

By: Representative Aguirre

To: Banking and Financial
ServicesHOUSE BILL NO. 1428
(As Sent to Governor)

1 AN ACT TO ENACT THE MISSISSIPPI MONEY TRANSMISSION
2 MODERNIZATION ACT; TO STATE THE PURPOSE AND INTENT OF THE ACT; TO
3 DEFINE TERMS; TO PROVIDE CERTAIN EXEMPTIONS TO THE ACT; TO PROVIDE
4 PROVISIONS ON THE IMPLEMENTATION OF THE ACT, CONFIDENTIALITY UNDER
5 THE ACT, THE COMMISSIONER'S SUPERVISION OF THE ACT, AND THE
6 RELATIONSHIP OF THE ACT TO FEDERAL LAW; TO PROVIDE FOR MONEY
7 TRANSMISSION LICENSES; TO PROVIDE FOR ACQUISITION OF CONTROL AND
8 NOTICE AND INFORMATION REQUIREMENTS FOR A CHANGE OF KEY
9 INDIVIDUALS; TO PROVIDE REPORTING AND RECORD REQUIREMENTS UNDER
10 THE ACT; TO PERMIT AUTHORIZED DELEGATES; TO REQUIRE CERTAIN
11 DISCLOSURES BY LICENSEES; TO SET FORTH CERTAIN PRUDENTIAL
12 STANDARDS; TO PROVIDE ENFORCEMENT PROVISIONS; TO AUTHORIZE THE
13 COMMISSIONER TO INVESTIGATE POSSIBLE VIOLATIONS OF THE ACT; TO
14 PROVIDE THAT THIS ACT SHOULD BE CONSTRUED AND APPLIED TO PROMOTE
15 UNIFORMITY OF LAW; TO PROVIDE THAT THE PROVISIONS OR APPLICATIONS
16 OF THIS ACT SHALL BE SEVERABLE; TO PROVIDE FOR A TRANSITION
17 PERIOD; TO REPEAL SECTION 75-15-1, MISSISSIPPI CODE OF 1972, WHICH
18 IS THE CHAPTER OF LAW THAT CREATES THE MISSISSIPPI MONEY
19 TRANSMITTERS ACT; AND FOR RELATED PURPOSES.

20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

21 **SECTION 1. Short title.** This act may be cited as the "Money
22 Transmission Modernization Act."

23 **SECTION 2. Purpose.** This act is designed to replace
24 existing state money transmission laws currently codified at
25 Section 75-15-1 et seq. It is the intent of the Legislature that
26 the provisions of this act accomplish the following:



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

(b) Protect the public from financial crime;

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

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

SECTION 3. Definitions. For purposes of this act, the following definitions shall apply:

(a) "Acting in concert" means persons knowingly acting together with a common goal of jointly acquiring control of a licensee whether or not pursuant to an express agreement.

(b) "Authorized delegate" means a person a licensee designates to engage in money transmission on behalf of the licensee.

(c) "Average daily money transmission liability" means the amount of the licensee's outstanding money transmission obligations in this state at the end of each day in a given period of time, added together and divided by the total number of days in the given period of time. For purposes of calculating average daily money transmission liability under this act for any licensee



required to do so, the given period of time shall be the quarters ending March 31, June 30, September 30 and December 31.

(d) "Bank Secrecy Act" means the Bank Secrecy Act, 31 USC § 5311 et seq. and its implementing regulations, as amended and recodified from time to time.

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

(f) "Control" means:

(i) 1. The power to vote, directly or indirectly, at least twenty-five percent (25%) of the outstanding voting shares or voting interests of a licensee or person in control of a licensee;

2. The power to elect or appoint a majority of key individuals or executive officers, managers, directors, trustees or other persons exercising managerial authority of a person in control of a licensee; or

3. The power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or person in control of a licensee;

(ii) Rebuttable Presumption of Control;

1. A person is presumed to exercise a controlling influence when the person holds the power to vote,



76 directly or indirectly, at least ten percent (10%) of the
77 outstanding voting shares or voting interests of a licensee or
78 person in control of a licensee;

79 2. A person presumed to exercise a
80 controlling influence as defined by this paragraph (f) can rebut
81 the presumption of control if the person is a passive investor;

82 (iii) For purposes of determining the percentage
83 of a person controlled by any other person, the person's interest
84 shall be aggregated with the interest of any other immediate
85 family member, including the person's spouse, parents, children,
86 siblings, mothers- and fathers-in-law, sons- and daughters-in-law,
87 brothers- and sisters-in-law, and any other person who shares such
88 person's home.

89 (g) "Eligible rating" means a credit rating of any of
90 the three (3) highest rating categories provided by an eligible
91 rating service, whereby each category may include rating category
92 modifiers such as "plus" or "minus" for S&P, or the equivalent for
93 any other eligible rating service. Long-term credit ratings are
94 deemed eligible if the rating is equal to A- or higher by S&P, or
95 the equivalent from any other eligible rating service. Short-term
96 credit ratings are deemed eligible if the rating is equal to or
97 higher than A-2 or SP-2 by S&P, or the equivalent from any other
98 eligible rating service. In the event that ratings differ among
99 eligible rating services, the highest rating shall apply when
100 determining whether a security bears an eligible rating.



101 (h) "Eligible rating service" means any Nationally
102 Recognized Statistical Rating Organization (NRSRO) as defined by
103 the U.S. Securities and Exchange Commission, and any other
104 organization designated by the commissioner by rule, regulation or
105 order.

106 (i) "Federally insured depository financial
107 institution" means a bank, credit union, savings and loan
108 association, trust company, savings association, savings bank,
109 industrial bank or industrial loan company organized under the
110 laws of the United States or any state of the United States, when
111 such bank, credit union, savings and loan association, trust
112 company, savings association, savings bank, industrial bank or
113 industrial loan company has federally insured deposits.

114 (j) "In this state" means at a physical location within
115 this state for a transaction requested in person. For a
116 transaction requested electronically or by phone, the provider of
117 money transmission may determine if the person requesting the
118 transaction is "in this state" by relying on other information
119 provided by the person regarding the location of the individual's
120 residential address or a business entity's principal place of
121 business or other physical address location, and any records
122 associated with the person that the provider of money transmission
123 may have that indicate such location, including, but not limited
124 to, an address associated with an account.

125 (k) "Individual" means a natural person.



(l) "Key individual" means any individual ultimately responsible for establishing or directing policies and procedures of the licensee, such as an executive officer, manager, director or trustee.

(m) "Licensee" means a person licensed under this act.

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

(o) "Money" means a medium of exchange that is authorized or adopted by the United States or a foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two (2) or more governments.

(p) "Monetary value" means a medium of exchange, whether or not redeemable in money.

(q) "Money transmission" means any of the following:

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

(ii) Selling or issuing stored value to a person located in this state; and

(iii) Receiving money or monetary value for transmission from a person located in this state.



(r) "MSB accredited state" means a state agency that is accredited by the Conference of State Bank Supervisors and Money Transmitter Regulators Association for money transmission licensing and supervision.

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

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

(u) "Outstanding money transmission obligations" shall be established and extinguished in accordance with applicable state law and shall mean:

(i) Any payment instrument or stored value issued or sold by the licensee to a person located in the United States or reported as sold by an authorized delegate of the licensee to a person who is located in the United States that has not yet been



174 paid or refunded by or for the licensee, or escheated in
175 accordance with applicable abandoned property laws;

176 (ii) Any money received for transmission by the
177 licensee or an authorized delegate in the United States from a
178 person located in the United States that has not been received by
179 the payee or refunded to the sender, or escheated in accordance
180 with applicable abandoned property laws; or

181 (iii) For purposes of this paragraph (u), "in the
182 United States" shall include, to the extent applicable, a person
183 in any state, territory, or possession of the United States; the
184 District of Columbia; the Commonwealth of Puerto Rico; or a U.S.
185 military installation that is located in a foreign country.

186 (v) "Passive investor" means a person that:

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

191 (ii) Is not employed by and does not have any
192 managerial duties of the licensee or person in control of a
193 licensee;

194 (iii) Does not have the power to exercise,
195 directly or indirectly, a controlling influence over the
196 management or policies of a licensee or person in control of a
197 licensee; and

198 (iv) Either:



199 1. Attests to subparagraphs (i), (ii) and
200 (iii) in this paragraph, in a form and in a medium prescribed by
201 the commissioner; or

202 2. Commits to the passivity characteristics
203 of subparagraphs (i), (ii) and (iii) of this paragraph, in a
204 written document.

205 (w) "Payment instrument" means a written or electronic
206 check, draft, money order, traveler's check or other written or
207 electronic instrument for the transmission or payment of money or
208 monetary value, whether or not negotiable. The term does not
209 include stored value or any instrument that (i) is redeemable by
210 the issuer only for goods or services provided by the issuer or
211 its affiliate or franchisees of the issuer or its affiliate,
212 except to the extent required by applicable law to be redeemable
213 in cash for its cash value; or (ii) is not sold to the public but
214 issued and distributed as part of a loyalty, rewards, or
215 promotional program.

216 (x) "Person" means any individual, general partnership,
217 limited partnership, limited liability company, corporation,
218 trust, association, joint-stock corporation or other corporate
219 entity identified by the commissioner.

220 (y) "Receiving money for transmission" or "money
221 received for transmission" means receiving money or monetary value
222 in the United States for transmission within or outside the United
223 States by electronic or other means.



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

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

SECTION 4. Exemptions. This act does not apply to:

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

(b) A person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods



or services, other than money transmission itself, provided to the payor by the payee, provided that:

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

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

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

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

(i) Is properly licensed or exempt from licensing requirements under this act;

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

(iii) Bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including the obligation to make the sender whole in connection with any



273 failure to transmit the funds to the sender's designated
274 recipient;

275 (d) The United States or a department, agency, or
276 instrumentality thereof, or its agent;

277 (e) Money transmission by the United States Postal
278 Service or by an agent of the United States Postal Service;

279 (f) A state, county, city, or any other governmental
280 agency or governmental subdivision or instrumentality of a state,
281 or its agent;

282 (g) A federally insured depository financial
283 institution, bank holding company, office of an international
284 banking corporation, foreign bank that establishes a federal
285 branch pursuant to the International Bank Act, 12 USC § 3102, as
286 amended or recodified from time to time, corporation organized
287 pursuant to the Bank Service Corporation Act, 12 USC §§ 1861-1867,
288 as amended or recodified from time to time, or corporation
289 organized under the Edge Act, 12 USC §§ 611-633, as amended or
290 recodified from time to time, under the laws of a state or the
291 United States;

292 (h) Electronic funds transfer of governmental benefits
293 for a federal, state, county or governmental agency by a
294 contractor on behalf of the United States or a department, agency
295 or instrumentality thereof, or on behalf of a state or
296 governmental subdivision, agency or instrumentality thereof;



297 (i) A board of trade designated as a contract market
298 under the federal Commodity Exchange Act, 7 USC §§ 1-25, as
299 amended or recodified from time to time, or a person that, in the
300 ordinary course of business, provides clearance and settlement
301 services for a board of trade to the extent of its operation as or
302 for such a board;

303 (j) A registered futures commission merchant under the
304 federal commodities laws to the extent of its operation as such a
305 merchant;

306 (k) A person registered as a securities broker-dealer
307 under federal or state securities laws to the extent of its
308 operation as such a broker-dealer;

309 (l) An individual employed by a licensee, authorized
310 delegate or any person exempted from the licensing requirements of
311 the act when acting within the scope of employment and under the
312 supervision of the licensee, authorized delegate or exempted
313 person as an employee and not as an independent contractor;

314 (m) A person expressly appointed as a third-party
315 service provider to or agent of an entity exempted under paragraph
316 (g) of this section, solely to the extent that:

317 (i) Such service provider or agent is engaging in
318 money transmission on behalf of and pursuant to a written
319 agreement with the exempt entity that sets forth the specific
320 functions that the service provider or agent is to perform; and



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

(n) A person exempt by regulation or order if the commissioner finds such exemption to be in the public interest and that the regulation of such person is not necessary for the purposes of this act; or

(o) A payroll processing service provider, which means a person receiving money for transmission pursuant to a contract with a person to deliver wages or salaries, make payment of payroll taxes to state and federal agencies, make payments relating to employee benefit plans, or make distributions of other authorized deductions from wages or salaries.

SECTION 5. Authority to require demonstration of exemption.

The commissioner may require that any person claiming to be exempt from licensing pursuant to Section 4 of this act provide information and documentation to the commissioner demonstrating that it qualifies for any claimed exemption.

SECTION 6. Implementation. (1) In order to carry out the

purposes of this act, the commissioner may, subject to the provisions of Section 7(1) and (2) of this act:



345 (a) Enter into agreements or relationships with other
346 government officials or federal and state regulatory agencies and
347 regulatory associations in order to improve efficiencies and
348 reduce regulatory burden by standardizing methods or procedures,
349 and sharing resources, records or related information obtained
350 under this act;

351 (b) Use, hire, contract or employ analytical systems,
352 methods or software to examine or investigate any person subject
353 to this act;

354 (c) Accept, from other state or federal government
355 agencies or officials, licensing, examination or investigation
356 reports made by such other state or federal government agencies or
357 officials; and

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

362 (2) The commissioner shall have the broad administrative
363 authority to administer, interpret and enforce this act, and to
364 promulgate rules or regulations implementing this act and to
365 recover the cost of administering and enforcing this act by
366 imposing and collecting proportionate and equitable fees and costs
367 associated with applications, examinations, investigations, and
368 other actions required to achieve the purpose of this act.



SECTION 7. Confidentiality.

(1) Except as otherwise provided in subsection (2) of this section, all information or reports obtained by the commissioner from an applicant, licensee or authorized delegate, and all information contained in or related to an examination, investigation, operating report or condition report prepared by, on behalf of, or for the use of the commissioner, or financial statements, balance sheets or authorized delegate information, are confidential and are not subject to disclosure under this state's public records law.

(2) The commissioner may disclose information not otherwise subject to disclosure under subsection (1) of this section to representatives of state or federal agencies who promise in a record that they will maintain the confidentiality of the information or where the commissioner finds that the release is necessary for the protection and interest of the public in accordance with state public records law.

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

(4) Information contained in the records of department that is not confidential and may be made available to the public either on the department's website, upon receipt by the department of a written request, or in NMLS shall include:

(a) The name, business address, telephone number and unique identifier of a licensee;



(b) The business address of a licensee's registered agent for service;

(c) The name, business address and telephone number of all authorized delegates;

(d) The terms of or a copy of any bond filed by a licensee, provided that confidential information, including, but not limited to, prices and fees for such bond is redacted;

(e) Copies of any nonconfidential final orders of the department relating to any violation of this act or regulations implementing this act.

(5) Imposition of an administrative fine or penalty under this act.

SECTION 8. Supervision. (1) The commissioner may conduct an annual examination or investigation of a licensee or authorized delegate or otherwise take independent action authorized by this act or by a rule or regulation adopted or order issued under this act at any time or times the commissioner deems proper to administer and enforce this act, regulations implementing this act, and other applicable law, including the Bank Secrecy Act and the USA PATRIOT ACT. The commissioner may:

(a) Conduct an examination either on-site or off-site as the commissioner may require;

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



419 (c) Accept the examination report of another state
420 agency or an agency of another state or of the federal government,
421 or a report prepared by an independent accounting firm, which on
422 being accepted is considered for all purposes as an official
423 report of the commissioner; and

424 (d) Summon and examine under oath a key individual or
425 employee of a licensee or authorized delegate and require the
426 person to produce records regarding any matter related to the
427 condition and business of the licensee or authorized delegate.

428 (2) A licensee or authorized delegate shall provide, and the
429 commissioner shall have full and complete access to, all records
430 the commissioner may require to conduct a complete examination.
431 The records must be provided at the location and in the format
432 specified by the commissioner, provided, the commissioner may
433 utilize multistate record production standards and examination
434 procedures when such standards will reasonably achieve the
435 requirements of this subsection. The refusal of access to such
436 records by a licensee shall be cause for revocation of its
437 license.

438 (3) Unless otherwise directed by the commissioner, a
439 licensee shall pay all costs actually incurred in connection with
440 an examination of the licensee or the licensee's authorized
441 delegates.

442 **SECTION 9. Networked supervision.** (1) To efficiently and
443 effectively administer and enforce this act and to minimize



regulatory burden, the commissioner is authorized and encouraged to participate in multistate supervisory processes established between states and coordinated through the Conference of State Bank Supervisors, Money Transmitter Regulators Association and affiliates and successors thereof for all licensees that hold licenses in this state and other states. As a participant in multistate supervision, the commissioner will:

(a) Cooperate, coordinate and share information with other state and federal regulators in accordance with Section 7 of this act;

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

(c) Cooperate, coordinate and share information with organizations the membership of which is made up of state or federal governmental agencies, provided that the organizations agree in writing to maintain the confidentiality and security of the shared information in accordance with Section 7 of this act.

(2) The commissioner may not waive, and nothing in this section constitutes a waiver of, the commissioner's authority to conduct an examination or investigation or otherwise take independent action authorized by this act or a rule or regulation adopted, or order issued under this act to enforce compliance with applicable state or federal law.



(3) A joint examination or investigation, or acceptance of an examination or investigation report, does not waive an examination assessment provided for in this act.

SECTION 10. Relationship to federal law. (1) In the event state money transmission jurisdiction is conditioned on a federal law, any inconsistencies between a provision of this act and the federal law governing money transmission shall be governed by the applicable federal law to the extent of the inconsistency.

(2) In the event of any inconsistencies between this act and a federal law that governs pursuant to subsection (1) of this section, the commissioner may provide interpretive guidance that:

- (a) Identifies the inconsistency; and
- (b) Identifies the appropriate means of compliance with federal law.

SECTION 11. License required. (1) A person may not engage in the business of money transmission or advertise, solicit or hold itself out as providing money transmission unless the person is licensed under this act;

(2) Subsection (1) of this section does not apply to:

- (a) A person who is an authorized delegate of a person licensed under this act acting within the scope of authority conferred by a written contract with the licensee; or
- (b) A person who is exempt pursuant to Section 4 of this act and does not engage in money transmission outside the scope of such exemption.



(3) A license issued under Section 15 of this act is not transferable or assignable.

SECTION 12. Consistent state licensing. (1) To establish consistent licensing between this state and other states, the commissioner is authorized and encouraged to:

(a) Implement all licensing provisions of this act in a manner that is consistent with other states that have adopted this act or multistate licensing processes; and

(b) Participate in nationwide protocols for licensing cooperation and coordination among state regulators provided that such protocols are consistent with this act.

(2) In order to fulfill the purposes of this act, the commissioner is authorized and encouraged to establish relationships or contracts with NMLS or other entities designated by NMLS to enable the commissioner to:

(a) Collect and maintain records;

(b) Coordinate multistate licensing processes and supervision processes;

(c) Process fees; and

(d) Facilitate communication between state and licensees or other persons subject to this act.

(3) The commissioner is authorized and encouraged to utilize NMLS for all aspects of licensing in accordance with this act, including, but not limited to, license applications, applications for acquisitions of control, surety bonds, reporting, criminal



history background checks, credit checks, fee processing and examinations.

(4) The commissioner is authorized and encouraged to utilize NMLS forms, processes and functionalities in accordance with this act. In the event NMLS does not provide functionality, forms, or processes for a provision of this act, the commissioner is authorized and encouraged to strive to implement the requirements in a manner that facilitates uniformity with respect to licensing, supervision, reporting and regulation of licensees which are licensed in multiple jurisdictions.

(5) For the purpose of participating in the Nationwide Multistate Licensing System & Registry, the commissioner is authorized to waive or modify, in whole or in part, by rule, regulation or order, any or all of the requirements and to establish new requirements as necessary to participate in the Nationwide Multistate Licensing System & Registry.

SECTION 13. **Application for license.** (1) Applicants for a license shall apply in a form and in a medium as prescribed by the commissioner. Each such form shall contain content as set forth by rule, regulation, instruction or procedure of the commissioner and may be changed or updated by the commissioner in accordance with applicable law in order to carry out the purposes of this act and maintain consistency with NMLS licensing standards and practices. The application must state or contain, as applicable:



543 (a) The legal name and residential and business
544 addresses of the applicant and any fictitious or trade name used
545 by the applicant in conducting its business;

546 (b) A list of any criminal convictions of the applicant
547 and any material litigation in which the applicant has been
548 involved in the ten-year period next preceding the submission of
549 the application;

550 (c) A description of any money transmission previously
551 provided by the applicant and the money transmission that the
552 applicant seeks to provide in this state;

553 (d) A list of the applicant's proposed authorized
554 delegates and the locations in this state where the applicant and
555 its authorized delegates propose to engage in money transmission;

556 (e) A list of other states in which the applicant is
557 licensed to engage in money transmission and any license
558 revocations, suspensions or other disciplinary action taken
559 against the applicant in another state;

560 (f) Information concerning any bankruptcy or
561 receivership proceedings affecting the licensee or a person in
562 control of a licensee;

563 (g) A sample form of contract for authorized delegates,
564 if applicable;

565 (h) A sample form of payment instrument or stored
566 value, as applicable;



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

(j) Any other information the commissioner or NMLS requires with respect to the applicant.

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

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

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

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

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

(e) A list of any criminal convictions and material litigation in which a person in control of the applicant that is



not an individual has been involved in the ten-year period next preceding the submission of the application;

(f) A copy of audited financial statements of the applicant for the most recent fiscal year and for the two-year period next preceding the submission of the application;

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

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

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

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

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

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



(k) Any other information the commissioner requires with respect to the applicant.

(3) A nonrefundable license fee of One Thousand Five Hundred Dollars (\$1,500.00) must accompany an application for a license under this section. However, beginning with calendar year 2025 and for each subsequent calendar year, on or before July 1 of the following year, the Mississippi Department of Banking and Consumer Finance will issue a memo authorizing a new license fee under this section. The new amount will be calculated by applying any increase or decrease in the United States Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) for the previous calendar year to the previous fee amount and rounding that amount upward to the nearest One-Hundred-Dollar increment.

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

SECTION 14. Information requirements for certain individuals. (1) Any individual in control of a licensee or applicant, any individual who seeks to acquire control of a licensee and each key individual shall furnish to the commissioner through NMLS the following items:

(a) The individual's fingerprints for submission to the Federal Bureau of Investigation and the commissioner for purposes of a national criminal history background check unless the person



currently resides outside of the United States and has resided outside of the United States for the last ten (10) years;

(b) Personal history and experience in a form and in a medium prescribed by the commissioner, to obtain the following:

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

(ii) Information related to any criminal convictions or pending charges; provided an applicant shall not have been convicted of a felony in any jurisdiction or a misdemeanor of fraud, theft, forgery, bribery, embezzlement, or making a fraudulent or false statement in any jurisdiction; and

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

(2) If the individual has resided outside of the United States at any time in the last ten (10) years, the individual shall also provide an investigative background report prepared by an independent search firm that meets the following requirements:

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

(i) Demonstrate that it has sufficient knowledge, resources, and employs accepted and reasonable methodologies to conduct the research of the background report; and



(ii) Not be affiliated with or have an interest with the individual it is researching.

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

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

(ii) Criminal records information for the past ten (10) years, including, but not limited to, felonies, misdemeanors, or similar convictions for violations of law in the countries, provinces, states, cities, towns, and contiguous areas where the individual resided and worked;

(iii) Employment history;

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

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

SECTION 15. Issuance of license. (1) When an application for an original license under this act appears to include all the



690 items and addresses all of the matters that are required, the
691 application is complete and the commissioner shall promptly notify
692 the applicant in a record of the date on which the application is
693 determined to be complete, and:

694 (a) The commissioner shall approve or deny the
695 application within one hundred twenty (120) days after the
696 completion date; or

697 (b) If the application is not approved or denied within
698 one hundred twenty (120) days after the completion date:

699 (i) The application is approved;

700 (ii) The license takes effect as of the first
701 business day after expiration of the one-hundred-twenty-day
702 period; and

703 (iii) The commissioner may for good cause extend
704 the application period.

705 (2) A determination by the commissioner that an application
706 is complete and is accepted for processing means only that the
707 application, on its face, appears to include all of the items,
708 including the Criminal Background Check response from the FBI, and
709 address all of the matters that are required, and is not an
710 assessment of the substance of the application or of the
711 sufficiency of the information provided.

712 (3) When an application is filed and considered complete
713 under this section, the commissioner shall investigate the
714 applicant's financial condition and responsibility, financial and



business experience, character and general fitness. The commissioner may conduct an on-site investigation of the applicant, the cost of which the applicant must pay. The commissioner shall issue a license to an applicant under this section if the commissioner finds that all of the following conditions have been fulfilled:

(a) The applicant has complied with Sections 13 and 14 of this act; and

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

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

(a) The commissioner is authorized and encouraged to accept the investigation results of a lead investigative state for the purpose of subsection (3) of this section if the lead investigative state has sufficient staffing, expertise, and minimum standards; or

(b) If Mississippi is a lead investigative state, the commissioner is authorized and encouraged to investigate the applicant pursuant to subsection (3) of this section and the



timeframes established by agreement through the multistate licensing process, provided, however, that in no case shall such timeframe be noncompliant with the application period in subsection (1) (a) of this section.

(5) The commissioner shall issue a formal written notice of the denial of a license application. The commissioner shall set forth in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the commissioner under this subsection (5) may appeal within thirty (30) days after receipt of the written notice of the denial. Such appeal shall be to the Chancery Court of the First Judicial District of Hinds County, Mississippi.

(6) The initial license term shall begin on the day the application is approved. The license shall expire on December 31 of the year in which the license term began, unless the initial license date is between November 1 and December 31, in which instance the initial license term shall run through December 31 of the following year.

SECTION 16. Renewal of license. (1) A license under this act shall be renewed annually.

(a) An annual renewal fee of Eight Hundred Dollars (\$800.00) plus One Hundred Dollars (\$100.00) for each location in excess of one in Mississippi through which the licensee plans to conduct money transmission during the license year for which the fee is paid, shall be paid, provided that in no event shall the



annual renewal fee exceed Five Thousand Eight Hundred Dollars (\$5,800.00). Such renewal fee shall be paid no more than sixty (60) days before the license expiration.

(b) The renewal term shall be for a period of one (1) year and shall begin on January 1 of each year after the initial license term and shall expire on December 31 of the year the renewal term begins.

(2) A licensee shall submit a renewal report with the renewal fee, in a form and in a medium prescribed by the commissioner. The renewal report must state or contain a description of each material change in information submitted by the licensee in its original license application which has not been reported to the commissioner.

(3) The commissioner, for good cause, may grant an extension of the renewal date.

(4) The commissioner is authorized and encouraged to utilize NMLS to process license renewals provided that such functionality is consistent with this section.

SECTION 17. Maintenance of license. (1) If a licensee does not continue to meet the qualifications or satisfy the requirements that apply to an applicant for a new money transmission license, the commissioner may suspend or revoke the licensee's license in accordance with the procedures established by this act or other applicable state law for such suspension or revocation.



(2) An applicant for a money transmission license must demonstrate that it meets or will meet, and a money transmission licensee must at all times meet, the requirements in Sections 31, 32 and 33 of this act.

SECTION 18. Acquisition of control. (1) Any person, or group of persons acting in concert, seeking to acquire control of a licensee shall obtain the written approval of the commissioner prior to acquiring control.

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

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

(b) Submit a nonrefundable fee as required under Section 13 of this act with the request for approval.

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

(4) The application required by subsection (2)(a) of this section shall include information required by Section 14 of this act for any new key individuals who have not previously completed the requirements of Section 14 of this act for a licensee.

(5) When an application for acquisition of control under this section appears to include all the items and address all of



the matters that are required, the application shall be considered complete, and the commissioner shall promptly notify the applicant in a record of the date on which the application was determined to be complete and:

(a) The commissioner shall approve or deny the application within sixty (60) days after the completion date; or

(b) If the application is not approved or denied within sixty (60) days after the completion date:

(i) The application is approved; and

(ii) The person, or group of persons acting in concert, are not prohibited from acquiring control.

(c) The commissioner may for good cause extend the application period.

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

(7) When an application is filed and considered complete under subsection (5) of this section, the commissioner shall investigate the financial condition and responsibility, financial and business experience, character and general fitness of the person, or group of persons acting in concert, seeking to acquire control. The commissioner shall approve an acquisition of control



pursuant to this section if the commissioner finds that all of the following conditions have been fulfilled:

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

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

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

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

(b) If Mississippi is a lead investigative state, the commissioner is authorized and encouraged to investigate the applicant pursuant to subsection (7) of this section and the timeframes established by agreement through the multistate licensing process.



(9) The commissioner shall issue a formal written notice of the denial of an application to acquire control. The commissioner shall set forth in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the commissioner under this section may appeal within thirty (30) days after receipt of the written notice of the denial. Such appeal shall be to the Chancery Court of the First Judicial District of Hinds County, Mississippi.

(10) The requirements of subsections (1) and (2) of this section do not apply to any of the following:

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

(b) A person who acquires control of a licensee by devise or descent;

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

(d) A person who is exempt under Section 4(7) of this act;

(e) A person who the commissioner determines is not subject to subsection (1) of this section based on the public interest;



890 (f) A public offering of securities of a licensee or a
891 person in control of a licensee; or

892 (g) An internal reorganization of a person in control
893 of the licensee where the ultimate person in control of the
894 licensee remains the same.

895 (11) Persons in subsection (10)(b), (c), (d), (f) and (g) of
896 this section in cooperation with the licensee shall notify the
897 commissioner within fifteen (15) days after the acquisition of
898 control.

899 (12) Streamlined Acquisition of Control.

900 (a) The requirements of subsections (1) and (2) of this
901 section do not apply to a person who has complied with and
902 received approval to engage in money transmission under this act
903 or was identified as a person in control in a prior application
904 filed with and approved by the commissioner or by an MSB
905 accredited state pursuant to a multistate licensing process,
906 provided that:

907 (i) The person has not had a license revoked or
908 suspended or controlled a licensee that has had a license revoked
909 or suspended while the person was in control of the licensee in
910 the previous five (5) years;

911 (ii) If the person is a licensee, the person is
912 well managed and has received at least a satisfactory rating for
913 compliance at its most recent examination by an MSB accredited
914 state if such rating was given;



915 (iii) The licensee to be acquired is projected to
916 meet the requirements of Sections 31, 32 and 33 of this act after
917 the acquisition of control is completed, and if the person
918 acquiring control is a licensee, that licensee is also projected
919 to meet the requirements of Sections 31, 32 and 33 of this act
920 after the acquisition of control is completed;

921 (iv) The licensee to be acquired will not
922 implement any material changes to its business plan as a result of
923 the acquisition of control, and if the person acquiring control is
924 a licensee, that licensee also will not implement any material
925 changes to its business plan as a result of the acquisition of
926 control; and

927 (v) The person provides notice of the acquisition
928 in cooperation with the licensee and attests to this paragraph
929 (a) (i), (ii), (iii) and (iv) in a form and in a medium prescribed
930 by the commissioner.

931 (b) If the notice is not disapproved within thirty (30)
932 days after the date on which the notice was determined to be
933 complete, the notice is deemed approved.

934 (13) Before filing an application for approval to acquire
935 control of a licensee a person may request in writing a
936 determination from the commissioner as to whether the person would
937 be considered a person in control of a licensee upon consummation
938 of a proposed transaction. If the commissioner determines that
939 the person would not be a person in control of a licensee, the



proposed person and transaction is not subject to the requirements of subsections (1) and (2) of this section.

(14) If a multistate licensing process includes a determination pursuant to subsection (13) of this section and an applicant avails itself or is otherwise subject to the multistate licensing process:

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

(b) If a state is a lead investigative state, the commissioner is authorized and encouraged to investigate the applicant pursuant to subsection (13) of this section and the timeframes established by agreement through the multistate licensing process.

SECTION 19. Notice and information requirements for a change of key individuals. (1) A licensee adding or replacing any key individual shall:

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

(b) Provide information as required by Section 14 of this act within forty-five (45) days of the effective date.

(2) Within ninety (90) days of the date on which the notice provided pursuant to subsection (1) of this section was determined



to be complete, the commissioner may issue a notice of disapproval of a key individual if the competence, experience, character or integrity of the individual would not be in the best interests of the public or the customers of the licensee to permit the individual to be a key individual of such licensee.

(3) A notice of disapproval shall contain a statement of the basis for disapproval and shall be sent to the licensee and the disapproved individual. A licensee may appeal a notice of disapproval within thirty (30) days after receipt of such notice of disapproval. Such appeal shall be to the Chancery Court of the First Judicial District of Hinds County, Mississippi.

(4) If the notice provided pursuant to subsection (1) of this section is not disapproved within ninety (90) days after the date on which the notice was determined to be complete, the key individual is deemed approved.

(5) If a multistate licensing process includes a key individual notice review and disapproval process pursuant to this section and the licensee avails itself or is otherwise subject to the multistate licensing process:

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

(b) If Mississippi is a lead investigative state, the commissioner is authorized and encouraged to investigate the



applicant pursuant to subsection (2) of this section and the timeframes established by agreement through the multistate licensing process.

SECTION 20. Report of condition. (1) Each licensee shall submit a report of condition (i.e. call report) within forty-five (45) days of the end of the calendar quarter, or within any extended time as the commissioner may prescribe.

(2) The report of condition shall include:

- (a) Financial information at the licensee level;
- (b) Nationwide and state-specific money transmission transaction information in every jurisdiction in the United States where the licensee is licensed to engage in money transmission;
- (c) Permissible investments report;
- (d) Transaction destination country reporting for money received for transmission, if applicable; and

(e) Any other information the commissioner requires with respect to the licensee. The commissioner is authorized and encouraged to utilize NMLS for the submission of the report required by this subsection (1) of this section and is authorized to change or update as necessary the requirements of this section to carry out the purposes of this act and maintain consistency with NMLS reporting.

(3) The information required by subsection (2)(d) of this section shall only be included in a report of condition submitted



within forty-five (45) days of the end of the fourth calendar quarter.

SECTION 21. Audited financials. (1) Each licensee shall, within ninety (90) days after the end of each fiscal year, or within any extended time as the commissioner may prescribe, file with the commissioner:

(a) An audited financial statement of the licensee for the fiscal year prepared in accordance with United States Generally Accepted Accounting Principles; and

(b) Any other information as the commissioner may require.

(2) The audited financial statements shall be prepared by an independent certified public accountant or independent public accountant who is satisfactory to the commissioner.

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

SECTION 22. Authorized delegate reporting. (1) Each licensee shall submit a report of authorized delegates within forty-five (45) days of the end of the calendar quarter. The



commissioner is authorized and encouraged to utilize NMLS for the submission of the report required by this subsection provided that such functionality is consistent with the requirements of this section. Such utilization shall include the NMLS Uniform Authorized Agent Reporting (UAAR) process, or such other similar process as designated by NMLS.

(2) The authorized delegate report shall include, at a minimum, each authorized delegate's:

- (a) Company legal name;
- (b) Taxpayer employer identification number;
- (c) Principal provider identifier;
- (d) Physical address;
- (e) Mailing address;
- (f) Any business conducted in other states;
- (g) Any fictitious or trade name;
- (h) Contact person name, phone number, and email;
- (i) Start date as licensee's authorized delegate;
- (j) End date acting as licensee's authorized delegate, if applicable; and
- (k) Any other information the commissioner requires with respect to the authorized delegate.

SECTION 23. **Reports of certain events.** (1) A licensee shall file a report with the commissioner within one (1) business day after the licensee has reason to know of the occurrence of any of the following events:



1064 (a) The filing of a petition by or against the licensee
1065 under the United States Bankruptcy Code, 11 USC § 101-110, as
1066 amended or recodified from time to time, for bankruptcy or
1067 reorganization;

1068 (b) The filing of a petition by or against the licensee
1069 for receivership, the commencement of any other judicial or
1070 administrative proceeding for its dissolution or reorganization,
1071 or the making of a general assignment for the benefit of its
1072 creditors; or

1073 (c) The commencement of a proceeding to revoke or
1074 suspend its license in a state or country in which the licensee
1075 engages in business or is licensed.

1076 (2) A licensee shall file a report with the commissioner
1077 within three (3) business day after the licensee has reason to
1078 know of the occurrence of any of the following events:

1079 (a) A charge or conviction of the licensee or of a key
1080 individual or person in control of the licensee for a felony; or

1081 (b) A charge or conviction of an authorized delegate
1082 for a felony.

1083 **SECTION 24. Bank Secrecy Act reports.** A licensee and an
1084 authorized delegate shall file all reports required by federal
1085 currency reporting, record keeping, and suspicious activity
1086 reporting requirements as set forth in the Bank Secrecy Act and
1087 other federal and state laws pertaining to money laundering. The
1088 timely filing of a complete and accurate report required under



1089 this section with the appropriate federal agency is deemed
1090 compliant with the requirements of this section.

1091 **SECTION 25. Records.** (1) A licensee shall maintain the
1092 following records, for determining its compliance with this act
1093 for at least five (5) years:

1094 (a) A record of each money transmission obligation
1095 sold;

1096 (b) A general ledger posted at least monthly containing
1097 all asset, liability, capital, income and expense accounts;

1098 (c) Bank statements and bank reconciliation records;

1099 (d) Records of outstanding money transmission;

1100 (e) Records of each outstanding money transmission
1101 obligation paid within the five-year period;

1102 (f) A list of the last-known names and addresses of all
1103 of the licensee's authorized delegates; and

1104 (g) Any other records the commissioner requires by
1105 rule, regulation or order.

1106 (2) The items specified in subsection (1) of this section
1107 may be maintained in photographic, electronic or other similar
1108 form.

1109 (3) Records specified in subsection (1) of this section may
1110 be maintained outside this state if they are made accessible to
1111 the commissioner on seven (7) business days' notice that is sent
1112 in a record.



1113 (4) All records maintained by the licensee as required in
1114 subsections (1) through (3) of this section are open to inspection
1115 by the commissioner pursuant to Section 8(1) of this act.

1116 **SECTION 26. Relationship between licensee and authorized**

1117 **delegate.** (1) In this section, "remit" means to make direct
1118 payments of money to a licensee or its representative authorized
1119 to receive money or to deposit money in a bank in an account
1120 specified by the licensee.

1121 (2) Before a licensee is authorized to conduct business
1122 through an authorized delegate or allows a person to act as the
1123 licensee's authorized delegate, the licensee must:

1124 (a) Adopt, and update as necessary, written policies
1125 and procedures designed to ensure that the licensee's authorized
1126 delegates comply with applicable state and federal law;

1127 (b) Enter into a written contract that complies with
1128 subsection (4) of this section; and

1129 (c) Conduct a risk-based background investigation
1130 sufficient for the licensee to determine whether the authorized
1131 delegate has complied and will likely comply with applicable state
1132 and federal law.

1133 (3) An authorized delegate must operate in full compliance
1134 with this act.

1135 (4) The written contract required by subsection (2) of this
1136 section must be signed by the licensee and the authorized delegate
1137 and, at a minimum, must:



1138 (a) Appoint the person signing the contract as the
1139 licensee's authorized delegate with the authority to conduct money
1140 transmission on behalf of the licensee;

1141 (b) Set forth the nature and scope of the relationship
1142 between the licensee and the authorized delegate and the
1143 respective rights and responsibilities of the parties;

1144 (c) Require the authorized delegate to agree to fully
1145 comply with all applicable state and federal laws, rules, and
1146 regulations pertaining to money transmission, including this act
1147 and regulations implementing this act, relevant provisions of the
1148 Bank Secrecy Act and the USA PATRIOT ACT;

1149 (d) Require the authorized delegate to remit and handle
1150 money and monetary value in accordance with the terms of the
1151 contract between the licensee and the authorized delegate;

1152 (e) Impose a trust on money and monetary value net of
1153 fees received for money transmission for the benefit of the
1154 licensee;

1155 (f) Require the authorized delegate to prepare and
1156 maintain records as required by this act or regulations
1157 implementing this act, or as requested by the commissioner;

1158 (g) Acknowledge that the authorized delegate consents
1159 to examination or investigation by the commissioner;

1160 (h) State that the licensee is subject to regulation by
1161 the commissioner and that, as part of that regulation, the
1162 commissioner may suspend or revoke an authorized delegate



1163 designation or require the licensee to terminate an authorized
1164 delegate designation; and

1165 (i) Acknowledge receipt of the written policies and
1166 procedures required under subsection (2)(a) of this section.

1167 (5) If the licensee's license is suspended, revoked,
1168 surrendered or expired, the licensee must, within five (5)
1169 business days, provide documentation to the commissioner that the
1170 licensee has notified all applicable authorized delegates of the
1171 licensee whose names are in a record filed with the commissioner
1172 of the suspension, revocation, surrender or expiration of a
1173 license. Upon suspension, revocation, surrender or expiration of
1174 a license, applicable authorized delegates shall immediately cease
1175 to provide money transmission as an authorized delegate of the
1176 licensee.

1177 (6) An authorized delegate of a licensee holds in trust for
1178 the benefit of the licensee all money net of fees received from
1179 money transmission. If any authorized delegate commingles any
1180 funds received from money transmission with any other funds or
1181 property owned or controlled by the authorized delegate, all
1182 commingled funds and other property shall be considered held in
1183 trust in favor of the licensee in an amount equal to the amount of
1184 money net of fees received from money transmission.

1185 (7) An authorized delegate may not use a subdelegate to
1186 conduct money transmission on behalf of a licensee.



1187 **SECTION 27. Unauthorized activities.** A person shall not
1188 engage in the business of money transmission on behalf of a person
1189 not licensed under this act or not exempt pursuant to Sections 4
1190 and 5 of this act. A person who engages in such activity provides
1191 money transmission to the same extent as if the person were a
1192 licensee, and shall be jointly and severally liable with the
1193 unlicensed or nonexempt person.

1194 **SECTION 28. Timely transmission.** (1) Every licensee shall
1195 forward all money received for transmission in accordance with the
1196 terms of the agreement between the licensee and the sender unless
1197 the licensee has a reasonable belief or a reasonable basis to
1198 believe that the sender may be a victim of fraud or that a crime
1199 or violation of law, rule or regulation has occurred, is
1200 occurring, or may occur.

1201 (2) If a licensee fails to forward money received for
1202 transmission in accordance with this section, the licensee must
1203 respond to inquiries by the sender with the reason for the failure
1204 unless providing a response would violate a state or federal law,
1205 rule, or regulation.

1206 **SECTION 29. Refunds.** (1) This section does not apply to:

1207 (a) Money received for transmission subject to the
1208 federal Remittance Rule (12 CFR Part 1005, Subpart B), as amended
1209 or recodified from time to time; or



1210 (b) Money received for transmission pursuant to a
1211 written agreement between the licensee and payee to process
1212 payments for goods or services provided by the payee.

1213 (2) Every licensee shall refund to the sender within ten
1214 (10) days of receipt of the sender's written request for a refund
1215 of any and all money received for transmission unless any of the
1216 following occurs:

1217 (a) The money has been forwarded within ten (10) days
1218 of the date on which the money was received for transmission;

1219 (b) Instructions have been given committing an
1220 equivalent amount of money to the person designated by the sender
1221 within ten (10) days of the date on which the money was received
1222 for transmission;

1223 (c) The agreement between the licensee and the sender
1224 instructs the licensee to forward the money at a time that is
1225 beyond ten (10) days of the date on which the money was received
1226 for transmission. If funds have not yet been forwarded in
1227 accordance with the terms of the agreement between the licensee
1228 and the sender, the licensee shall issue a refund in accordance
1229 with the other provisions of this section;

1230 (d) The refund is requested for a transaction that the
1231 licensee has not completed based on a reasonable belief or a
1232 reasonable basis to believe that a crime or violation of law, rule
1233 or regulation has occurred, is occurring, or may occur; or

1234 (e) The refund request does not enable the licensee to:



1235 (i) Identify the sender's name and address or
1236 telephone number; or

1237 (ii) Identify the particular transaction to be
1238 refunded in the event the sender has multiple transactions
1239 outstanding.

1240 **SECTION 30. Receipts.** (1) This section does not apply to:

1241 (a) Money received for transmission subject to the
1242 federal Remittance Rule (12 CFR Part 1005, Subpart B), as amended
1243 or recodified from time to time;

1244 (b) Money received for transmission that is not
1245 primarily for personal, family or household purposes; or

1246 (c) Money received for transmission pursuant to a
1247 written agreement between the licensee and payee to process
1248 payments for goods or services provided by the payee.

1249 (2) For purposes of this section, "receipt" means a paper
1250 receipt, electronic record or other written confirmation. For a
1251 transaction conducted in person, the receipt may be provided
1252 electronically if the sender requests or agrees to receive an
1253 electronic receipt. For a transaction conducted electronically or
1254 by phone, a receipt may be provided electronically. All
1255 electronic receipts shall be provided in a retainable form.

1256 (3) Every licensee or its authorized delegate shall provide
1257 the sender a receipt for money received for transmission.

1258 (a) The receipt shall contain the following
1259 information, as applicable:



1260 (i) The name of the sender;
1261 (ii) The name of the designated recipient;
1262 (iii) The date of the transaction;
1263 (iv) The unique transaction or identification
1264 number;
1265 (v) The name of the licensee, NMLS Unique ID, the
1266 licensee's business address and the licensee's customer service
1267 telephone number;
1268 (vi) The amount of the transaction in United
1269 States dollars;
1270 (vii) Any fee charged by the licensee to the
1271 sender for the transaction; and
1272 (viii) Any taxes collected by the licensee from
1273 the sender for the transaction.
1274 (b) The receipt required by this section shall be in
1275 English and in the language principally used by the licensee or
1276 authorized delegate to advertise, solicit or negotiate, either
1277 orally or in writing, for a transaction conducted in person,
1278 electronically or by phone, if other than English.

1279 **SECTION 31. Net worth.** (1) A licensee under this act shall
1280 maintain at all times a tangible net worth of the greater of One
1281 Hundred Thousand Dollars (\$100,000.00) or three percent (3%) of
1282 total assets for the first One Hundred Million Dollars
1283 (\$100,000,000.00), two percent (2%) of additional assets for One
1284 Hundred Million Dollars (\$100,000,000.00) to One Billion Dollars



1285 (\$1,000,000,000.00), and one-half percent (0.5%) of additional
1286 assets for over One Billion Dollars (\$1,000,000,000.00).

1287 (2) Tangible net worth must be demonstrated at initial
1288 application by the applicant's most recent audited statements
1289 pursuant to Section 13(2)(f) of this act.

1290 (3) Notwithstanding the foregoing provisions of this
1291 section, the commissioner shall have the authority, for good cause
1292 shown, to exempt, in part or in whole, from the requirements of
1293 this section for any applicant or licensee.

1294 **SECTION 32. Surety bond.** (1) An applicant for a money
1295 transmission license must provide, and a licensee at all times
1296 must maintain, security consisting of a surety bond issued by a
1297 bonding company or insurance company authorized to do business in
1298 the State of Mississippi and in a form satisfactory to the
1299 commissioner or, with the commissioner's approval, a deposit
1300 instead of a bond in accordance with this section.

1301 (2) The amount of the required security shall be
1302 the greater of One Hundred Thousand Dollars (\$100,000.00) or an
1303 amount equal to one hundred percent (100%) of the licensee's
1304 average daily money transmission liability in this state
1305 calculated for the most recently completed three-month period, up
1306 to a maximum of Five Hundred Thousand Dollars (\$500,000.00). A
1307 licensee that maintains a bond in the maximum amount provided for
1308 in subsection (1) of this section or in this subsection, as
1309 applicable, shall not be required to calculate its average daily



1310 money transmission liability in this state for purposes of this
1311 section.

1312 (3) A licensee may exceed the maximum required bond amount
1313 pursuant to Section 34(1)(e) of this act.

1314 (4) The bond shall be in a form satisfactory to the
1315 commissioner and shall run to the state for the use and benefit of
1316 the Department of Banking and Consumer Finance and any claimants
1317 against the licensee or his agents to secure the faithful
1318 performance of the obligations of the licensee and his agents with
1319 respect to the receipt, handling, transmission and payment of
1320 money in connection with money transmissions in Mississippi.

1321 (5) Any claimants against the licensee or his agents may
1322 themselves bring suit directly on the bond, or the Attorney
1323 General may bring suit thereon in behalf of those claimants,
1324 either in one (1) action or successive actions.

1325 (6) The commissioner may increase the required amount of the
1326 bond or deposit upon the basis of the impaired financial condition
1327 of a licensee as evidenced by a reduction in net worth, financial
1328 losses or other relevant criteria.

1329 (7) Any provision in this act to the contrary
1330 notwithstanding, the commissioner may at any time, if in the
1331 commissioner's sole opinion the protection of the public so
1332 requires, increase the principal sum of the bond or deposit
1333 required of any applicant or licensee by this act but in no case



1334 shall the principal sum of the bond or deposit required exceed One
1335 Million Dollars (\$1,000,000.00).

1336 **SECTION 33. Maintenance of permissible.** (1) A licensee
1337 shall maintain at all times permissible investments that have a
1338 market value computed in accordance with United States Generally
1339 Accepted Accounting Principles of not less than the aggregate
1340 amount of all of its outstanding money transmission obligations.

1341 (2) Except for permissible investments enumerated in Section
1342 34(1) of this act, the commissioner, with respect to any licensee,
1343 may by rule, regulation or order limit the extent to which a
1344 specific investment maintained by a licensee within a class of
1345 permissible investments may be considered a permissible
1346 investment, if the specific investment represents undue risk to
1347 customers, not reflected in the market value of investments.

1348 (3) Permissible investments, even if commingled with other
1349 assets of the licensee, are held in trust for the benefit of the
1350 purchasers and holders of the licensee's outstanding money
1351 transmission obligations in the event of insolvency, the filing of
1352 a petition by or against the licensee under the United States
1353 Bankruptcy Code, 11 USC § 101-110, as amended or recodified from
1354 time to time, for bankruptcy or reorganization, the filing of a
1355 petition by or against the licensee for receivership, the
1356 commencement of any other judicial or administrative proceeding
1357 for its dissolution or reorganization, or in the event of an
1358 action by a creditor against the licensee who is not a beneficiary



of this statutory trust. No permissible investments impressed with a trust pursuant to this subsection (3) shall be subject to attachment, levy of execution or sequestration by order of any court, except for a beneficiary of this statutory trust.

(4) Upon the establishment of a statutory trust in accordance with subsection (3) of this section or when any funds are drawn on a letter of credit pursuant to Section 34(1)(d) of this act, the commissioner shall notify the applicable regulator of each state in which the licensee is licensed to engage in money transmission, if any, of the establishment of the trust or the funds drawn on the letter of credit, as applicable. Notice shall be deemed satisfied if performed pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of credit, and any other permissible investments held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations, are deemed held in trust for the benefit of such purchasers and holders on a pro rata and equitable basis in accordance with statutes pursuant to which permissible investments are required to be held in this state, and other states, as applicable. Any statutory trust established hereunder shall be terminated upon extinguishment of all of the licensee's outstanding money transmission obligations.

(5) The commissioner, by rule, regulation or by order may allow other types of investments that the commissioner determines are of sufficient liquidity and quality to be a permissible



1384 investment. The commissioner is authorized to participate in
1385 efforts with other state regulators to determine that other types
1386 of investments are of sufficient liquidity and quality to be a
1387 permissible investment.

1388 **SECTION 34. Types of permissible investments.** (1) The
1389 following investments are permissible under Section 33 of this
1390 act:

1391 (a) Cash (including demand deposits, savings deposits,
1392 and funds in such accounts held for the benefit of the licensee's
1393 customers in a federally insured depository financial institution)
1394 and cash equivalents including ACH items in transit to the
1395 licensee and ACH items or international wires in transit to a
1396 payee, cash in transit via armored car, cash in smart safes, cash
1397 in licensee-owned locations, debit card or credit card-funded
1398 transmission receivables owed by any bank, or money market mutual
1399 funds rated "AAA" by S&P, or the equivalent from any eligible
1400 rating service;

1401 (b) Certificates of deposit or senior debt obligations
1402 of an insured depository institution, as defined in Section 3 of
1403 the Federal Deposit Insurance Act, 12 USC § 1813, as amended or
1404 recodified from time to time, or as defined under the federal
1405 Credit Union Act, 12 USC § 1781, as amended or recodified from
1406 time to time;

1407 (c) An obligation of the United States or a commission,
1408 agency, or instrumentality thereof; an obligation that is



1409 guaranteed fully as to principal and interest by the United
1410 States; or an obligation of a state or a governmental subdivision,
1411 agency, or instrumentality thereof;

1412 (d) The full drawable amount of an irrevocable standby
1413 letter of credit for which the stated beneficiary is the
1414 commissioner that stipulates that the beneficiary need only draw a
1415 sight draft under the letter of credit and present it to obtain
1416 funds up to the letter of credit amount within seven (7) days of
1417 presentation of the items required by subparagraph (iii) of this
1418 paragraph (d).

1419 (i) The letter of credit must:

1420 1. Be issued by a federally insured
1421 depository financial institution, a foreign bank that is
1422 authorized under federal law to maintain a federal agency or
1423 federal branch office in a state or states, or a foreign bank that
1424 is authorized under state law to maintain a branch in a state that
1425 a. bears an eligible rating or whose parent company bears an
1426 eligible rating; and b. is regulated, supervised, and examined by
1427 United States federal or state authorities having regulatory
1428 authority over banks, credit unions, and trust companies;

1429 2. Be irrevocable, unconditional and indicate
1430 that it is not subject to any condition or qualifications outside
1431 of the letter of credit;



1432 3. Not contain reference to any other
1433 agreements, documents or entities, or otherwise provide for any
1434 security interest in the licensee; and

1435 4. Contain an issue date and expiration date,
1436 and expressly provide for automatic extension, without a written
1437 amendment, for an additional period of one (1) year from the
1438 present or each future expiration date, unless the issuer of the
1439 letter of credit notifies the commissioner in writing by certified
1440 or registered mail or courier mail or other receipted means, at
1441 least sixty (60) days prior to any expiration date, that the
1442 irrevocable letter of credit will not be extended.

1443 (ii) In the event of any notice of expiration or
1444 nonextension of a letter of credit issued under subparagraph (i)4
1445 of this paragraph (d), the licensee shall be required to
1446 demonstrate to the satisfaction of the commissioner, fifteen (15)
1447 days prior to expiration, that the licensee maintains and will
1448 maintain permissible investments in accordance with Section 33(1)
1449 of this act upon the expiration of the letter of credit. If the
1450 licensee is not able to do so, the commissioner may draw on the
1451 letter of credit in an amount up to the amount necessary to meet
1452 the licensee's requirements to maintain permissible investments in
1453 accordance with Section 33(1) of this act. Any such draw shall be
1454 offset against the licensee's outstanding money transmission
1455 obligations. The drawn funds shall be held in trust by the
1456 commissioner or the commissioner's designated agent, to the extent



1457 authorized by law, as agent for the benefit of the purchasers and
1458 holders of the licensee's outstanding money transmission
1459 obligations.

1460 (iii) The letter of credit shall provide that the
1461 issuer of the letter of credit will honor, at sight, a
1462 presentation made by the beneficiary to the issuer of the
1463 following documents on or prior to the expiration date of the
1464 letter of credit:

1465 1. The original letter of credit (including
1466 any amendments); and

1467 2. A written statement from the beneficiary
1468 stating that any of the following events have occurred:

1469 a. The filing of a petition by or
1470 against the licensee under the United States Bankruptcy Code, 11
1471 USC §§ 101-110, as amended or recodified from time to time, for
1472 bankruptcy or reorganization;

1473 b. The filing of a petition by or
1474 against the licensee for receivership, or the commencement of any
1475 other judicial or administrative proceeding for its dissolution or
1476 reorganization;

1477 c. The seizure of assets of a licensee
1478 by a commissioner pursuant to an emergency order issued in
1479 accordance with applicable law, on the basis of an action,
1480 violation, or condition that has caused or is likely to cause the
1481 insolvency of the licensee; or



1482 d. The beneficiary has received notice
1483 of expiration or nonextension of a letter of credit and the
1484 licensee failed to demonstrate to the satisfaction of the
1485 beneficiary that the licensee will maintain permissible
1486 investments in accordance with Section 33(1) of this act upon the
1487 expiration or nonextension of the letter of credit.

1488 (iv) The commissioner may designate an agent to
1489 serve on the commissioner's behalf as beneficiary to a letter of
1490 credit so long as the agent and letter of credit meet requirements
1491 established by the commissioner. The commissioner's agent may
1492 serve as agent for multiple licensing authorities for a single
1493 irrevocable letter of credit if the proceeds of the drawable
1494 amount for the purposes of this paragraph (d) are assigned to the
1495 commissioner.

1496 (v) The commissioner is authorized and encouraged
1497 to participate in multistate processes designed to facilitate the
1498 issuance and administration of letters of credit, including, but
1499 not limited to, services provided by the NMLS and State Regulatory
1500 Registry, LLC;

1501 (e) One hundred percent (100%) of the surety bond or
1502 deposit provided for under Section 32 of this act that exceeds the
1503 average daily money transmission liability in this state;

1504 (f) Any other investment approved by the commissioner.

1505 (2) Unless permitted by the commissioner by rule, regulation
1506 or by order to exceed the limit as set forth herein, the following



1507 investments are permissible under Section 33 of this act to the
1508 extent specified:

1509 (a) Receivables that are payable to a licensee from its
1510 authorized delegates in the ordinary course of business that are
1511 less than seven (7) days old, up to fifty percent (50%) of the
1512 aggregate value of the licensee's total permissible investments;

1513 (b) Of the receivables permissible under paragraph (a)
1514 of this subsection, receivables that are payable to a licensee
1515 from a single authorized delegate in the ordinary course of
1516 business may not exceed ten percent (10%) of the aggregate value
1517 of the licensee's total permissible investments;

1518 (c) The following investments are permissible up to
1519 twenty percent (20%) per category and combined up to fifty percent
1520 (50%) of the aggregate value of the licensee's total permissible
1521 investments:

1522 (i) A short-term (up to six (6) months) investment
1523 bearing an eligible rating;

1524 (ii) Commercial paper bearing an eligible rating;

1525 (iii) A bill, note, bond, or debenture bearing an
1526 eligible rating;

1527 (iv) United States tri-party repurchase agreements
1528 collateralized at one hundred percent (100%) or more with U.S.
1529 government or agency securities, municipal bonds, or other
1530 securities bearing an eligible rating;



1531 (v) Money market mutual funds rated less than
1532 "AAA" and equal to or higher than "A-" by S&P, or the equivalent
1533 from any other eligible rating service; and

1534 (vi) A mutual fund or other investment fund
1535 composed solely and exclusively of one or more permissible
1536 investments listed in subsection (1)(a) through (c) of this
1537 section;

1538 (d) Cash (including demand deposits, savings deposits,
1539 and funds in such accounts held for the benefit of the licensee's
1540 customers) at foreign depository institutions are permissible up
1541 to ten percent (10%) of the aggregate value of the licensee's
1542 total permissible investments if the licensee has received a
1543 satisfactory rating in its most recent examination and the foreign
1544 depository institution:

1545 (i) Has an eligible rating;

1546 (ii) Is registered under the Foreign Account Tax
1547 Compliance Act;

1548 (iii) Is not located in any country subject to
1549 sanctions from the Office of Foreign Asset Control; and

1550 (iv) Is not located in a high-risk or
1551 noncooperative jurisdiction as designated by the Financial Action
1552 Task Force.

1553 **SECTION 35.** **Suspension and revocation.** (1) The
1554 commissioner may suspend or revoke a license or order a licensee
1555 to revoke the designation of an authorized delegate if:



1556 (a) The licensee or any authorized delegate, agent, or
1557 representative violates this act or a rule or regulation adopted
1558 or an order issued under this act;

1559 (b) The licensee or any authorized delegate, agent, or
1560 representative does not cooperate with an examination or
1561 investigation by the commissioner;

1562 (c) The licensee or any authorized delegate, agent, or
1563 representative engages in fraud, intentional misrepresentation, or
1564 gross negligence;

1565 (d) An authorized delegate is convicted of a violation
1566 of a state or federal anti-money laundering statute, or violates a
1567 rule or regulation adopted or an order issued under this act, as a
1568 result of the licensee's willful misconduct or willful blindness;

1569 (e) The competence, experience, character, or general
1570 fitness of the licensee, authorized delegate, person in control of
1571 a licensee, key individual, or responsible person of the
1572 authorized delegate indicates that it is not in the public
1573 interest to permit the person to provide money transmission;

1574 (f) The licensee or any authorized delegate, agent, or
1575 representative engages in an unsafe or unsound practice;

1576 (g) The licensee is insolvent, suspends payment of its
1577 obligations, or makes a general assignment for the benefit of its
1578 creditors; or

1579 (h) The licensee does not remove an authorized delegate
1580 after the commissioner issues and serves upon the licensee a final



1581 order including a finding that the authorized delegate has
1582 violated this act.

1583 (2) In determining whether a licensee is engaging in an
1584 unsafe or unsound practice, the commissioner may consider the size
1585 and condition of the licensee's money transmission, the magnitude
1586 of the loss, the gravity of the violation of this act, and the
1587 previous conduct of the person involved.

1588 **SECTION 36. Notice and hearing.** (1) Except where a license
1589 is automatically revoked without any act of the commissioner as
1590 specially provided in this section, no license shall be revoked
1591 except on ten (10) days' notice (the first day of the ten-day
1592 period to be the date stated on the notice, which shall be the day
1593 it is mailed) to the licensee by the commissioner, sent by letter
1594 by United States registered mail, return receipt requested, to the
1595 licensee's business address set forth in the application.

1596 (2) Upon receipt of the notice, as stated in the registered
1597 mail receipt, the licensee may, within five (5) days thereafter
1598 (which five-day period may be wholly or partially outside of the
1599 ten-day period) make written demand for a hearing by the
1600 commissioner, which demand must be accompanied by an additional
1601 surety bond or securities deposit, as hereafter provided, the
1602 principal sum or the market value thereof to be specified by the
1603 commissioner in the revocation notice.

1604 (3) The revocation notice shall not become final during the
1605 period of time in which the licensee may demand such hearing nor



1606 if licensee demands a hearing, until the matter has been finally
1607 determined by the commissioner or by the courts, provided that the
1608 licensee posts together with his written demand for hearing an
1609 additional corporate surety bond, written by the same surety that
1610 wrote the bond required under Section 32 of this act or an
1611 additional deposit in addition to the deposit theretofore made by
1612 the licensee under Section 32 of this act which additional surety
1613 bond or deposit shall be in a principal amount or of a market
1614 value deemed adequate by the commissioner as specified in the
1615 revocation order but not exceeding One Million Dollars
1616 (\$1,000,000.00), provided that if the licensee originally
1617 deposited with his application under Section 32 of this act a
1618 corporate surety bond, the additional deposit provided in this
1619 section must be another corporate surety bond or an increase of
1620 the first one and may not be a deposit, or if the licensee
1621 originally made a deposit, the additional deposit shall also be of
1622 the same manner and not a corporate surety bond. The bond or
1623 deposit shall secure the same obligations as does the corporate
1624 surety bond or deposit required by Section 32 of this act, but
1625 shall be in addition to the bond or deposit required thereby.

1626 (4) Upon receipt of the written demand, the commissioner
1627 shall thereafter, with reasonable promptness, hear and determine
1628 the matter as provided by law or regulation.

1629 (5) If the licensee deems himself aggrieved by the
1630 determination or order of the commissioner, he may within thirty



1631 (30) days after the determination or order, have the determination
1632 or order reviewed by an appeal to the Chancery Court of the First
1633 Judicial District of Hinds County, Mississippi, by filing a
1634 petition setting out the specific order or action or part thereof
1635 by which the person deems himself aggrieved. All those petitions
1636 shall be given preferred settings and shall be heard by the court
1637 as speedily as possible. Such an appeal shall be perfected upon
1638 the posting of a bond for the costs of the appeal accompanied by
1639 the petition. Any party to the appeal may appeal to the Supreme
1640 Court of Mississippi from the decree or order of the chancery
1641 court, within thirty (30) days from the rendition of the decree or
1642 order, in the manner provided by law for appeals to the Supreme
1643 Court of Mississippi from chancery courts.

1644 (6) Final revocation of the license, whether automatic or by
1645 final determination of the commissioner or the courts, shall
1646 cancel as of the date of final revocation all bonds or deposits
1647 theretofore deposited by the licensee under any provision of this
1648 section, provided that the licensee (and his corporate surety, if
1649 any) shall not be relieved of any accrued liabilities, and
1650 provided further, where the licensee made a deposit, that there
1651 shall not be returned to the licensee any of the deposit until the
1652 commissioner determines that all accrued liabilities (including,
1653 but not limited to, the principal sums thereof, accrued interest
1654 thereon, and court costs, if any, assessed to the licensee) of the
1655 licensee under this section have been satisfied in full.



1656 (7) The commissioner may at any time revoke a license, on
1657 any ground on which he might refuse to grant a license, for
1658 failure to pay an annual fee or for violation of any provision of
1659 this section, subject to the provisions of this section.

1660 (8) A license shall be automatically and finally revoked
1661 without any act or further act of the commissioner and without any
1662 right of the licensee to any hearing or further hearing by the
1663 commissioner or the courts and without any right of the licensee
1664 or the commissioner to reinstate or have reinstated the license,
1665 in the following instances: (a) at expiration of the sixty-day
1666 notice period, if the corporate surety gives notice of
1667 cancellation of its bond or any of them; (b) upon failure by
1668 licensee to pay when due the annual license fee required by
1669 Section 16 of this act; (c) upon failure by licensee to file when
1670 due any information required by this act; (d) in case of a
1671 revocation notice under the Section 36(1) of this act, failure by
1672 the licensee to demand hearing as provided therein or failure to
1673 deposit any additional corporate surety bond or deposit as
1674 required by the commissioner; (e) upon a license revocation order
1675 becoming final at any stage; (f) failure by licensee to deposit
1676 when due any additional corporate surety bond or deposit required
1677 by the commissioner under Section 32(8) of this act; or (g) upon
1678 final conviction of licensee as to any offense covered by this
1679 act.



1680 (9) If a revocation order becomes final for any reason or in
1681 any manner, the license may not be reinstated, except upon new
1682 application as if the licensee had never been licensed before.
1683 The commissioner may deny the new application on grounds that a
1684 previous application was denied or a previous license to applicant
1685 was revoked or any ground or grounds on which he may deny an
1686 original application.

1687 **SECTION 37. Orders to cease and desist.** (1) If the
1688 commissioner determines that a violation of this act or of a rule
1689 or regulation adopted or an order issued under this act by a
1690 licensee or authorized delegate is likely to cause immediate and
1691 irreparable harm to the licensee, its customers, or the public as
1692 a result of the violation, or cause insolvency or significant
1693 dissipation of assets of the licensee, the commissioner may issue
1694 an order requiring the licensee or authorized delegate to cease
1695 and desist from the violation. The order becomes effective upon
1696 service of it upon the licensee or authorized delegate.

1697 (2) When the commissioner has reasonable cause to believe
1698 that a person is violating any provision of this act, the
1699 commissioner, in addition to and without prejudice to the
1700 authority provided elsewhere in this act, may sue in the Chancery
1701 Court of the First Judicial District of Hinds County, Mississippi,
1702 to enjoin the person from engaging in or continuing the violation
1703 or from doing any act in furtherance of the violation. In such an



1704 action, the court may enter any order or judgment awarding a
1705 preliminary or permanent injunction.

1706 (3) An order to cease and desist remains effective until
1707 rescinded or released by the commissioner or appealed as provided
1708 in this section.

1709 (4) A licensee that is served with an order to cease and
1710 desist may petition the Chancery Court of the First Judicial
1711 District of Hinds County, Mississippi, for a judicial order
1712 setting aside, limiting, or suspending the enforcement, operation,
1713 or effectiveness of the order.

1714 **SECTION 38. Consent orders.** The commissioner may enter into
1715 a consent order at any time with a person to resolve a matter
1716 arising under this act or a rule or regulation adopted or order
1717 issued under this act. A consent order must be signed by the
1718 person to whom it is issued or by the person's authorized
1719 representative, and must indicate agreement with the terms
1720 contained in the order. A consent order may provide that it does
1721 not constitute an admission by a person that this act or a rule or
1722 regulation adopted or an order issued under this act has been
1723 violated.

1724 **SECTION 39. Criminal penalties.** (1) A person who
1725 intentionally makes a false statement, misrepresentation, or false
1726 certification in a record filed or required to be maintained under
1727 this act or that intentionally makes a false entry or omits a
1728 material entry in such a record is guilty of a felony and, upon



1729 conviction thereof, shall be fined no less than Five Hundred
1730 Dollars (\$500.00) nor more than Three Thousand Dollars
1731 (\$3,000.00), and may also be punished by imprisonment in the
1732 custody of the Department of Corrections for a term not less than
1733 one (1) year and not more than five (5) years.

1734 (2) A person that knowingly engages in an activity for which
1735 a license is required under this act without being licensed under
1736 this act and who receives more than Five Hundred Dollars (\$500.00)
1737 in compensation within a thirty-day period from this activity is
1738 guilty of a felony and, upon conviction thereof, shall be fined no
1739 less than Five Hundred Dollars (\$500.00) nor more than Three
1740 Thousand Dollars (\$3,000.00), and may also be punished by
1741 imprisonment in the custody of the Department of Corrections for a
1742 term not less than one (1) year and not more than five (5) years.

1743 (3) A person that knowingly engages in an activity for which
1744 a license is required under this act without being licensed under
1745 this act and who receives no more than Five Hundred Dollars
1746 (\$500.00) in compensation within a thirty-day period from this
1747 activity is guilty of a misdemeanor and, upon conviction, shall be
1748 fined not less than One Hundred Dollars (\$100.00) nor more than
1749 Five Hundred Dollars (\$500.00), and may also be confined to the
1750 county jail for not more than twelve (12) months.

1751 **SECTION 40. Civil penalties.** (1) The commissioner may
1752 assess a civil penalty against a person that violates this act or
1753 a rule or regulation adopted or an order issued under this act in



an amount not to exceed One Thousand Dollars (\$1,000.00) per day for each day the violation is outstanding, plus this state's costs and expenses for the investigation and prosecution of the matter, including reasonable attorney's fees.

(2) If any person engages in business as provided for in this act without paying the license fee provided for in this act before beginning business or before the expiration of the person's current license, as the case may be, then the person shall be liable for the full amount of the license fee plus a penalty in an amount not to exceed One Thousand Dollars (\$1,000.00) for each day that the person has engaged in the business without a license or after the expiration of a license.

SECTION 41. Unlicensed persons. (1) If the commissioner has reason to believe that a person has violated or is violating Section 11 of this act, the commissioner may issue an order to show cause why an order to cease and desist should not issue requiring that the person cease and desist from the violation of Section 11 of this act.

(2) In an emergency, the commissioner may petition the Chancery Court of the First Judicial District of Hinds County, Mississippi, for the issuance of a temporary restraining order ex parte pursuant to the Mississippi Rules of Civil Procedure.

(3) An order to cease and desist becomes effective upon service of it upon the person.



1778 (4) An order to cease and desist remains effective and
1779 enforceable until rescinded or released by the commissioner or
1780 appealed as provided in this section.

1781 (5) A person that is served with an order to cease and
1782 desist for violating Section 11 of this act may petition the
1783 Chancery Court of the First Judicial District of Hinds County,
1784 Mississippi, for a judicial order setting aside, limiting, or
1785 suspending the enforcement, operation, or effectiveness of the
1786 order.

1787 **SECTION 42. Investigation of possible violations.** In
1788 addition to and without prejudice to the authority provided
1789 elsewhere in this act, the commissioner, or his duly authorized
1790 representative, for the purpose of discovering violations of this
1791 act and for the purpose of determining whether persons are subject
1792 to the provisions of this act, may examine persons licensed under
1793 this chapter and persons reasonably suspected by the commissioner
1794 of conducting business that requires a license under this act,
1795 including all relevant books, records and papers employed by those
1796 persons in the transaction of their business, and may summon
1797 witnesses and examine them under oath concerning matters relating
1798 to the business of those persons, or such other matters as may be
1799 relevant to the discovery of violations of this act, including,
1800 without limitation, the conduct of business without a license as
1801 required under this act.



1802 **SECTION 43. Uniformity of application and construction.** In

1803 applying and construing this act, consideration must be given to
1804 the need to promote uniformity of the law with respect to its
1805 subject matter among states that enact it.

1806 **SECTION 44. Severability clause.** If any provision of this

1807 act or its application to any person or circumstance is held
1808 invalid, the invalidity does not affect other provisions or
1809 applications of this act which can be given effect without the
1810 invalid provision or application, and to this end the provisions
1811 of this act are severable.

1812 **SECTION 45. Transition period.** (1) A person licensed in

1813 this state to engage in the business of money transmission shall
1814 not be subject to the provisions of this act, to the extent that
1815 they conflict with current law or establish new requirements not
1816 imposed under current law, until such time as the licensee renews
1817 its current license or for twelve (12) months after the effective
1818 date of this act, whichever is later.

1819 (2) Notwithstanding subsection (1) of this section, a
1820 licensee shall only be required to amend its authorized delegate
1821 contracts for contracts entered into or amended after the
1822 effective date or the completion of any transition period
1823 contemplated under subsection (1) of this section. Nothing herein
1824 shall be construed as limiting an authorized delegate's
1825 obligations to operate in full compliance with this act as
1826 required by Section 26(3) of this act.



1827 **SECTION 46.** Sections 75-15-1 through 75-15-35, Mississippi
1828 Code of 1972, which is the chapter of law that creates the
1829 "Mississippi Money Transmitters Act," is hereby repealed.

1830 **SECTION 47.** This act shall take effect and be in force from
1831 and after July 1, 2025.

