; or
6 f. Rights to payment for moneys or funds advanced or sold, other than rights arising out of the use of
7 a credit or charge card or information contained on or for use with the card;

8 (2) "Accounts receivable purchase transaction", any transaction in which the business forwards or
9 otherwise sells to the provider all or a portion of the business's accounts or payment intangibles at a discount
10 to their expected value. The provider's characterization of an accounts receivable purchase transaction as a
11 purchase is conclusive that the accounts receivable purchase transaction is not a loan or a transaction for the
12 use, forbearance, or detention of money;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 3. (1) A provider that consummates a commercial financing transaction shall disclose the terms of
22 the commercial financing transaction as required by this section. The disclosures shall be provided at or
23 before consummation of the transaction. Only one disclosure is required for each commercial financing
24 transaction, and a disclosure is not required as a result of the modification, forbearance, or change to a
25 consummated commercial financing transaction.

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

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

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

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

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

1 (e) The manner, frequency, and amount of each payment. This disclosure shall be labeled
 2 "Payments". If the payments may vary, the provider shall instead disclose the manner, frequency, and the
 3 estimated amount of the initial payment labeled "Estimated Payments" and the commercial financing
 4 transaction agreement shall include a description of the methodology for calculating any variable payment
 5 and the circumstances when payments may vary;

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

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

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

16 (1) A provider that is a depository institution or a subsidiary or service corporation 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. Section 2001
 20 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 for
 25 value given to enable the business to acquire rights in or the use of the collateral if the value is in fact so used;

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

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

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

37 (7) A provider that consummates no more than five commercial financing transactions in this state in
 38 a twelve-month period; or

39 (8) A commercial financing transaction of more than five hundred thousand dollars.

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

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

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

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

11 (a) The name of the broker;

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

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

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

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

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

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

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

30 6. (1) Any person who violates any provision of this section shall be punished by a fine of five
31 hundred dollars per incident, not to exceed twenty thousand dollars for all aggregated violations arising from
32 the use of the transaction documentation or materials found to be in violation of this section. Any person
33 who violates any provision of this section after receiving written notice of a prior violation from the attorney
34 general shall be punished by a fine of one thousand dollars per incident, not to exceed fifty thousand dollars
35 for all aggregated violations arising from the use of the transaction documentation or materials found to be in
36 violation of this section.

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

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

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

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

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

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

9 8. The division of finance may promulgate rules implementing this section. If the division of finance
10 intends to promulgate rules, it shall declare its intent to do so no later than February 28, 2025. Any rule or
11 portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in
12 this section shall become effective only if it complies with and is subject to all of the provisions of chapter
13 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the
14 powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
15 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority
16 and any rule proposed or adopted after August 28, 2024, shall be invalid and void.

17
18 ~~[361.700. 1. Sections 361.700 to 361.727 shall be known and may be cited as the~~
19 ~~"Sale of Checks Law".~~

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

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

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

24 ~~(3) "Licensee", any person duly licensed by the director pursuant to sections~~
25 ~~361.700 to 361.727;~~

26 ~~(4) "Person", any individual, partnership, association, trust or corporation.]~~
27

28 ~~[361.705. 1. No person shall issue checks in this state for a consideration without~~
29 ~~first obtaining a license from the director; provided, however, that sections 361.700 to~~
30 ~~361.727 shall not apply to the receipt of money by an incorporated telegraph company at~~
31 ~~any office or agency of such company for immediate transmission by telegraph nor to any~~
32 ~~bank, trust company, savings and loan association, credit union, or agency of the United~~
33 ~~States government.~~

34 ~~2. Any person who violates any of the provisions of sections 361.700 to 361.727~~
35 ~~or attempts to sell or issue checks without having first obtained a license from the director~~
36 ~~shall be deemed guilty of a class A misdemeanor.]~~
37

38 ~~[361.707. 1. Each application for a license pursuant to sections 361.700 to~~
39 ~~361.727 shall be in writing and under oath to the director in such form as he may~~
40 ~~prescribe. The application shall state the full name and business address of:~~

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

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

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

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

1
2 ~~[361.711. Each application for a license shall be accompanied by a corporate~~
3 ~~surety bond in the principal sum of one hundred thousand dollars. The bond shall be in~~
4 ~~form satisfactory to the director and shall be issued by a bonding company or insurance~~
5 ~~company authorized to do business in this state, to secure the faithful performance of the~~
6 ~~obligations of the applicant and the agents and subagents of the applicant with respect to~~
7 ~~the receipt, transmission, and payment of money in connection with the sale or issuance of~~
8 ~~checks and also to pay the costs incurred by the division to remedy any breach of the~~
9 ~~obligations of the applicant subject to the bond or to pay examination costs of the division~~
10 ~~owed and not paid by the applicant. Upon license renewal, the required amount of bond~~
11 ~~shall be as follows:~~

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

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

18
19 ~~If in the opinion of the director the bond shall at any time appear to be inadequate,~~
20 ~~insecure, exhausted, or otherwise doubtful, additional bond in form and with surety~~
21 ~~satisfactory to the director shall be filed within fifteen days after notice of the requirement~~
22 ~~is given to the licensee by the director. An applicant or licensee may, in lieu of filing any~~
23 ~~bond required under this section, provide the director with an irrevocable letter of credit,~~
24 ~~as defined in section 400.5-103, issued by any state or federal financial institution.~~
25 ~~Whenever in the director's judgment it is necessary or expedient, the director may perform~~
26 ~~a special examination of any person licensed under sections 361.700 to 361.727 with all~~
27 ~~authority under section 361.160 as though the licensee were a bank. The cost of such~~
28 ~~examination shall be paid by the licensee.]~~

29
30 ~~[361.715. 1. Upon the filing of the application, the filing of a certified audit, the~~
31 ~~payment of the investigation fee and the approval by the director of the necessary bond,~~
32 ~~the director shall cause, investigate, and determine whether the character, responsibility,~~
33 ~~and general fitness of the principals of the applicant or any affiliates are such as to~~
34 ~~command confidence and warrant belief that the business of the applicant will be~~
35 ~~conducted honestly and efficiently and that the applicant is in compliance with all other~~
36 ~~applicable state and federal laws. If satisfied, the director shall issue to the applicant a~~
37 ~~license pursuant to the provisions of sections 361.700 to 361.727. In processing a renewal~~
38 ~~license, the director shall require the same information and follow the same procedures~~
39 ~~described in this subsection.~~

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

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

45
46 ~~[361.718. Every licensee shall at all times have on demand deposit in a federally~~
47 ~~insured depository institution or in the form of cash on hand or in the hands of his agents~~
48 ~~or in readily marketable securities an amount equal to all outstanding unpaid checks sold~~
49 ~~by him or his agents in Missouri, in addition to the amount of his bond. Upon demand by~~
50 ~~the director, licensees must immediately provide proof of such funds or securities. The~~
51 ~~director may make such demand as often as reasonably necessary and shall make such~~
52 ~~demand to each licensee, without prior notice, at least twice each license year.]~~

1
2 ~~[361.720. Each licensee may conduct business at one or more locations within~~
3 ~~this state and by means of employees, agents, subagents or representatives as such~~
4 ~~licensee may designate. No license under sections 361.700 to 361.727 shall be required of~~
5 ~~any such employee, agent, subagent or representative who sells checks in behalf of a~~
6 ~~licensee. Each such agent, subagent or representative shall upon demand transfer and~~
7 ~~deliver to the licensee the proceeds of the sale of licensee's checks less the fees, if any, due~~
8 ~~such agent, subagent or representative.]~~
9

10 ~~[361.723. Each licensee shall file with the director annually on or before April~~
11 ~~fifteenth of each year a statement listing the locations of the offices of the licensee and the~~
12 ~~names and locations of the agents or subagents authorized by the licensee to engage in the~~
13 ~~sale of checks of which the licensee is the issuer.]~~
14

15 ~~[361.725. The director may at any time suspend or revoke a license, for any~~
16 ~~reason he might refuse to grant a license, for failure to pay an annual fee or for a violation~~
17 ~~of any provision of sections 361.700 to 361.727. No license shall be denied, revoked or~~
18 ~~suspended except on ten days' notice to the applicant or licensee. Upon receipt of such~~
19 ~~notice the applicant or licensee may, within five days of such receipt, make written~~
20 ~~demand for a hearing. The director shall thereafter hear and determine the matter in~~
21 ~~accordance with the provisions of chapter 536.]~~
22

23 ~~[361.727. The director shall issue regulations necessary to carry out the intent and~~
24 ~~purposes of sections 361.700 to 361.727, pursuant to the provisions of section 361.105~~
25 ~~and chapter 536.]" ; and~~
26

27 Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.