

By: Representative Aguirre

To: Banking and Financial Services

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1428

1 AN ACT TO CREATE NEW SECTION 75-15-101, MISSISSIPPI CODE OF
2 1972, TO CREATE THE MONEY TRANSMISSION MODERNIZATION ACT AND TO
3 STATE THE PURPOSES OF THE ACT; TO CREATE NEW SECTION 75-15-103,
4 MISSISSIPPI CODE OF 1972, TO DEFINE CERTAIN TERMS; TO CREATE NEW
5 SECTION 75-15-105, MISSISSIPPI CODE OF 1972, TO EXEMPT CERTAIN
6 PARTIES FROM THE PROVISIONS OF THE ACT; TO CREATE NEW SECTION
7 75-15-107, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE COMMISSIONER
8 OF BANKING AND CONSUMER FINANCE TO TAKE CERTAIN ACTIONS TO
9 IMPLEMENT THE ACT; TO REQUIRE CERTAIN INFORMATION RELATING TO
10 LICENSEES TO BE KEPT CONFIDENTIAL BY THE COMMISSIONER; TO
11 AUTHORIZE THE COMMISSIONER TO EXAMINE LICENSEES; TO CREATE NEW
12 SECTION 75-15-109, MISSISSIPPI CODE OF 1972, TO REQUIRE PERSONS
13 ENGAGING IN THE BUSINESS OF MONEY TRANSMISSION TO PROCURE A
14 LICENSE TO ENGAGE IN SUCH BUSINESS; TO PRESCRIBE REQUIREMENTS FOR
15 AN APPLICATION FOR A LICENSE; TO ESTABLISH TIMEFRAMES FOR MAKING A
16 DETERMINATION ON AN APPLICATION FOR A LICENSE; TO REQUIRE THE
17 ANNUAL RENEWAL OF LICENSES; TO CREATE NEW SECTION 75-15-111,
18 MISSISSIPPI CODE OF 1972, TO REQUIRE PERSONS SEEKING TO ACQUIRE
19 CONTROL OF A LICENSEE TO OBTAIN APPROVAL FROM THE COMMISSIONER; TO
20 REQUIRE NOTICE TO BE GIVEN TO THE COMMISSIONER OF CHANGES IN THE
21 KEY PERSONNEL OF A LICENSEE; TO CREATE NEW SECTION 75-15-113,
22 MISSISSIPPI CODE OF 1972, TO REQUIRE CERTAIN REPORTS AND AUDITED
23 FINANCIAL STATEMENTS PREPARED BY AN INDEPENDENT CERTIFIED PUBLIC
24 ACCOUNTANT TO BE SUBMITTED TO THE COMMISSIONER; TO CREATE NEW
25 SECTION 75-15-115, MISSISSIPPI CODE OF 1972, TO PRESCRIBE CERTAIN
26 REQUIREMENTS RELATING TO AUTHORIZED DELEGATES; TO CREATE NEW
27 SECTION 75-15-117, MISSISSIPPI CODE OF 1972, TO REQUIRE TIMELY
28 TRANSMISSIONS AND TO ESTABLISH REQUIREMENTS FOR REFUNDS FOR
29 SENDERS; TO CREATE NEW SECTION 75-15-119, MISSISSIPPI CODE OF
30 1972, TO REQUIRE LICENSEES TO MAINTAIN A MINIMUM NET WORTH AND
31 SECURITY BOND IN PRESCRIBED AMOUNTS; TO ESTABLISH REQUIREMENTS FOR
32 PERMISSIBLE INVESTMENTS MAINTAINED BY A LICENSEE; TO CREATE NEW
33 SECTION 75-15-121, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
34 COMMISSIONER TO SUSPEND OR REVOKE A LICENSE FOR CERTAIN PROHIBITED



35 ACTIONS; TO REQUIRE NOTICE AND A HEARING IN CASES OTHER THAN WHEN
36 A LICENSE IS AUTOMATICALLY REVOKED; TO AUTHORIZE THE ISSUANCE OF A
37 CEASE AND DESIST ORDER FOR VIOLATIONS OF CERTAIN RULES AND
38 REGULATIONS; TO AUTHORIZE THE IMPOSITION OF CIVIL PENALTIES; TO
39 CREATE NEW SECTION 75-15-123, MISSISSIPPI CODE OF 1972, TO
40 AUTHORIZE THE COMMISSIONER TO EXAMINE LICENSEES AND PERSONS
41 SUSPECTED OF CONDUCTING BUSINESS WITHOUT A LICENSE; TO CREATE NEW
42 SECTION 75-15-125, MISSISSIPPI CODE OF 1972, TO ENCOURAGE
43 CONSIDERATION AMONG STATES ENACTING THE MONEY TRANSMISSION
44 MODERNIZATION ACT; TO ESTABLISH A TRANSITION PERIOD TO NEW
45 REQUIREMENTS ESTABLISHED UNDER THIS ACT FOR CURRENT LICENSEES; TO
46 REPEAL SECTIONS 75-15-1 THROUGH 75-15-35, MISSISSIPPI CODE OF
47 1972, WHICH ARE THE MISSISSIPPI MONEY TRANSMITTERS ACT; AND FOR
48 RELATED PURPOSES.

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

50 **SECTION 1.** The following shall be codified as Section
51 75-15-101, Mississippi Code of 1972:

52 75-15-101. Section 1.01. Short Title. This act may be
53 cited as the Money Transmission Modernization Act.

54 Section 1.02. Purpose. This act is designed to replace
55 state money transmission laws formerly codified as Sections
56 75-15-1 through 75-15-35. It is the intent of the Legislature
57 that the provisions of this act accomplish the following:

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

62 (2) Protect the public from financial crime;

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



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

68 **SECTION 2.** The following shall be codified as Section
69 75-15-103, Mississippi Code of 1972:

70 75-15-103. Section 2.01. Definitions. For purposes of this
71 act, the following definitions shall apply:

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

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

78 (c) "Average daily money transmission liability" means
79 the amount of the licensee's outstanding money transmission
80 obligations in this state at the end of each day in a given period
81 of time, added together, and divided by the total number of days
82 in the given period of time. For purposes of calculating average
83 daily money transmission liability under this act for any licensee
84 required to do so, the given period of time shall be the quarters
85 ending March 31, June 30, September 30, and December 31.

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



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

94 (f) "Commissioner" means the Commissioner of Banking
95 and Consumer Finance.

96 (g) "Control" means:

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

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

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

108 (ii) Rebuttable Presumption of Control.

109 1. A person is presumed to exercise a
110 controlling influence when the person holds the power to vote,
111 directly or indirectly, at least ten percent (10%) of the
112 outstanding voting shares or voting interests of a licensee or
113 person in control of a licensee.



114 2. A person presumed to exercise a
115 controlling influence as defined by this paragraph can rebut the
116 presumption of control if the person is a passive investor.

117 (iii) For purposes of determining the percentage
118 of a person controlled by any other person, the person's interest
119 shall be aggregated with the interest of any other immediate
120 family member, including the person's spouse, parents, children,
121 siblings, mothers- and fathers-in-law, sons- and daughters-in-law,
122 brothers- and sisters-in-law, and any other person who shares such
123 person's home.

124 (h) "Department" means the Department of Banking and
125 Consumer Finance.

126 (i) "Eligible rating" shall mean a credit rating of any
127 of the three (3) highest rating categories provided by an eligible
128 rating service, whereby each category may include rating category
129 modifiers such as "plus" or "minus" for S&P, or the equivalent for
130 any other eligible rating service. Long-term credit ratings are
131 deemed eligible if the rating is equal to A- or higher by S&P, or
132 the equivalent from any other eligible rating service. Short-term
133 credit ratings are deemed eligible if the rating is equal to or
134 higher than A-2 or SP-2 by S&P, or the equivalent from any other
135 eligible rating service. In the event that ratings differ among
136 eligible rating services, the highest rating shall apply when
137 determining whether a security bears an eligible rating.



138 (j) "Eligible rating service" shall mean any Nationally
139 Recognized Statistical Rating Organization (NRSRO) as defined by
140 the U.S. Securities and Exchange Commission, and any other
141 organization designated by the commissioner by rule, regulation or
142 order.

143 (k) "Federally insured depository financial
144 institution" means a bank, credit union, savings and loan
145 association, trust company, savings association, savings bank,
146 industrial bank, or industrial loan company organized under the
147 laws of the United States or any state of the United States, when
148 such bank, credit union, savings and loan association, trust
149 company, savings association, savings bank, industrial bank, or
150 industrial loan company has federally insured deposits.

151 (l) "In this state" means at a physical location within
152 this state for a transaction requested in person. For a
153 transaction requested electronically or by phone, the provider of
154 money transmission may determine if the person requesting the
155 transaction is "in this state" by relying on other information
156 provided by the person regarding the location of the individual's
157 residential address or a business entity's principal place of
158 business or other physical address location, and any records
159 associated with the person that the provider of money transmission
160 may have that indicate such location, including but not limited to
161 an address associated with an account.

162 (m) "Individual" means a natural person.



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

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

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

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

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

180 (s) "Money transmission" means any of the following:

181 (i) Selling or issuing payment instruments to a
182 person located in this state.

183 (ii) Selling or issuing stored value to a person
184 located in this state.

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



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

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

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

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

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



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

213 (ii) Any money received for transmission by the
214 licensee or an authorized delegate in the United States from a
215 person located in the United States that has not been received by
216 the payee or refunded to the sender, or escheated in accordance
217 with applicable abandoned property laws.

218 (iii) For purposes of this paragraph, "in the
219 United States" shall include, to the extent applicable, a person
220 in any state, territory, or possession of the United States; the
221 District of Columbia; the Commonwealth of Puerto Rico; or a U.S.
222 military installation that is located in a foreign country.

223 (x) "Passive investor" means a person that:

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

228 (ii) Is not employed by and does not have any
229 managerial duties of the licensee or person in control of a
230 licensee;

231 (iii) Does not have the power to exercise,
232 directly or indirectly, a controlling influence over the
233 management or policies of a licensee or person in control of a
234 licensee; and

235 (iv) Either:



236 1. Attests to (i), (ii), and (iii), in a form
237 and in a medium prescribed by the commissioner; or

238 2. Commits to the passivity characteristics
239 of (i), (ii), and (iii), in a written document.

240 (y) "Payment instrument" means a written or electronic
241 check, draft, money order, traveler's check, or other written or
242 electronic instrument for the transmission or payment of money or
243 monetary value, whether or not negotiable. The term does not
244 include stored value or any instrument that: is redeemable by the
245 issuer only for goods or services provided by the issuer or its
246 affiliate or franchisees of the issuer or its affiliate, except to
247 the extent required by applicable law to be redeemable in cash for
248 its cash value; or is not sold to the public but issued and
249 distributed as part of a loyalty, rewards, or promotional program.

250 (z) "Person" means any individual, general partnership,
251 limited partnership, limited liability company, corporation,
252 trust, association, joint stock corporation, or other corporate
253 entity identified by the commissioner.

254 (aa) "Receiving money for transmission" or "money
255 received for transmission" means receiving money or monetary value
256 in the United States for transmission within or outside the United
257 States by electronic or other means.

258 (bb) "Stored value" means monetary value representing a
259 claim against the issuer evidenced by an electronic or digital
260 record, and that is intended and accepted for use as a means of



261 redemption for money or monetary value, or payment for goods or
262 services. The term includes, but is not limited to, "prepaid
263 access" as defined by 31 CFR Section 1010.100, as amended or
264 recodified from time to time. Notwithstanding the foregoing, the
265 term "stored value" does not include a payment instrument or
266 closed loop stored value, or stored value not sold to the public
267 but issued and distributed as part of a loyalty, rewards, or
268 promotional program.

269 (cc) "Tangible net worth" shall mean the aggregate
270 assets of a licensee excluding all intangible assets, less
271 liabilities, as determined in accordance with United States
272 generally accepted accounting principles.

273 **SECTION 3.** The following shall be codified as Section
274 75-15-105, Mississippi Code of 1972:

275 75-15-105. Section 3.01. Exemptions. This act does not
276 apply to:

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

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



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

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

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

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

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

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

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

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



310 failure to transmit the funds to the sender's designated
311 recipient.

312 (d) The United States or a department, agency, or
313 instrumentality thereof, or its agent.

314 (e) Money transmission by the United States Postal
315 Service or by an agent of the United States Postal Service.

316 (f) A state, county, city, or any other governmental
317 agency or governmental subdivision or instrumentality of a state,
318 or its agent.

319 (g) A federally insured depository financial
320 institution, bank holding company, office of an international
321 banking corporation, foreign bank that establishes a federal
322 branch pursuant to the International Bank Act, 12 USC Section
323 3102, as amended or recodified from time to time, corporation
324 organized pursuant to the Bank Service Corporation Act, 12 USC
325 Sections 1861-1867, as amended or recodified from time to time, or
326 corporation organized under the Edge Act, 12 USC Sections 611-633,
327 as amended or recodified from time to time, under the laws of a
328 state or the United States.

329 (h) Electronic funds transfer of governmental benefits
330 for a federal, state, county, or governmental agency by a
331 contractor on behalf of the United States or a department, agency,
332 or instrumentality thereof, or on behalf of a state or
333 governmental subdivision, agency, or instrumentality thereof.



334 (i) A board of trade designated as a contract market
335 under the federal Commodity Exchange Act, 7 USC Sections 1-25, as
336 amended or recodified from time to time, or a person that, in the
337 ordinary course of business, provides clearance and settlement
338 services for a board of trade to the extent of its operation as or
339 for such a board.

340 (j) A registered futures commission merchant under the
341 federal commodities laws to the extent of its operation as such a
342 merchant.

343 (k) A person registered as a securities broker-dealer
344 under federal or state securities laws to the extent of its
345 operation as such a broker-dealer.

346 (l) An individual employed by a licensee, authorized
347 delegate, or any person exempted from the licensing requirements
348 of the act when acting within the scope of employment and under
349 the supervision of the licensee, authorized delegate, or exempted
350 person as an employee and not as an independent contractor.

351 (m) A person expressly appointed as a third party
352 service provider to or agent of an entity exempt under paragraph
353 (g), solely to the extent that:

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



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

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

368 Section 3.02. Authority to Require Demonstration of
369 Exemption. The commissioner may require that any person claiming
370 to be exempt from licensing pursuant to Section 3.01 provide
371 information and documentation to the commissioner demonstrating
372 that it qualifies for any claimed exemption.

373 **SECTION 4.** The following shall be codified as Section
374 75-15-107, Mississippi Code of 1972:

375 75-15-107. Section 4.01. Implementation. (a) In order to
376 carry out the purposes of this act, the commissioner may, subject
377 to the provisions of Section 4.02(a) and (b):

378 (1) Enter into agreements or relationships with
379 other government officials or federal and state regulatory
380 agencies and regulatory associations in order to improve
381 efficiencies and reduce regulatory burden by standardizing methods



382 or procedures, and sharing resources, records or related
383 information obtained under this act;

384 (2) Use, hire, contract, or employ analytical
385 systems, methods, or software to examine or investigate any person
386 subject to this act.

387 (3) Accept, from other state or federal government
388 agencies or officials, licensing, examination, or investigation
389 reports made by such other state or federal government agencies or
390 officials; and

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

395 (b) The commissioner shall have the broad
396 administrative authority to administer, interpret and enforce this
397 act, and promulgate rules or regulations implementing this act and
398 to recover the cost of administering and enforcing this act by
399 imposing and collecting proportionate and equitable fees and costs
400 associated with applications, examinations, investigations, and
401 other actions required to achieve the purpose of this act.

402 Section 4.02. Confidentiality. (a) Except as otherwise
403 provided in Section 4.02(b), all information or reports obtained
404 by the commissioner from an applicant, licensee, or authorized
405 delegate, and all information contained in or related to an
406 examination, investigation, operating report, or condition report



407 prepared by, on behalf of, or for the use of the commissioner, or
408 financial statements, balance sheets, or authorized delegate
409 information, are confidential and are not subject to disclosure
410 under this state's public records law.

411 (b) The commissioner may disclose information not
412 otherwise subject to disclosure under Section 4.02(a) to
413 representatives of state or federal agencies who promise in a
414 record that they will maintain the confidentiality of the
415 information or where the commissioner finds that the release is
416 necessary for the protection and interest of the public in
417 accordance with state public records law.

418 (c) This Section 4.02 does not prohibit the
419 commissioner from disclosing to the public a list of all licensees
420 or the aggregated financial or transactional data concerning those
421 licensees.

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

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

428 (2) The business address of a licensee's
429 registered agent for service;

430 (3) The name, business address, and telephone
431 number of all authorized delegates;



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

435 (5) Copies of any non-confidential final orders of
436 the department relating to any violation of this act or
437 regulations implementing this act; and

438 (e) Imposition of an administrative fine or penalty
439 under this act.

440 Section 4.03. Supervision. (a) The commissioner may
441 conduct an annual examination or investigation of a licensee or
442 authorized delegate or otherwise take independent action
443 authorized by this act or by a rule or regulation adopted or order
444 issued under this act at any time or times the commissioner deems
445 proper to administer and enforce this act, regulations
446 implementing this act, and other applicable law, including the
447 Bank Secrecy Act and the USA PATRIOT ACT. The commissioner may:

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

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

453 (3) Accept the examination report of another state
454 agency or an agency of another state or of the federal government,
455 or a report prepared by an independent accounting firm, which on



456 being accepted is considered for all purposes as an official
457 report of the commissioner; and

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

462 (b) A licensee or authorized delegate shall provide,
463 and the commissioner shall have full and complete access to, all
464 records the commissioner may require to conduct a complete
465 examination. The records must be provided at the location and in
466 the format specified by the commissioner, provided, the
467 commissioner may utilize multistate record production standards
468 and examination procedures when such standards will reasonably
469 achieve the requirements of this Section 4.03(b). The refusal of
470 access to such records by a licensee shall be cause for revocation
471 of its license.

472 (c) Unless otherwise directed by the commissioner, a
473 licensee shall pay all costs actually incurred in connection with
474 an examination of the licensee or the licensee's authorized
475 delegates.

476 Section 4.04. Networked Supervision. (a) To efficiently
477 and effectively administer and enforce this act and to minimize
478 regulatory burden, the commissioner is authorized and encouraged
479 to participate in multistate supervisory processes established
480 between states and coordinated through the Conference of State



481 Bank Supervisors, Money Transmitter Regulators Association, and
482 affiliates and successors thereof for all licensees that hold
483 licenses in this state and other states. As a participant in
484 multistate supervision, the commissioner will:

485 (1) Cooperate, coordinate, and share information
486 with other state and federal regulators in accordance with Section
487 4.02 of this act;

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

492 (3) Cooperate, coordinate, and share information
493 with organizations the membership of which is made up of state or
494 federal governmental agencies, provided that the organizations
495 agree in writing to maintain the confidentiality and security of
496 the shared information in accordance with Section 4.02 of this
497 section.

498 (b) The commissioner may not waive, and nothing in this
499 Section 4.04 constitutes a waiver of, the commissioner's authority
500 to conduct an examination or investigation or otherwise take
501 independent action authorized by this act or a rule or regulation
502 adopted, or order issued under this act to enforce compliance with
503 applicable state or federal law.



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

507 Section 4.05. Relationship to Federal Law. (a) In the
508 event state money transmission jurisdiction is conditioned on a
509 federal law, any inconsistencies between a provision of this act
510 and the federal law governing money transmission shall be governed
511 by the applicable federal law to the extent of the inconsistency.

512 (b) In the event of any inconsistencies between this
513 act and a federal law that governs pursuant to Section 4.05(a),
514 the commissioner may provide interpretive guidance that:

515 (1) Identifies the inconsistency; and

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

518 **SECTION 5.** The following shall be codified as Section
519 75-15-109, Mississippi Code of 1972:

520 75-15-109. Section 5.01. License Required. (a) A person
521 may not engage in the business of money transmission or advertise,
522 solicit, or hold itself out as providing money transmission unless
523 the person is licensed under this act;

524 (b) Section 5.01(a) does not apply to:

525 (1) A person that is an authorized delegate of a
526 person licensed under this act acting within the scope of
527 authority conferred by a written contract with the licensee; or



528 (2) A person that is exempt pursuant to Section
529 3.01 of Section 75-15-105 and does not engage in money
530 transmission outside the scope of such exemption.

531 (c) A license issued under Section 5.05 is not
532 transferable or assignable.

533 Section 5.02. Consistent State Licensing. (a) To establish
534 consistent licensing between this state and other states, the
535 commissioner is authorized and encouraged to:

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

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

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

546 (i) Collect and maintain records;

547 (ii) Coordinate multistate licensing processes and
548 supervision processes;

549 (iii) Process fees; and

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



552 (c) The commissioner is authorized and encouraged to
553 utilize NMLS for all aspects of licensing in accordance with this
554 act, including but not limited to, license applications,
555 applications for acquisitions of control, surety bonds, reporting,
556 criminal history background checks, credit checks, fee processing,
557 and examinations.

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

566 (e) Waive or Modify Requirements. For the purpose of
567 participating in the Nationwide Multistate Licensing System and
568 Registry, the commissioner is authorized to waive or modify, in
569 whole or in part, by rule, regulation or order, any or all of the
570 requirements and to establish new requirements as necessary to
571 participate in the Nationwide Multistate Licensing System and
572 Registry.

573 Section 5.03. Application for License. (a) Applicants for
574 a license shall apply in a form and in a medium as prescribed by
575 the commissioner. Each such form shall contain content as set
576 forth by rule, regulation, instruction or procedure of the



577 commissioner and may be changed or updated by the commissioner in
578 accordance with applicable law in order to carry out the purposes
579 of this act and maintain consistency with NMLS licensing standards
580 and practices. The application must state or contain, as
581 applicable:

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

585 (2) A list of any criminal convictions of the
586 applicant and any material litigation in which the applicant has
587 been involved in the ten (10) year period next preceding the
588 submission of the application;

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

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

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

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



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

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

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

609 (10) Any other information the commissioner or
610 NMLS requires with respect to the applicant.

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

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

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

619 (3) A brief description of the structure or
620 organization of the applicant, including any parents or
621 subsidiaries of the applicant, and whether any parents or
622 subsidiaries are publicly traded;

623 (4) The legal name, any fictitious or trade name,
624 all business and residential addresses, and the employment, as
625 applicable, in the ten (10) year period next preceding the



626 submission of the application of each key individual and person in
627 control of the applicant;

628 (5) A list of any criminal convictions and
629 material litigation in which a person in control of the applicant
630 that is not an individual has been involved in the 10-year period
631 preceding the submission of the application;

632 (6) A copy of audited financial statements of the
633 applicant for the most recent fiscal year and for the two-year
634 period next preceding the submission of the application

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

637 (8) If the applicant is a publicly traded
638 corporation, a copy of the most recent report filed with the
639 United States Securities and Exchange Commission under Section 13
640 of the federal Securities Exchange Act of 1934, 15 USC Section
641 78m, as amended or recodified from time to time;

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

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



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

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

656 (11) Any other information the commissioner
657 requires with respect to the applicant.

658 (c) A nonrefundable license fee of One Thousand Five
659 Hundred Dollars (\$1,500.00) must accompany an application for a
660 license under this Section 5.03. However, beginning with calendar
661 year 2025 and for each subsequent calendar year, on or before July
662 1 of the following year, the Mississippi Department of Banking and
663 Consumer Finance will issue a memo authorizing a new license fee
664 under this section. The new amount will be calculated by applying
665 any increase or decrease in the United States Bureau of Labor
666 Statistics Consumer Price Index for All Urban Consumers (CPI-U)
667 for the previous calendar year to the previous fee amount and
668 rounding that amount upward to the nearest One Hundred Dollar
669 (\$100.00) increment.

670 (d) The commissioner may waive one or more requirements
671 of Sections 5.03(a) and (b) or permit an applicant to submit other
672 information in lieu of the required information.

673 Section 5.04. Information Requirements for Certain
674 Individuals. (a) Any individual in control of a licensee or



675 applicant, any individual that seeks to acquire control of a
676 licensee, and each key individual shall furnish to the
677 commissioner through NMLS the following items:

678 (1) The individual's fingerprints for submission
679 to the Federal Bureau of Investigation and the commissioner for
680 purposes of a national criminal history background check unless
681 the person currently resides outside of the United States and has
682 resided outside of the United States for the last ten (10) years.

683 (2) Personal history and experience in a form and
684 in a medium prescribed by the commissioner, to obtain the
685 following:

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

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

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



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

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

704 (A) Demonstrate that it has sufficient
705 knowledge, resources, and employs accepted and reasonable
706 methodologies to conduct the research of the background report;
707 and

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

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

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

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



724 (C) Employment history;
725 (D) Media history, including an electronic
726 search of national and local publications, wire services, and
727 business applications; and

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

731 Section 5.05. Issuance of License. (a) When an application
732 for an original license under this act appears to include all the
733 items and addresses all of the matters that are required, the
734 application is complete and the commissioner shall promptly notify
735 the applicant in a record of the date on which the application is
736 determined to be complete, and:

737 (1) The commissioner shall approve or deny the
738 application within one hundred twenty (120) days after the
739 completion date; or

740 (2) If the application is not approved or denied
741 within one hundred twenty (120) days after the completion date:

742 (A) The application is approved; and

743 (B) The license takes effect as of the first
744 business day after expiration of the one hundred twenty (120) day
745 period.

746 (C) The commissioner may for good cause
747 extend the application period.



748 (b) A determination by the commissioner that an
749 application is complete and is accepted for processing means only
750 that the application, on its face, appears to include all of the
751 items, including the Criminal Background Check response from the
752 FBI, and address all of the matters that are required, and is not
753 an assessment of the substance of the application or of the
754 sufficiency of the information provided.

755 (c) When an application is filed and considered
756 complete under this Section 5.05, the commissioner shall
757 investigate the applicant's financial condition and
758 responsibility, financial and business experience, character, and
759 general fitness. The commissioner may conduct an on-site
760 investigation of the applicant, the cost of which the applicant
761 must pay. The commissioner shall issue a license to an applicant
762 under this Section 5.05 if the commissioner finds that all of the
763 following conditions have been fulfilled:

764 (1) The applicant has complied with Sections 5.03
765 and 5.04; and

766 (2) The financial condition and responsibility,
767 financial and business experience, competence, character, and
768 general fitness of the applicant; and the competence, experience,
769 character, and general fitness of the key individuals and persons
770 in control of the applicant indicate that it is in the interest of
771 the public to permit the applicant to engage in money
772 transmission.



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

775 (1) The commissioner is authorized and encouraged
776 to accept the investigation results of a lead investigative state
777 for the purpose of Section 5.05(c) if the lead investigative state
778 has sufficient staffing, expertise, and minimum standards; or

779 (2) If Mississippi is a lead investigative state,
780 the commissioner is authorized and encouraged to investigate the
781 applicant pursuant to Section 5.05(c) and the timeframes
782 established by agreement through the multistate licensing process,
783 provided however, that in no case shall such timeframe be
784 noncompliant with the application period in Section 5.05(a) (1).

785 (e) The commissioner shall issue a formal written
786 notice of the denial of a license application. The commissioner
787 shall set forth in the notice of denial the specific reasons for
788 the denial of the application. An applicant whose application is
789 denied by the commissioner under this Section 5.05(e) may appeal
790 within thirty (30) days after receipt of the written notice of the
791 denial. Such appeal shall be to the Chancery Court of the First
792 Judicial District of Hinds County, Mississippi.

793 (f) The initial license term shall begin on the day the
794 application is approved. The license shall expire on December 31
795 of the year in which the license term began, unless the initial
796 license date is between November 1 and December 31, in which



797 instance the initial license term shall run through December 31 of
798 the following year.

799 Section 5.06. Renewal of License. (a) A license under this
800 act shall be renewed annually.

801 (1) An annual renewal fee of Eight Hundred Dollars
802 (\$800.00) plus One Hundred Dollars (\$100.00) for each location in
803 excess of one (1) in Mississippi through which the licensee plans
804 to conduct money transmission during the license year for which
805 the fee is paid, provided that in no event shall the annual
806 renewal fee exceed Five Thousand Eight Hundred Dollars
807 (\$5,800.00). The renewal fee shall be paid no more than sixty
808 (60) days before the license expiration.

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

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

819 (c) The commissioner for good cause may grant an
820 extension of the renewal date.



821 (d) The commissioner is authorized and encouraged to
822 utilize NMLS to process license renewals provided that such
823 functionality is consistent with this Section 5.06.

824 Section 5.07. Maintenance of License. (a) If a licensee
825 does not continue to meet the qualifications or satisfy the
826 requirements that apply to an applicant for a new money
827 transmission license, the commissioner may suspend or revoke the
828 licensee's license in accordance with the procedures established
829 by this act or other applicable state law for such suspension or
830 revocation.

831 (b) An applicant for a money transmission license must
832 demonstrate that it meets or will meet, and a money transmission
833 licensee must at all times meet, the requirements in Sections
834 10.01, 10.02, and 10.03 of Section 75-15-119.

835 **SECTION 6.** The following shall be codified as Section
836 75-15-111, Mississippi Code of 1972:

837 75-15-111. Section 6.01. Acquisition of Control. (a) Any
838 person, or group of persons acting in concert, seeking to acquire
839 control of a licensee shall obtain the written approval of the
840 commissioner prior to acquiring control.

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

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



846 (2) Submit a nonrefundable fee as required under
847 Section 5.03(c) of Section 75-15-109 with the request for
848 approval.

849 (c) Upon request, the commissioner may permit a
850 licensee or the person, or group of persons acting in concert, to
851 submit some or all information required by the commissioner
852 pursuant to Section 6.01(b) (1) without using NMLS.

853 (d) The application required by Section 6.01(b) (1)
854 shall include information required by Section 5.04 of Section
855 75-15-109 for any new key individuals that have not previously
856 completed the requirements of Section 5.04 of Section 75-15-109
857 for a licensee.

858 (e) When an application for acquisition of control
859 under this Section 6.01 appears to include all the items and
860 address all of the matters that are required, the application
861 shall be considered complete, and the commissioner shall promptly
862 notify the applicant in a record of the date on which the
863 application was determined to be complete and:

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

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

868 (A) The application is approved; and

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



871 (3) The commissioner may for good cause extend the
872 application period.

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

879 (g) When an application is filed and considered
880 complete under Section 6.01(e), the commissioner shall investigate
881 the financial condition and responsibility, financial and business
882 experience, character, and general fitness of the person, or group
883 of persons acting in concert, seeking to acquire control. The
884 commissioner shall approve an acquisition of control pursuant to
885 this Section 6.01 if the commissioner finds that all of the
886 following conditions have been fulfilled:

887 (1) The requirements of subsections (b) and (d)
888 have been met, as applicable; and

889 (2) The financial condition and responsibility,
890 financial and business experience, competence, character, and
891 general fitness of the person, or group of persons acting in
892 concert, seeking to acquire control; and the competence,
893 experience, character, and general fitness of the key individuals
894 and persons that would be in control of the licensee after the
895 acquisition of control indicate that it is in the interest of the



896 public to permit the person, or group of persons acting in
897 concert, to control the licensee.

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

900 (1) The commissioner is authorized and encouraged
901 to accept the investigation results of a lead investigative state
902 for the purpose of Section 6.01(g) if the lead investigative state
903 has sufficient staffing, expertise, and minimum standards; or

904 (2) If Mississippi is a lead investigative state,
905 the commissioner is authorized and encouraged to investigate the
906 applicant pursuant to Section 6.01(g) and the timeframes
907 established by agreement through the multistate licensing process.

908 (i) The commissioner shall issue a formal written
909 notice of the denial of an application to acquire control. The
910 commissioner shall set forth in the notice of denial the specific
911 reasons for the denial of the application. An applicant whose
912 application is denied by the commissioner under this Section
913 6.01(i) may appeal within thirty (30) days after receipt of the
914 written notice of the denial. Such appeal shall be to the
915 Chancery Court of the First Judicial District of Hinds County,
916 Mississippi.

917 (j) The requirements of Section 6.01(a) and (b) do not
918 apply to any of the following:

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



921 holders of voting shares or voting interests of a licensee or a
922 person in control of a licensee;

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

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

929 (4) A person that is exempt under Section 3.01(g)
930 of Section 75-15-105;

931 (5) A person that the commissioner determines is
932 not subject to Section 6.01(a) based on the public interest;

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

935 (7) An internal reorganization of a person in
936 control of the licensee where the ultimate person in control of
937 the licensee remains the same.

938 (k) Persons in Sections 6.01(j) (2), (3), (4), (6), and
939 (7) in cooperation with the licensee shall notify the commissioner
940 within fifteen (15) days after the acquisition of control.

941 (l) Streamlined Acquisition of Control

942 (1) The requirements of Section 6.01(a) and (b) do
943 not apply to a person that has complied with and received approval
944 to engage in money transmission under this act or was identified
945 as a person in control in a prior application filed with and



946 approved by the commissioner or by an MSB accredited state
947 pursuant to a multistate licensing process, provided that:

948 (A) The person has not had a license revoked
949 or suspended or controlled a licensee that has had a license
950 revoked or suspended while the person was in control of the
951 licensee in the previous five (5) years;

952 (B) If the person is a licensee, the person
953 is well managed and has received at least a satisfactory rating
954 for compliance at its most recent examination by an MSB accredited
955 state if such rating was given;

956 (C) The licensee to be acquired is projected
957 to meet the requirements of Sections 10.01, 10.02, and 10.03 of
958 Section 75-15-119 after the acquisition of control is completed,
959 and if the person acquiring control is a licensee, that licensee
960 is also projected to meet the requirements of Sections 10.01,
961 10.02, and 10.03 of Section 75-15-119 after the acquisition of
962 control is completed;

963 (D) The licensee to be acquired will not
964 implement any material changes to its business plan as a result of
965 the acquisition of control, and if the person acquiring control is
966 a licensee, that licensee also will not implement any material
967 changes to its business plan as a result of the acquisition of
968 control; and

969 (E) The person provides notice of the
970 acquisition in cooperation with the licensee and attests to



971 Section 6.01(k) (1) (A), (B), (C), and (D) in a form and in a medium
972 prescribed by the commissioner.

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

976 (m) Before filing an application for approval to
977 acquire control of a licensee a person may request in writing a
978 determination from the commissioner as to whether the person would
979 be considered a person in control of a licensee upon consummation
980 of a proposed transaction. If the commissioner determines that
981 the person would not be a person in control of a licensee, the
982 proposed person and transaction is not subject to the requirements
983 of Section 6.01(a) and (b).

984 (n) If a multistate licensing process includes a
985 determination pursuant to Section 6.01(m) and an applicant avails
986 itself or is otherwise subject to the multistate licensing
987 process:

988 (1) The commissioner is authorized and encouraged
989 to accept the control determination of a lead investigative state
990 with sufficient staffing, expertise, and minimum standards for the
991 purpose of Section 6.01(m); or

992 (2) If state is a lead investigative state, the
993 commissioner is authorized and encouraged to investigate the
994 applicant pursuant to Section 6.01(m) and the timeframes
995 established by agreement through the multistate licensing process,



996 Section 6.02. Notice and Information Requirements for a
997 Change of Key Individuals. (a) A licensee adding or replacing
998 any key individual shall:

999 (1) Provide notice in a manner prescribed by the
1000 commissioner within fifteen (15) days after the effective date of
1001 the key individual's appointment; and

1002 (2) Provide information as required by Section
1003 5.04 of Section 75-15-109 within forty-five (45) days of the
1004 effective date.

1005 (b) Within ninety (90) days of the date on which the
1006 notice provided pursuant to Section 6.02(a) was determined to be
1007 complete, the commissioner may issue a notice of disapproval of a
1008 key individual if the competence, experience, character, or
1009 integrity of the individual would not be in the best interests of
1010 the public or the customers of the licensee to permit the
1011 individual to be a key individual of such licensee.

1012 (c) A notice of disapproval shall contain a statement
1013 of the basis for disapproval and shall be sent to the licensee and
1014 the disapproved individual. A licensee may appeal a notice of
1015 disapproval within thirty (30) days after receipt of such notice
1016 of disapproval. Such appeal shall be to the Chancery Court of the
1017 First Judicial District of Hinds County, Mississippi.

1018 (d) If the notice provided pursuant to Section 6.02(a)
1019 is not disapproved within ninety (90) days after the date on which



1020 the notice was determined to be complete, the key individual is
1021 deemed approved.

1022 (e) If a multistate licensing process includes a key
1023 individual notice review and disapproval process pursuant to
1024 Section 6.02 and the licensee avails itself or is otherwise
1025 subject to the multistate licensing process:

1026 (1) The commissioner is authorized and encouraged
1027 to accept the determination of another state if the investigating
1028 state has sufficient staffing, expertise, and minimum standards
1029 for the purpose of Section 6.02; or

1030 (2) If Mississippi is a lead investigative state,
1031 the commissioner is authorized and encouraged to investigate the
1032 applicant pursuant to Section 6.02(b) and the timeframes
1033 established by agreement through the multistate licensing process.

1034 **SECTION 7.** The following shall be codified as Section
1035 75-15-113, Mississippi Code of 1972:

1036 75-15-113. Section 7.01. Report of Condition. (a) Each
1037 licensee shall submit a report of condition (i.e. call report)
1038 within forty-five (45) days of the end of the calendar quarter, or
1039 within any extended time as the commissioner may prescribe.

1040 (b) The report of condition shall include:

1041 (1) Financial information at the licensee level;

1042 (2) Nationwide and state-specific money

1043 transmission transaction information in every jurisdiction in the



1044 United States where the licensee is licensed to engage in money
1045 transmission;

1046 (3) Permissible investments report;

1047 (4) Transaction destination country reporting for
1048 money received for transmission, if applicable; and

1049 (5) Any other information the commissioner
1050 requires with respect to the licensee. The commissioner is
1051 authorized and encouraged to utilize NMLS for the submission of
1052 the report required by this Section 7.01(a) and is authorized to
1053 change or update as necessary the requirements of this Section
1054 7.01 to carry out the purposes of this act and maintain
1055 consistency with NMLS reporting.

1056 (c) The information required by Section 7.01(b)(4)
1057 shall only be included in a report of condition submitted within
1058 forty-five (45) days of the end of the fourth calendar quarter.

1059 Section 7.02. Audited Financials. (a) Each licensee shall,
1060 within ninety (90) days after the end of each fiscal year, or
1061 within any extended time as the commissioner may prescribe, file
1062 with the commissioner:

1063 (1) An audited financial statement of the licensee
1064 for the fiscal year prepared in accordance with United States
1065 generally accepted accounting principles; and

1066 (2) Any other information as the commissioner may
1067 require.



1068 (b) The audited financial statements shall be prepared
1069 by an independent certified public accountant or independent
1070 public accountant who is satisfactory to the commissioner;

1071 (c) The audited financial statements shall include or
1072 be accompanied by a certificate of opinion of the independent
1073 certified public accountant or independent public accountant that
1074 is satisfactory in form and content to the commissioner. If the
1075 certificate or opinion is qualified, the commissioner may order
1076 the licensee to take any action as the commissioner may find
1077 necessary to enable the independent or certified public accountant
1078 or independent public accountant to remove the qualification.

1079 Section 7.03. Authorized Delegate Reporting. (a) Each
1080 licensee shall submit a report of authorized delegates within
1081 forty-five (45) days of the end of the calendar quarter. The
1082 commissioner is authorized and encouraged to utilize NMLS for the
1083 submission of the report required by this Section 7.03(a) provided
1084 that such functionality is consistent with the requirements of
1085 this Section 7.03. Such utilization shall include the NMLS
1086 Uniform Authorized Agent Reporting (UAAR) process, or such other
1087 similar process as designated by NMLS.

1088 (b) The authorized delegate report shall include, at a
1089 minimum, each authorized delegate's:

- 1090 (1) Company legal name;
- 1091 (2) Taxpayer employer identification number;
- 1092 (3) Principal provider identifier;



- 1093 (4) Physical address;
- 1094 (5) Mailing address;
- 1095 (6) Any business conducted in other states;
- 1096 (7) Any fictitious or trade name;
- 1097 (8) Contact person name, phone number, and email;
- 1098 (9) Start date as licensee's authorized delegate;
- 1099 (10) End date acting as licensee's authorized
- 1100 delegate, if applicable; and
- 1101 (11) Any other information the commissioner
- 1102 requires with respect to the authorized delegate.

1103 Section 7.04. Reports of Certain Events. (a) A licensee

1104 shall file a report with the commissioner within one (1) business

1105 day after the licensee has reason to know of the occurrence of any

1106 of the following events:

- 1107 (1) The filing of a petition by or against the
- 1108 licensee under the United States Bankruptcy Code, 11 USC Section
- 1109 101-110, as amended or recodified from time to time, for
- 1110 bankruptcy or reorganization;
- 1111 (2) The filing of a petition by or against the
- 1112 licensee for receivership, the commencement of any other judicial
- 1113 or administrative proceeding for its dissolution or
- 1114 reorganization, or the making of a general assignment for the
- 1115 benefit of its creditors; or



1116 (3) The commencement of a proceeding to revoke or
1117 suspend its license in a state or country in which the licensee
1118 engages in business or is licensed.

1119 (b) A licensee shall file a report with the
1120 commissioner within three (3) business days after the licensee has
1121 reason to know of the occurrence of any of the following events:

1122 (1) A charge or conviction of the licensee or of a
1123 key individual or person in control of the licensee for a felony;
1124 or

1125 (2) A charge or conviction of an authorized
1126 delegate for a felony.

1127 Section 7.05 Bank Secrecy Act Reports. A licensee and an
1128 authorized delegate shall file all reports required by federal
1129 currency reporting, record keeping, and suspicious activity
1130 reporting requirements as set forth in the Bank Secrecy Act and
1131 other federal and state laws pertaining to money laundering. The
1132 timely filing of a complete and accurate report required under
1133 this Section 7.05 with the appropriate federal agency is deemed
1134 compliant with the requirements of this Section 7.05.

1135 Section 7.06 Records. (a) Licensee shall maintain the
1136 following records, for determining its compliance with this act
1137 for at least five (5) years:

1138 (1) A record of each money transmission obligation
1139 sold;



1140 (2) A general ledger posted at least monthly
1141 containing all asset, liability, capital, income, and expense
1142 accounts;
1143 (3) Bank statements and bank reconciliation
1144 records;
1145 (4) Records of outstanding money transmission;
1146 (5) Records of each outstanding money transmission
1147 obligation paid within the five (5) year period;
1148 (6) A list of the last known names and addresses
1149 of all of the licensee's authorized delegates; and
1150 (7) Any other records the commissioner requires by
1151 rule, regulation, order.

1152 (b) The items specified in Section 7.06(a) may be
1153 maintained in photographic, electronic or other similar form.

1154 (c) Records specified in Section 7.06(a) may be
1155 maintained outside this state if they are made accessible to the
1156 commissioner on seven (7) business-days' notice that is sent in a
1157 record.

1158 (d) All records maintained by the licensee as required
1159 in Section 7.06(a)-(c) are open to inspection by the commissioner
1160 pursuant to Section 4.03(a).

1161 **SECTION 8.** The following shall be codified as Section
1162 75-15-115, Mississippi Code of 1972:

1163 75-15-115. Section 8.01. Relationship Between Licensee and
1164 Authorized Delegate. (a) In this Section 8.01, "remit" means to



1165 make direct payments of money to a licensee or its representative
1166 authorized to receive money or to deposit money in a bank in an
1167 account specified by the licensee.

1168 (b) Before a licensee is authorized to conduct business
1169 through an authorized delegate or allows a person to act as the
1170 licensee's authorized delegate, the licensee must:

1171 (1) Adopt, and update as necessary, written
1172 policies and procedures designed to ensure that the licensee's
1173 authorized delegates comply with applicable state and federal law;

1174 (2) Enter into a written contract that complies
1175 with Section 8.01(d); and

1176 (3) Conduct a risk-based background investigation
1177 sufficient for the licensee to determine whether the authorized
1178 delegate has complied and will likely comply with applicable state
1179 and federal law.

1180 (c) An authorized delegate must operate in full
1181 compliance with this act.

1182 (d) The written contract required by Section 8.01(b)
1183 must be signed by the licensee and the authorized delegate and, at
1184 a minimum, must:

1185 (1) Appoint the person signing the contract as the
1186 licensee's authorized delegate with the authority to conduct money
1187 transmission on behalf of the licensee;



1188 (2) Set forth the nature and scope of the
1189 relationship between the licensee and the authorized delegate and
1190 the respective rights and responsibilities of the parties;

1191 (3) Require the authorized delegate to agree to
1192 fully comply with all applicable state and federal laws, rules,
1193 and regulations pertaining to money transmission, including this
1194 act and regulations implementing this act, relevant provisions of
1195 the Bank Secrecy Act and the USA PATRIOT ACT;

1196 (4) Require the authorized delegate to remit and
1197 handle money and monetary value in accordance with the terms of
1198 the contract between the licensee and the authorized delegate;

1199 (5) Impose a trust on money and monetary value net
1200 of fees received for money transmission for the benefit of the
1201 licensee;

1202 (6) Require the authorized delegate to prepare and
1203 maintain records as required by this act or regulations
1204 implementing this act, or as requested by the commissioner;

1205 (7) Acknowledge that the authorized delegate
1206 consents to examination or investigation by the commissioner;

1207 (8) State that the licensee is subject to
1208 regulation by the commissioner and that, as part of that
1209 regulation, the commissioner may suspend or revoke an authorized
1210 delegate designation or require the licensee to terminate an
1211 authorized delegate designation; and



1212 (9) Acknowledge receipt of the written policies
1213 and procedures required under Section 8.01(b)(1).

1214 (e) If the licensee's license is suspended, revoked,
1215 surrendered, or expired, the licensee must, within five (5)
1216 business days, provide documentation to the commissioner that the
1217 licensee has notified all applicable authorized delegates of the
1218 licensee whose names are in a record filed with the commissioner
1219 of the suspension, revocation, surrender, or expiration of a
1220 license. Upon suspension, revocation, surrender, or expiration of
1221 a license, applicable authorized delegates shall immediately cease
1222 to provide money transmission as an authorized delegate of the
1223 licensee.

1224 (f) An authorized delegate of a licensee holds in trust
1225 for the benefit of the licensee all money net of fees received
1226 from money transmission. If any authorized delegate commingles
1227 any funds received from money transmission with any other funds or
1228 property owned or controlled by the authorized delegate, all
1229 commingled funds and other property shall be considered held in
1230 trust in favor of the licensee in an amount equal to the amount of
1231 money net of fees received from money transmission.

1232 (g) An authorized delegate may not use a subdelegate to
1233 conduct money transmission on behalf of a licensee.

1234 Section 8.02. Unauthorized Activities. A person shall not
1235 engage in the business of money transmission on behalf of a person
1236 not licensed under this act or not exempt pursuant to Section



1237 75-15-105. A person that engages in such activity provides money
1238 transmission to the same extent as if the person were a licensee,
1239 and shall be jointly and severally liable with the unlicensed or
1240 nonexempt person.

1241 **SECTION 9.** The following shall be codified as Section
1242 75-15-117, Mississippi Code of 1972:

1243 75-15-117. Section 9.01. Timely Transmission. (a) Every
1244 licensee shall forward all money received for transmission in
1245 accordance with the terms of the agreement between the licensee
1246 and the sender unless the licensee has a reasonable belief or a
1247 reasonable basis to believe that the sender may be a victim of
1248 fraud or that a crime or violation of law, rule, or regulation has
1249 occurred, is occurring, or may occur.

1250 (b) If a licensee fails to forward money received for
1251 transmission in accordance with this section, the licensee must
1252 respond to inquiries by the sender with the reason for the failure
1253 unless providing a response would violate a state or federal law,
1254 rule, or regulation.

1255 Section 9.02 Refunds. (a) This Section 9.02 does not
1256 apply to:

1257 (1) Money received for transmission subject to the
1258 federal Remittance Rule (12 CFR Part 1005, Subpart B), as amended
1259 or recodified from time to time; or



1260 (2) Money received for transmission pursuant to a
1261 written agreement between the licensee and payee to process
1262 payments for goods or services provided by the payee.

1263 (b) Every licensee shall refund to the sender within
1264 ten (10) days of receipt of the sender's written request for a
1265 refund of any and all money received for transmission unless any
1266 of the following occurs:

1267 (1) The money has been forwarded within ten (10)
1268 days of the date on which the money was received for transmission;

1269 (2) Instructions have been given committing an
1270 equivalent amount of money to the person designated by the sender
1271 within ten (10) days of the date on which the money was received
1272 for transmission;

1273 (3) The agreement between the licensee and the
1274 sender instructs the licensee to forward the money at a time that
1275 is beyond ten (10) days of the date on which the money was
1276 received for transmission. If funds have not yet been forwarded
1277 in accordance with the terms of the agreement between the licensee
1278 and the sender, the licensee shall issue a refund in accordance
1279 with the other provisions of this Section 9.02; or

1280 (4) The refund is requested for a transaction that
1281 the licensee has not completed based on a reasonable belief or a
1282 reasonable basis to believe that a crime or violation of law,
1283 rule, or regulation has occurred, is occurring, or may occur.



1284 (5) The refund request does not enable the
1285 licensee to:
1286 (A) Identify the sender's name and address or
1287 telephone number; or
1288 (B) Identify the particular transaction to be
1289 refunded in the event the sender has multiple transactions
1290 outstanding.

1291 Section 9.03 Receipts. (a) This Section 9.03 does not
1292 apply to:

1293 (1) Money received for transmission subject to the
1294 federal Remittance Rule (12 CFR Part 1005, Subpart B), as amended
1295 or recodified from time to time;
1296 (2) Money received for transmission that is not
1297 primarily for personal, family or household purposes;

1298 (3) Money received for transmission pursuant to a
1299 written agreement between the licensee and payee to process
1300 payments for goods or services provided by the payee; or

1301 (b) For purposes of this Section 9.03 "receipt" means a
1302 paper receipt, electronic record or other written confirmation.
1303 For a transaction conducted in person, the receipt may be provided
1304 electronically if the sender requests or agrees to receive an
1305 electronic receipt. For a transaction conducted electronically or
1306 by phone, a receipt may be provided electronically. All
1307 electronic receipts shall be provided in a retainable form.



1308 (c) Every licensee or its authorized delegate shall
1309 provide the sender a receipt for money received for transmission.

1310 (1) The receipt shall contain the following
1311 information, as applicable:

1312 (A) The name of the sender;

1313 (B) The name of the designated recipient;

1314 (C) The date of the transaction;

1315 (D) The unique transaction or identification
1316 number;

1317 (E) The name of the licensee, NMLS Unique ID,
1318 the licensee's business address, and the licensee's customer
1319 service telephone number;

1320 (F) The amount of the transaction in United
1321 States dollars;

1322 (G) Any fee charged by the licensee to the
1323 sender for the transaction; and

1324 (H) Any taxes collected by the licensee from
1325 the sender for the transaction.

1326 (2) The receipt required by this Section 9.03
1327 shall be in English and in the language principally used by the
1328 licensee or authorized delegate to advertise, solicit, or
1329 negotiate, either orally or in writing, for a transaction
1330 conducted in person, electronically or by phone, if other than
1331 English.



1332 **SECTION 10.** The following shall be codified as Section
1333 75-15-119, Mississippi Code of 1972:

1334 75-15-119. Section 10.01. Net Worth. (a) A licensee under
1335 this act shall maintain at all times a tangible net worth of the
1336 greater of One Hundred Thousand Dollars (\$100,000.00) or three
1337 percent (3%) of total assets for the first One Hundred Million
1338 Dollars (\$100,000,000.00), two percent (2%) of additional assets
1339 for One Hundred Million Dollars (\$100,000,000.00) to One Billion
1340 Dollars (\$1,000,000,000.00), and one-half percent (0.5%) of
1341 additional assets for over One Billion Dollars
1342 (\$1,000,000,000.00).

1343 (b) Tangible net worth must be demonstrated at initial
1344 application by the applicant's most recent audited statements
1345 pursuant to Section 5.03(b)(6) of Section 75-15-109.

1346 (c) Notwithstanding the foregoing provisions of this
1347 Section 10.01, the commissioner shall have the authority, for good
1348 cause shown, to exempt, in-part or in whole, from the requirements
1349 of this Section 10.01 any applicant or licensee.

1350 Section 10.02. Surety Bond. (a) An applicant for a money
1351 transmission license must provide, and a licensee at all times
1352 must maintain, security consisting of a surety bond issued by a
1353 bonding company or insurance company authorized to do business in
1354 the State of Mississippi and in a form satisfactory to the
1355 commissioner or, with the commissioner's approval, a deposit
1356 instead of a bond in accordance with this Section 10.02.



1357 (b) The amount of the required security shall be:
1358 (1) The greater of One Hundred Thousand Dollars
1359 (\$100,000.00) or an amount equal to one hundred percent (100%) of
1360 the licensee's average daily money transmission liability in this
1361 state calculated for the most recently completed three-month
1362 period, up to a maximum of Five Hundred Thousand Dollars
1363 (\$500,000.00). A licensee that maintains a bond in the maximum
1364 amount provided for in Section 10.02(b)(1) or (2), as applicable
1365 shall not be required to calculate its average daily money
1366 transmission liability in this state for purposes of this Section
1367 10.02.

1368 (c) A licensee may exceed the maximum required bond
1369 amount pursuant to Section 10.04(a)(5).

1370 (d) The bond shall be in a form satisfactory to the
1371 commissioner and shall run to the state for the use and benefit of
1372 the Department of Banking and Consumer Finance and any claimants
1373 against the licensee or his agents to secure the faithful
1374 performance of the obligations of the licensee and his agents with
1375 respect to the receipt, handling, transmission and payment of
1376 money in connection with money transmissions in Mississippi.

1377 (e) Any claimants against the licensee or his agents
1378 may themselves bring suit directly on the bond, or the Attorney
1379 General may bring suit thereon in behalf of those claimants,
1380 either in one (1) action or successive actions.



1381 (f) The commissioner may increase the required amount
1382 of the bond or deposit upon the basis of the impaired financial
1383 condition of a licensee as evidenced by a reduction in net worth,
1384 financial losses or other relevant criteria.

1385 (g) Any provision in this act to the contrary
1386 notwithstanding, the commissioner may at any time, if in the
1387 commissioner's sole opinion the protection of the public so
1388 requires, increase the principal sum of the bond or deposit
1389 required of any applicant or licensee by this act but in no case
1390 shall the principal sum of the bond or deposit required exceed One
1391 Million Dollars (\$1,000,000).

1392 Section 10.03. Maintenance of Permissible Investments. (a)
1393 A licensee shall maintain at all times permissible investments
1394 that have a market value computed in accordance with United States
1395 generally accepted accounting principles of not less than the
1396 aggregate amount of all of its outstanding money transmission
1397 obligations.

1398 (b) Except for permissible investments enumerated in
1399 Section 10.04(a), the commissioner, with respect to any licensee,
1400 may by rule, regulation or order limit the extent to which a
1401 specific investment maintained by a licensee within a class of
1402 permissible investments may be considered a permissible
1403 investment, if the specific investment represents undue risk to
1404 customers, not reflected in the market value of investments.



1405 (c) Permissible investments, even if commingled with
1406 other assets of the licensee, are held in trust for the benefit of
1407 the purchasers and holders of the licensee's outstanding money
1408 transmission obligations in the event of insolvency, the filing of
1409 a petition by or against the licensee under the United States
1410 Bankruptcy Code, 11 USC Section 101-110, as amended or recodified
1411 from time to time, for bankruptcy or reorganization, the filing of
1412 a petition by or against the licensee for receivership, the
1413 commencement of any other judicial or administrative proceeding
1414 for its dissolution or reorganization, or in the event of an
1415 action by a creditor against the licensee who is not a beneficiary
1416 of this statutory trust. No permissible investments impressed
1417 with a trust pursuant to this Section 10.03(c) shall be subject to
1418 attachment, levy of execution, or sequestration by order of any
1419 court, except for a beneficiary of this statutory trust.

1420 (d) Upon the establishment of a statutory trust in
1421 accordance with Section 10.03(c) or when any funds are drawn on a
1422 letter of credit pursuant to Section 10.04(a)(4), the commissioner
1423 shall notify the applicable regulator of each state in which the
1424 licensee is licensed to engage in money transmission, if any, of
1425 the establishment of the trust or the funds drawn on the letter of
1426 credit, as applicable. Notice shall be deemed satisfied if
1427 performed pursuant to a multistate agreement or through NMLS.
1428 Funds drawn on a letter of credit, and any other permissible
1429 investments held in trust for the benefit of the purchasers and



1430 holders of the licensee's outstanding money transmission
1431 obligations, are deemed held in trust for the benefit of such
1432 purchasers and holders on a pro rata and equitable basis in
1433 accordance with statutes pursuant to which permissible investments
1434 are required to be held in this state, and other states, as
1435 applicable. Any statutory trust established hereunder shall be
1436 terminated upon extinguishment of all of the licensee's
1437 outstanding money transmission obligations.

1438 (e) The commissioner, by rule, regulation or by order
1439 may allow other types of investments that the commissioner
1440 determines are of sufficient liquidity and quality to be a
1441 permissible investment. The commissioner is authorized to
1442 participate in efforts with other state regulators to determine
1443 that other types of investments are of sufficient liquidity and
1444 quality to be a permissible investment.

1445 Section 10.04. Types of Permissible Investments. (a) The
1446 following investments are permissible under Section 10.03:

1447 (1) Cash (including demand deposits, savings
1448 deposits, and funds in such accounts held for the benefit of the
1449 licensee's customers in a federally insured depository financial
1450 institution) and cash equivalents including ACH items in transit
1451 to the licensee and ACH items or international wires in transit to
1452 a payee, cash in transit via armored car, cash in smart safes,
1453 cash in licensee-owned locations, debit card or credit card-funded
1454 transmission receivables owed by any bank, or money market mutual



1455 funds rated "AAA" by S&P, or the equivalent from any eligible
1456 rating service;

1457 (2) Certificates of deposit or senior debt
1458 obligations of an insured depository institution, as defined in
1459 Section 3 of the Federal Deposit Insurance Act, 12 USC Section
1460 1813, as amended or recodified from time to time, or as defined
1461 under the federal Credit Union Act, 12 USC Section 1781, as
1462 amended or recodified from time to time;

1463 (3) An obligation of the United States or a
1464 commission, agency, or instrumentality thereof; an obligation that
1465 is guaranteed fully as to principal and interest by the United
1466 States; or an obligation of a state or a governmental subdivision,
1467 agency, or instrumentality thereof;

1468 (4) The full drawable amount of an irrevocable
1469 standby letter of credit for which the stated beneficiary is the
1470 commissioner that stipulates that the beneficiary need only draw a
1471 sight draft under the letter of credit and present it to obtain
1472 funds up to the letter of credit amount within seven (7) days of
1473 presentation of the items required by Section 10.04(a)(4)(C).

1474 (A) The letter of credit must:

1475 (i) Be issued by a federally insured
1476 depository financial institution, a foreign bank that is
1477 authorized under federal law to maintain a federal agency or
1478 federal branch office in a state or states, or a foreign bank that
1479 is authorized under state law to maintain a branch in a state that



1480 (1) bears an eligible rating or whose parent company bears an
1481 eligible rating; and (2) is regulated, supervised, and examined by
1482 United States federal or state authorities having regulatory
1483 authority over banks, credit unions, and trust companies;

1484 (ii) Be irrevocable, unconditional and
1485 indicate that it is not subject to any condition or qualifications
1486 outside of the letter of credit;

1487 (iii) Not contain reference to any other
1488 agreements, documents or entities, or otherwise provide for any
1489 security interest in the licensee; and

1490 (iv) Contain an issue date and
1491 expiration date, and expressly provide for automatic extension,
1492 without a written amendment, for an additional period of one (1)
1493 year from the present or each future expiration date, unless the
1494 issuer of the letter of credit notifies the commissioner in
1495 writing by certified or registered mail or courier mail or other
1496 receipted means, at least sixty (60) days prior to any expiration
1497 date, that the irrevocable letter of credit will not be extended.

1498 (B) In the event of any notice of expiration
1499 or nonextension of a letter of credit issued under Section
1500 10.04(a)(4)(A)(iv), the licensee shall be required to demonstrate
1501 to the satisfaction of the commissioner, fifteen (15) days prior
1502 to expiration, that the licensee maintains and will maintain
1503 permissible investments in accordance with Section 10.03(a) upon
1504 the expiration of the letter of credit. If the licensee is not



1505 able to do so, the commissioner may draw on the letter of credit
1506 in an amount up to the amount necessary to meet the licensee's
1507 requirements to maintain permissible investments in accordance
1508 with Section 10.03(a). Any such draw shall be offset against the
1509 licensee's outstanding money transmission obligations. The drawn
1510 funds shall be held in trust by the commissioner or the
1511 commissioner's designated agent, to the extent authorized by law,
1512 as agent for the benefit of the purchasers and holders of the
1513 licensee's outstanding money transmission obligations.

1514 (C) The letter of credit shall provide that
1515 the issuer of the letter of credit will honor, at sight, a
1516 presentation made by the beneficiary to the issuer of the
1517 following documents on or prior to the expiration date of the
1518 letter of credit:

1519 (i) The original letter of credit
1520 (including any amendments); and

1521 (ii) A written statement from the
1522 beneficiary stating that any of the following events have
1523 occurred:

1524 1. The filing of a petition by or
1525 against the licensee under the United States Bankruptcy Code, 11
1526 USC Section 101-110, as amended or recodified from time to time,
1527 for bankruptcy or reorganization;

1528 2. The filing of a petition by or
1529 against the licensee for receivership, or the commencement of any



1530 other judicial or administrative proceeding for its dissolution or
1531 reorganization;

1532 3. The seizure of assets of a
1533 licensee by a commissioner pursuant to an emergency order issued
1534 in accordance with applicable law, on the basis of an action,
1535 violation, or condition that has caused or is likely to cause the
1536 insolvency of the licensee; or

1537 4. The beneficiary has received
1538 notice of expiration or non-extension of a letter of credit and
1539 the licensee failed to demonstrate to the satisfaction of the
1540 beneficiary that the licensee will maintain permissible
1541 investments in accordance with Section 10.03(a) upon the
1542 expiration or non-extension of the letter of credit.

1543 (D) The commissioner may designate an
1544 agent to serve on the commissioner's behalf as beneficiary to a
1545 letter of credit so long as the agent and letter of credit meet
1546 requirements established by the commissioner. The commissioner's
1547 agent may serve as agent for multiple licensing authorities for a
1548 single irrevocable letter of credit if the proceeds of the
1549 drawable amount for the purposes of this Section 10.04(a)(4) are
1550 assigned to the commissioner.

1551 (E) The commissioner is authorized and
1552 encouraged to participate in multistate processes designed to
1553 facilitate the issuance and administration of letters of credit,



1554 including, but not limited to, services provided by the NMLS and
1555 State Regulatory Registry, LLC.

1556 (5) One hundred percent (100%) of the surety bond
1557 or deposit provided for under Section 10.02 that exceeds the
1558 average daily money transmission liability in this state.

1559 (6) Any other investment approved by the
1560 commissioner.

1561 (b) Unless permitted by the commissioner by rule,
1562 regulation or by order to exceed the limit as set forth herein,
1563 the following investments are permissible under Section 10.03 to
1564 the extent specified:

1565 (1) Receivables that are payable to a licensee
1566 from its authorized delegates in the ordinary course of business
1567 that are less than seven (7) days old, up to fifty percent (50%)
1568 of the aggregate value of the licensee's total permissible
1569 investments;

1570 (2) Of the receivables permissible under Section
1571 10.04(b)(1), receivables that are payable to a licensee from a
1572 single authorized delegate in the ordinary course of business may
1573 not exceed ten percent (10%) of the aggregate value of the
1574 licensee's total permissible investments.

1575 (3) The following investments are permissible up
1576 to twenty percent (20%) per category and combined up to fifty
1577 percent (50%) of the aggregate value of the licensee's total
1578 permissible investments:



1579 (A) A short-term (up to six (6) months)
1580 investment bearing an eligible rating;
1581 (B) Commercial paper bearing an eligible
1582 rating;
1583 (C) A bill, note, bond, or debenture bearing
1584 an eligible rating;
1585 (D) U.S. tri-party repurchase agreements
1586 collateralized at one hundred percent (100%) or more with U.S.
1587 government or agency securities, municipal bonds, or other
1588 securities bearing an eligible rating;
1589 (E) Money market mutual funds rated less than
1590 "AAA" and equal to or higher than "A-" by S&P, or the equivalent
1591 from any other eligible rating service; and
1592 (F) A mutual fund or other investment fund
1593 composed solely and exclusively of one or more permissible
1594 investments listed in Section 10.04(a)(1)-(3).
1595 (4) Cash (including demand deposits, savings
1596 deposits, and funds in such accounts held for the benefit of the
1597 licensee's customers) at foreign depository institutions are
1598 permissible up to ten percent (10%) of the aggregate value of the
1599 licensee's total permissible investments if the licensee has
1600 received a satisfactory rating in its most recent examination and
1601 the foreign depository institution:
1602 (A) Has an eligible rating;



1603 (B) Is registered under the Foreign Account
1604 Tax Compliance Act;

1605 (C) Is not located in any country subject to
1606 sanctions from the Office of Foreign Asset Control; and

1607 (D) Is not located in a high-risk or
1608 non-cooperative jurisdiction as designated by the Financial Action
1609 Task Force.

1610 **SECTION 11.** The following shall be codified as Section
1611 75-15-121, Mississippi Code of 1972:

1612 75-15-121. Section 11.01. Suspension and Revocation. (a)
1613 The commissioner may suspend or revoke a license or order a
1614 licensee to revoke the designation of an authorized delegate if:

1615 (1) The licensee or any authorized delegate,
1616 agent, or representative violates this act or a rule or regulation
1617 adopted or an order issued under this act;

1618 (2) The licensee or any authorized delegate,
1619 agent, or representative does not cooperate with an examination or
1620 investigation by the commissioner;

1621 (3) The licensee or any authorized delegate,
1622 agent, or representative engages in fraud, intentional
1623 misrepresentation, or gross negligence;

1624 (4) An authorized delegate is convicted of a
1625 violation of a state or federal anti-money laundering statute, or
1626 violates a rule or regulation adopted or an order issued under



1627 this act, as a result of the licensee's willful misconduct or
1628 willful blindness;

1629 (5) The competence, experience, character, or
1630 general fitness of the licensee, authorized delegate, person in
1631 control of a licensee, key individual, or responsible person of
1632 the authorized delegate indicates that it is not in the public
1633 interest to permit the person to provide money transmission;

1634 (6) The licensee or any authorized delegate,
1635 agent, or representative engages in an unsafe or unsound practice;

1636 (7) The licensee is insolvent, suspends payment of
1637 its obligations, or makes a general assignment for the benefit of
1638 its creditors; or

1639 (8) The licensee does not remove an authorized
1640 delegate after the commissioner issues and serves upon the
1641 licensee a final order including a finding that the authorized
1642 delegate has violated this act.

1643 (b) In determining whether a licensee is engaging in an
1644 unsafe or unsound practice, the commissioner may consider the size
1645 and condition of the licensee's money transmission, the magnitude
1646 of the loss, the gravity of the violation of this act, and the
1647 previous conduct of the person involved.

1648 Section 11.02. Notice and Hearing. (a) Except where a
1649 license is automatically revoked without any act of the
1650 commissioner as specially provided in this Section, no license
1651 shall be revoked except on ten (10) days' notice (the first day of



1652 the ten-day period to be the date stated on the notice, which
1653 shall be the day it is mailed) to the licensee by the
1654 commissioner, sent by letter by United States registered mail,
1655 return receipt requested, to the licensee's business address set
1656 forth in the application.

1657 (b) Upon receipt of the notice, as stated in the
1658 registered mail receipt, the licensee may, within five (5) days
1659 thereafter (which five-day period may be wholly or partially
1660 outside of the ten-day period) make written demand for a hearing
1661 by the commissioner, which demand must be accompanied by an
1662 additional surety bond or securities deposit, as hereafter
1663 provided, the principal sum or the market value thereof to be
1664 specified by the commissioner in the revocation notice.

1665 (c) The revocation notice shall not become final during
1666 the period of time in which the licensee may demand such hearing
1667 nor if licensee demands a hearing, until the matter has been
1668 finally determined by the commissioner or by the courts, provided
1669 that the licensee posts together with his written demand for
1670 hearing an additional corporate surety bond, written by the same
1671 surety that wrote the bond required under Section 10.02 of Section
1672 75-15-119 or an additional deposit in addition to the deposit
1673 theretofore made by the licensee under Section 10.02 of Section
1674 75-19-119 which additional surety bond or deposit shall be in a
1675 principal amount or of a market value deemed adequate by the
1676 commissioner as specified in the revocation order but not



1677 exceeding One Million Dollars (\$1,000,000.00), provided that if
1678 the licensee originally deposited with his application under
1679 Section 10.02 of Section 75-15-119 a corporate surety bond, the
1680 additional deposit provided in this section must be another
1681 corporate surety bond or an increase of the first one and may not
1682 be a deposit, or if the licensee originally made a deposit, the
1683 additional deposit shall also be of the same manner and not a
1684 corporate surety bond. The bond or deposit shall secure the same
1685 obligations as does the corporate surety bond or deposit required
1686 by Section 10.02 of Section 75-15-119, but shall be in addition to
1687 the bond or deposit required thereby.

1688 (d) Upon receipt of the written demand, the
1689 commissioner shall thereafter, with reasonable promptness, hear
1690 and determine the matter as provided by law or regulation.

1691 (e) If the licensee deems himself aggrieved by the
1692 determination or order of the commissioner, he may within thirty
1693 (30) days after the determination or order, have the determination
1694 or order reviewed by an appeal to the Chancery Court of the First
1695 Judicial District of Hinds County, Mississippi, by filing a
1696 petition setting out the specific order or action or part thereof
1697 by which the person deems himself aggrieved. All those petitions
1698 shall be given preferred settings and shall be heard by the court
1699 as speedily as possible. Such an appeal shall be perfected upon
1700 the posting of a bond for the costs of the appeal accompanied by
1701 the petition. Any party to the appeal may appeal to the Supreme



1702 Court of Mississippi from the decree or order of the chancery
1703 court, within thirty (30) days from the rendition of the decree or
1704 order, in the manner provided by law for appeals to the Supreme
1705 Court of Mississippi from chancery courts.

1706 (f) Final revocation of the license, whether automatic
1707 or by final determination of the commissioner or the courts, shall
1708 cancel as of the date of final revocation all bonds or deposits
1709 theretofore deposited by the licensee under any provision of this
1710 section, provided that the licensee (and his corporate surety, if
1711 any) shall not be relieved of any accrued liabilities, and
1712 provided further, where the licensee made a deposit, that there
1713 shall not be returned to the licensee any of the deposit until the
1714 commissioner determines that all accrued liabilities (including,
1715 but not limited to, the principal sums thereof, accrued interest
1716 thereon, and court costs, if any, assessed to the licensee) of the
1717 licensee under this section have been satisfied in full.

1718 (g) The commissioner may at any time revoke a license,
1719 on any ground on which he might refuse to grant a license, for
1720 failure to pay an annual fee or for violation of any provision of
1721 this section, subject to the provisions of this section.

1722 (h) A license shall be automatically and finally
1723 revoked without any act or further act of the commissioner and
1724 without any right of the licensee to any hearing or further
1725 hearing by the commissioner or the courts and without any right of
1726 the licensee or the commissioner to reinstate or have reinstated



1727 the license, in the following instances: (a) at expiration of the
1728 sixty-day notice period, if the corporate surety gives notice of
1729 cancellation of its bond or any of them; (b) upon failure by
1730 licensee to pay when due the annual license fee required by
1731 Section 5.06 of Section 75-15-109; (c) upon failure by licensee to
1732 file when due any information required by this act; (d) in case of
1733 a revocation notice under the Section 11.02(a), failure by the
1734 licensee to demand hearing as provided therein or failure to
1735 deposit any additional corporate surety bond or deposit as
1736 required by the commissioner; (e) upon a license revocation order
1737 becoming final at any stage; (f) failure by licensee to deposit
1738 when due any additional corporate surety bond or deposit required
1739 by the commissioner under Section 10.02(h) of Section 75-15-119;
1740 or (g) upon final conviction of licensee as to any offense covered
1741 by this act.

1742 (i) If a revocation order becomes final for any reason
1743 or in any manner, the license may not be reinstated, except upon
1744 new application as if the licensee had never been licensed before.
1745 The commissioner may deny the new application on grounds that a
1746 previous application was denied or a previous license to applicant
1747 was revoked or any ground or grounds on which he may deny an
1748 original application.

1749 Section 11.03. Orders to Cease and Desist. (a) If the
1750 commissioner determines that a violation of this act or of a rule
1751 or regulation adopted or an order issued under this act by a



1752 licensee or authorized delegate is likely to cause immediate and
1753 irreparable harm to the licensee, its customers, or the public as
1754 a result of the violation, or cause insolvency or significant
1755 dissipation of assets of the licensee, the commissioner may issue
1756 an order requiring the licensee or authorized delegate to cease
1757 and desist from the violation. The order becomes effective upon
1758 service of it upon the licensee or authorized delegate.

1759 (b) When the commissioner has reasonable cause to
1760 believe that a person is violating any provision of this act, the
1761 commissioner, in addition to and without prejudice to the
1762 authority provided elsewhere in this act, may sue in the Chancery
1763 Court of the First Judicial District of Hinds County, Mississippi
1764 to enjoin the person from engaging in or continuing the violation
1765 or from doing any act in furtherance of the violation. In such an
1766 action, the court may enter any order or judgment awarding a
1767 preliminary or permanent injunction.

1768 (c) An order to cease and desist remains effective
1769 until rescinded or released by the commissioner or appealed as
1770 provided in this section.

1771 (d) A licensee that is served with an order to cease
1772 and desist may petition the Chancery Court of the First Judicial
1773 District of Hinds County, Mississippi, for a judicial order
1774 setting aside, limiting, or suspending the enforcement, operation,
1775 or effectiveness of the order.



1776 Section 11.04. Consent Orders. The commissioner may enter
1777 into a consent order at any time with a person to resolve a matter
1778 arising under this act or a rule or regulation adopted or order
1779 issued under this act. A consent order must be signed by the
1780 person to whom it is issued or by the person's authorized
1781 representative, and must indicate agreement with the terms
1782 contained in the order. A consent order may provide that it does
1783 not constitute an admission by a person that this act or a rule or
1784 regulation adopted or an order issued under this act has been
1785 violated.

1786 Section 11.05. Criminal Penalties. (a) A person that
1787 intentionally makes a false statement, misrepresentation, or false
1788 certification in a record filed or required to be maintained under
1789 this act or that intentionally makes a false entry or omits a
1790 material entry in such a record is guilty of a felony and, upon
1791 conviction thereof, shall be fined no less than Five Hundred
1792 Dollars (\$500.00) nor more than Three Thousand Dollars
1793 (\$3,000.00), and may also be punished by imprisonment in the
1794 custody of the State Department of Corrections for a term not less
1795 than one (1) year and not more than five (5) years.

1796 (b) A person that knowingly engages in an activity for
1797 which a license is required under this act without being licensed
1798 under this act and who receives more than Five Hundred Dollars
1799 (\$500.00) in compensation within a thirty (30) day period from
1800 this activity is guilty of a felony and, upon conviction thereof,



1801 shall be fined no less than Five Hundred Dollars (\$500.00) nor
1802 more than Three Thousand Dollars (\$3,000.00), and may also be
1803 punished by imprisonment in the custody of the State Department of
1804 Corrections for a term not less than one (1) year and not more
1805 than five (5) years.

1806 (c) A person that knowingly engages in an activity for
1807 which a license is required under this act without being licensed
1808 under this act and who receives no more than Five Hundred Dollars
1809 (\$500.00) in compensation within a thirty (30) day period from
1810 this activity is guilty of a misdemeanor and, upon conviction,
1811 shall be fined not less than One Hundred Dollars (\$100.00) nor
1812 more than Five Hundred Dollars (\$500.00), and may also be confined
1813 to the county jail for not more than twelve (12) months.

1814 Section 11.06. Civil Penalties. (a) The commissioner may
1815 assess a civil penalty against a person that violates this act or
1816 a rule or regulation adopted or an order issued under this act in
1817 an amount not to exceed One Thousand Dollars (\$1,000.00) per day
1818 for each day the violation is outstanding, plus this state's costs
1819 and expenses for the investigation and prosecution of the matter,
1820 including reasonable attorney's fees.

1821 (b) If any person engages in business as provided for
1822 in this act without paying the license fee provided for in this
1823 act before beginning business or before the expiration of the
1824 person's current license, as the case may be, then the person
1825 shall be liable for the full amount of the license fee plus a



1826 penalty in an amount not to exceed One Thousand Dollars
1827 (\$1,000.00) for each day that the person has engaged in the
1828 business without a license or after the expiration of a license.

1829 Section 11.07. Unlicensed Persons. (a) If the commissioner
1830 has reason to believe that a person has violated or is violating
1831 Section 5.01 of Section 75-15-109, the commissioner may issue an
1832 order to show cause why an order to cease and desist should not
1833 issue requiring that the person cease and desist from the
1834 violation of Section 5.01.

1835 (b) In an emergency, the commissioner may petition the
1836 Chancery Court of the First Judicial District of Hinds County,
1837 Mississippi for the issuance of a temporary restraining order ex
1838 parte pursuant to the rules of civil procedure.

1839 (c) An order to cease and desist becomes effective upon
1840 service of it upon the person.

1841 (d) An order to cease and desist remains effective and
1842 enforceable until rescinded or released by the commissioner or
1843 appealed as provided in this section.

1844 (e) A person that is served with an order to cease and
1845 desist for violating Section 5.01 of Section 75-15-109 may
1846 petition the Chancery Court of the First Judicial District of
1847 Hinds County, Mississippi for a judicial order setting aside,
1848 limiting, or suspending the enforcement, operation, or
1849 effectiveness of the order.



1850 **SECTION 12.** The following shall be codified as Section
1851 75-15-123, Mississippi Code of 1972:

1852 75-15-123. Investigation of Possible Violations. In
1853 addition to and without prejudice to the authority provided
1854 elsewhere in this act, the commissioner, or his duly authorized
1855 representative, for the purpose of discovering violations of this
1856 act and for the purpose of determining whether persons are subject
1857 to the provisions of this act, may examine persons licensed under
1858 this chapter and persons reasonably suspected by the commissioner
1859 of conducting business that requires a license under this act,
1860 including all relevant books, records and papers employed by those
1861 persons in the transaction of their business, and may summon
1862 witnesses and examine them under oath concerning matters relating
1863 to the business of those persons, or such other matters as may be
1864 relevant to the discovery of violations of this act, including
1865 without limitation the conduct of business without a license as
1866 required under this chapter.

1867 **SECTION 13.** The following shall be codified as Section
1868 75-15-125, Mississippi Code of 1972:

1869 75-15-125. Section 13.01. Uniformity of Application and
1870 Construction. In applying and construing this act, consideration
1871 must be given to the need to promote uniformity of the law with
1872 respect to its subject matter among states that enact it.

1873 Section 13.02. Severability Clause. If any provision of
1874 this act or its application to any person or circumstance is held



1875 invalid, the invalidity does not affect other provisions or
1876 applications of this act which can be given effect without the
1877 invalid provision or application, and to this end the provisions
1878 of this act are severable.

1879 Section 13.03. Transition Period. (a) A person licensed in
1880 this state to engage in the business of money transmission shall
1881 not be subject to the provisions of this act, to the extent that
1882 they conflict with current law or establish new requirements not
1883 imposed under current law, until such time as the licensee renews
1884 its current license or for twelve (12) months after the effective
1885 date of this act, whichever is later.

1886 (b) Notwithstanding Section 13.03(a), a licensee shall
1887 only be required to amend its authorized delegate contracts for
1888 contracts entered into or amended after the effective date or the
1889 completion of any transition period contemplated under Section
1890 13.03(a). Nothing herein shall be construed as limiting an
1891 authorized delegate's obligations to operate in full compliance
1892 with this act as required by Section 8.01(c).

1893 **SECTION 14.** Sections 75-15-1, 75-15-3, 75-15-5, 75-15-7,
1894 75-15-9, 75-15-11, 75-15-12, 75-15-13, 75-15-15, 75-15-17,
1895 75-15-19, 75-15-21, 75-15-23, 75-15-25, 75-15-27, 75-15-29,
1896 75-15-31, 75-15-32, 75-15-33 and 75-15-35, Mississippi Code of
1897 1972, which are the Mississippi Money Transmitters Act, are
1898 repealed.



1899 **SECTION 15.** This act shall take effect and be in force from
1900 and after July 1, 2025.

