

2026 Regular Session

HOUSE BILL NO. 1230

BY REPRESENTATIVE DESHOTEL

COMMERCIAL REGULATIONS: Provides relative to the Louisiana Money Transmission Act

1 AN ACT

2 To amend and reenact Chapter 13 of the of Title 6 of the Louisiana Revised Statutes of

3 1950, to be comprised of R.S. 6:1031 through 1072, relative to the Louisiana Money

4 Transmission Act; to provide for a short title; to provide for a purpose; to provide for

5 definitions; to provide for exemptions under certain circumstances; to require

6 information and documentation in order qualify for an exemption; to provide for

7 record keeping; to provide for applications for and the issuance, renewal, and

8 maintenance of licenses; to provide for implementation and rule promulgation; to

9 provide for consistent licensing between states; to provide for notice and information

10 requirements for changing key individuals; to require reporting; to require auditing

11 of finances; to provide for certain unauthorized and prohibited activities; to provide

12 for permissible investments; to provide for suspension and revocation of licenses

13 under certain circumstances; to provide for license and notice revocation hearings;

14 to provide for penalties; and to provide for related matters.

15 Be it enacted by the Legislature of Louisiana:

16 Section 1. Section 2 of this Act amends and reenacts Chapter 13 of Title 6 of the

17 Louisiana Revised Statutes of 1950 in its entirety. Due to the length of the Chapter, present

18 law is not included as overstruck text.

1 Section 2. Chapter 13 of Title 6 of the Louisiana Revised Statutes of 1950,
2 comprised of R.S. 6:1031 through 1072, is hereby amended and reenacted to read as follows:

3 CHAPTER 13: THE LOUISIANA MONEY TRANSMISSION ACT

4 §1031. Short title

5 This Chapter shall be known as and may be cited as the "Louisiana Money
6 Transmission Act."

7 §1032. Purpose

8 This Chapter is designed to replace the "Sale of Checks and Money
9 Transmission Act" codified at Title 6, Chapter 13, R.S. 6:1031 et seq. It is the intent
10 of the Legislature that the provisions of this Chapter accomplish all of the following:

11 (1) Ensure states can coordinate in all areas of regulation, licensing, and
12 supervision to eliminate unnecessary regulatory burden and more effectively utilize
13 regulatory resources.

14 (2) Protect the Louisiana public from financial crime.

15 (3) Standardize the types of activities that are subject to licensing or
16 otherwise exempt from licensing.

17 (4) Modernize the licensure, supervision, and regulation of multistate money
18 transmission licenses with current safety and soundness requirements to ensure
19 customer funds are protected in an environment that supports innovative and
20 competitive business practices.

21 §1033. Definitions

22 For purposes of this Chapter, the following definitions have the following
23 meanings:

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

27 (2) "Authorized agent" means a person that a licensee designates to engage
28 in money transmission on behalf of the licensee.

1 (3) "Average daily money transmission liability" means the amount of the
2 licensee's outstanding money transmission obligations in this state at the end of each
3 day in a given period of time, added together and divided by the total number of days
4 in the given period of time. For purposes of calculating average daily money
5 transmission liability pursuant to this Chapter for any licensee required to do so, the
6 given period of time shall be the quarters ending March thirty-first, June thirtieth,
7 September thirtieth, and December thirty-first.

8 (4) "Bank Secrecy Act" means the Bank Secrecy Act, 31 U.S.C. 5311 et
9 seq., and its implementing regulations, as amended and recodified from time to time.

10 (5) "Commissioner" means the commissioner of the office of financial
11 institutions.

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

16 (7)(a) "Control" means satisfying one of the following:

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

20 (ii) The power to elect or appoint a majority of key individuals or executive
21 officers, managers, directors, trustees, or other persons exercising managerial
22 authority of a person in control of a licensee.

23 (iii) The power to exercise, directly or indirectly, a controlling influence over
24 the management or policies of a licensee or person in control of a licensee.

25 (iv) Any other set of facts and circumstances, as determined by the
26 commissioner in his discretion, that may constitute control.

27 (b) For purposes of determining the percentage of a person controlled by any
28 other person, the person's interest shall be aggregated with the interest of any other
29 immediate family member, including the person's spouse, parents, children, siblings,

1 mothers-in-law and fathers-in-law, sons-in-law and daughters-in-law, brothers-in-law
2 and sisters-in-law, and any other person who shares the person's home.

3 (8) "Eligible rating" means a credit rating of any of the three highest rating
4 categories provided by an eligible rating service, whereby each category may include
5 rating category modifiers such as "plus" or "minus" for Standard & Poors, or the
6 equivalent for any other eligible rating service. Long-term credit ratings are deemed
7 eligible if the rating is equal to A- or higher by Standard & Poors, or the equivalent
8 from any other eligible rating service. Short-term credit ratings are deemed eligible
9 if the rating is equal to or higher than A-2 or SP-2 by Standard & Poors, or the
10 equivalent from any other eligible rating service. In the event that ratings differ
11 among eligible rating services, the highest rating shall apply when determining
12 whether a security bears an eligible rating.

13 (9) "Eligible rating service" means any Nationally Recognized Statistical
14 Rating Organization as defined by the United States Securities and Exchange
15 Commission, and any other organization designated by the commissioner by rule,
16 regulation, or order.

17 (10) "Federally insured depository financial institution" means a bank, credit
18 union, savings and loan association, trust company, savings association, savings
19 bank, industrial bank, or industrial loan company organized pursuant to the laws of
20 the United States or any state of the United States, if the bank, credit union, savings
21 and loan association, trust company, savings association, savings bank, industrial
22 bank, or industrial loan company has federally insured deposits.

23 (11) "In this state" means at a physical location within Louisiana for a
24 transaction requested in person. For a transaction requested electronically or by
25 phone, the provider of a money transmission may determine if the person requesting
26 the transaction is "in this state" by relying on other information provided by the
27 person regarding the location of the individual's residential address or a business
28 entity's principal place of business or other physical address location, and any
29 records associated with the person that the provider of money transmission may have

1 that indicate such location, including but not limited to an address associated with
2 an account.

3 (12) "Individual" means a natural person.

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

7 (14) "Licensee" means a person licensed by the office pursuant to this
8 Chapter.

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

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

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

19 (18) "Money transmission" means any of the following:

20 (a) Selling or issuing payment instruments to a person located in this state.

21 (b) Selling or issuing stored value to a person located in this state.

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

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

27 (20) "Multistate licensing process" means any agreement entered into by and
28 among state regulators relating to coordinated processing of applications for money
29 transmission licenses, applications for the acquisition of control of a licensee, control

1 determinations, or notice and information requirements for a change of key
2 individuals.

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

8 (22) "Office" means the office of financial institutions.

9 (23)(a) "Outstanding money transmission obligations" shall be established
10 and extinguished in accordance with applicable state law and means one of the
11 following:

12 (i) Any payment instrument or stored value issued or sold by the licensee to
13 a person located in the United States or reported as sold by an authorized agent of the
14 licensee to a person who is located in the United States that has not yet been paid or
15 refunded by or for the licensee, or escheated in accordance with applicable
16 abandoned property laws.

17 (ii) Any money received for transmission by the licensee or an authorized
18 agent in the United States from a person located in the United States that has not
19 been received by the payee or refunded to the sender, or escheated in accordance
20 with applicable abandoned property laws.

21 (b) For purposes of this Paragraph, "in the United States" shall include, to
22 the extent applicable, a person in any state, territory, or possession of the United
23 States, the District of Columbia, the Commonwealth of Puerto Rico, or a United
24 States military installation that is located in a foreign country.

25 (24) "Passive investor" means a person who is all of the following:

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

1 (b) Is not employed by and does not have any managerial duties of the
2 licensee or person in control of a licensee.

3 (c) Does not have the power to exercise, directly or indirectly, a controlling
4 influence over the management or policies of a licensee or person in control of a
5 licensee.

6 (d) Either attests to Subparagraphs (a), (b), and (c) of this Paragraph, in a
7 form and in a medium prescribed by the commissioner, or commits to the passivity
8 characteristics of Subparagraphs (a), (b), and (c) of this Paragraph in a written
9 document.

10 (25) "Payment instrument" means a written or electronic check, draft, money
11 order, traveler's check, or other written or electronic instrument for the transmission
12 or payment of money or monetary value, whether or not negotiable. "Payment
13 instrument" does not include stored value or any instrument that is either of the
14 following:

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

18 (b) Is not sold to the public but issued and distributed as part of a loyalty,
19 rewards, or promotional program.

20 (26) "Payroll processing service provider" means a person receiving money
21 for transmission, on its own behalf, on behalf of its affiliate, or pursuant to a contract
22 with a person to deliver wages or salaries, make payment of payroll taxes to state and
23 federal agencies, make payments relating to employee benefit plans, or make
24 distributions of other authorized deductions from wages or salaries.

25 (27)(a) "Person" means an individual, general partnership, limited
26 partnership, limited liability company, corporation, trust, association, joint stock
27 corporation, or other legal entity, or any individual or group of individuals, however
28 organized.

1 **(b) "Person" does not include a public corporation, government, or**
2 **governmental subdivision, agency, or instrumentality.**

3 **(28) "Receipt" means a paper receipt, electronic record, or other written**
4 **confirmation.**

5 **(29) "Receiving money for transmission" or "money received for**
6 **transmission" means receiving money or monetary value in the United States for**
7 **transmission within or outside the United States by electronic or other means.**

8 **(30)(a) "Resident" means any of the following:**

9 **(i) A person who is domiciled in this state.**

10 **(ii) A person who is physically located in this state for more than one**
11 **hundred eighty-three calendar days of the previous three hundred sixty-five calendar**
12 **days.**

13 **(iii) A person who has a place of business in this state.**

14 **(b) "Resident" includes a legal representative of a person who meets one of**
15 **the criteria provided for in Subparagraph (a) of this Paragraph.**

16 **(31)(a) "Stored value" means monetary value representing a claim against**
17 **the issuer evidenced by an electronic or digital record, and that is intended and**
18 **accepted for use as a means of redemption for money or monetary value, or payment**
19 **for goods or services. "Stored value" includes but is not limited to "prepaid access"**
20 **as defined by 31 CFR 1010.100, as amended or recodified from time to time.**

21 **(b) Notwithstanding Subparagraph (a) of this Paragraph, "stored value" does**
22 **not include a payment instrument or closed loop stored value, or stored value not**
23 **sold to the public but issued and distributed as part of a loyalty, rewards, or**
24 **promotional program.**

25 **(32) "Tangible net worth", for purposes of calculating the value thereof,**
26 **means all business assets minus liabilities and intangible assets, including goodwill**
27 **and other intangible assets. For the purposes of this Paragraph, an intangible asset**
28 **may include but is not limited to favorable leasehold rights, trademarks, trade names,**
29 **internet domain names, and noncompete agreements.**

1 §1034. Exemptions2 This Chapter does not apply to:3 (1) An operator of a payment system to the extent that it provides processing,
4 clearing, or settlement services, between or among persons exempted by this Section
5 or licensees, in connection with wire transfers, credit card transactions, debit card
6 transactions, stored value transactions, automated clearing house transfers, or similar
7 funds transfers.8 (2) A person appointed as an agent of a payee to collect and process a
9 payment from a payor to the payee for goods or services, other than money
10 transmission itself, provided to the payor by the payee, provided that all of the
11 following apply:12 (a) There exists a written agreement between the payee and the agent
13 directing the agent to collect and process payments from payors on the payee's
14 behalf.15 (b) The payee holds the agent out to the public as accepting payments for
16 goods or services on the payee's behalf.17 (c) Payment for the goods and services is treated as received by the payee
18 upon receipt by the agent so that the payor's obligation is extinguished and there is
19 no risk of loss to the payor if the agent fails to remit the funds to the payee.20 (3) A person who acts as an intermediary by processing payments between
21 an entity that has directly incurred an outstanding money transmission obligation to
22 a sender, and the sender's designated recipient, provided that the entity meets all of
23 the following qualifications:24 (a) Is properly licensed or exempt from licensing requirements of this
25 Chapter.26 (b) Provides a receipt, electronic record, or other written confirmation to the
27 sender identifying the entity as the provider of money transmission in the transaction.

1 (c) Bears sole responsibility to satisfy the outstanding money transmission
2 obligation to the sender, including the obligation to make the sender whole in
3 connection with any failure to transmit the funds to the sender's designated recipient.

4 (4) The United States or a department, agency, or instrumentality thereof, or
5 its agent.

6 (5) Money transmission by the United States Postal Service or by an agent
7 of the United States Postal Service.

8 (6) A state, county, parish, city, or any other governmental agency or
9 governmental subdivision or instrumentality of a state, or its agent.

10 (7) A federally insured depository financial institution, a wholly owned
11 subsidiary of a federally insured depository institution, bank holding company, office
12 of an international banking corporation, foreign bank that establishes a federal
13 branch pursuant to the International Bank Act, 12 U.S.C. 3102, as amended or
14 recodified from time to time, corporation organized pursuant to the Bank Service
15 Corporation Act, 12 U.S.C. 1861 through 1867, as amended or recodified from time
16 to time, or corporation organized in accordance with the Edge Act, 12 U.S.C. 611
17 through 633, as amended or recodified from time to time.

18 (8) Electronic funds transfer of governmental benefits for a federal, state,
19 county, parish, or governmental agency by a contractor on behalf of the United
20 States or a department, agency, or instrumentality thereof, or on behalf of a state or
21 governmental subdivision, agency, or instrumentality thereof.

22 (9) A board of trade designated as a contract market pursuant to the federal
23 Commodity Exchange Act, 7 U.S.C. 1 through 25, both inclusive, as amended or
24 recodified from time to time, or a person who, in the ordinary course of business,
25 provides clearance and settlement services for a board of trade to the extent of its
26 operation as or for such a board.

27 (10) A registered futures commission merchant under the federal
28 commodities laws to the extent of its operation as such a merchant.

1 (11) A person registered as a securities broker-dealer pursuant to federal or
2 state securities laws to the extent of its operation as such a broker-dealer.

3 (12) An individual employed by a licensee, authorized agent, or any person
4 exempted from the licensing requirements of this Chapter when acting within the
5 scope of employment and under the supervision of the licensee, authorized agent, or
6 exempted person as an employee and not as an independent contractor.

7 (13) A person expressly appointed as a third-party service provider to or
8 agent of an entity exempted in accordance with Paragraph (7) of this Section, solely
9 to the extent that both of the following occur:

10 (a) The service provider or agent is engaging in money transmission on
11 behalf of and pursuant to a written agreement with the exempt entity that sets forth
12 the specific functions that the service provider or agent is to perform.

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

17 (14) A person exempt by regulation or order if the commissioner finds such
18 exemption to be in the public interest and that the regulation of such person is not
19 necessary for the purposes of this Chapter.

20 (15) A payroll processing service provider.

21 (16) A licensed lender using stored value cards, debit cards, or electronic
22 cash for loan disbursement pursuant to the Louisiana Consumer Credit Law.

23 §1035. Authority to require demonstration of exemption

24 The commissioner may require that any person claiming to be exempt from
25 licensing pursuant to R.S. 6:1034 to provide information and documentation to the
26 office demonstrating that he qualifies for any claimed exemption.

27 §1036. Implementation

28 A. In addition to any other powers the commissioner may be authorized to
29 exercise pursuant to this Title, the commissioner may adopt and implement

1 emergency rules as the commissioner considers necessary and appropriate to prevent
2 or terminate any condition the commissioner reasonably considers to create an
3 emergency relative to a particular licensee or to licenses in general, including but not
4 limited to suspending the issuance or renewal of a license or suspending some or all
5 money transmission activities in this state.

6 B. In order to carry out the purposes of this Chapter, the commissioner may,
7 subject to the provisions of R.S. 6:1037, do all of the following:

8 (1) Enter into agreements or relationships with other government officials
9 or federal and state regulatory agencies and regulatory associations in order to
10 improve efficiencies and reduce regulatory burden by standardizing methods or
11 procedures, and sharing resources, records, or related information.

12 (2) Use, hire, contract, or employ analytical systems, methods, or software
13 to examine or investigate any person as defined in R.S. 6:1033(27).

14 (3) Accept, from other state or federal government agencies or officials,
15 licensing, examination, or investigation reports made by the other state or federal
16 government agencies or officials.

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

20 C. The commissioner shall have the broad administrative authority to
21 administer, interpret, and enforce the provisions of this Chapter, to promulgate rules
22 or regulations for the implementation of this Chapter, and to recover the cost of
23 administering and enforcing this Chapter by imposing and collecting proportionate
24 and equitable fees and costs associated with applications, examinations,
25 investigations, and other actions required to achieve the purpose of this Chapter.

26 D. Pursuant to the provisions of this Title, including but not limited to R.S.
27 6:103, all records of the office are strictly confidential and not subject to disclosure.

1 §1037. Supervision

2 A.(1) Each person required to be licensed and his authorized agent shall
3 maintain in his office the books, records, and accounts of his money transmission
4 activities as the commissioner may reasonably require in order to determine whether
5 the person is complying with the provisions of this Chapter and the rules and
6 regulations related thereto.

7 (2) Required records may be maintained in any electronic format consistent
8 with the person's ordinary business practices unless the person receives specific
9 written instructions from the commissioner to the contrary.

10 (3) The books, records, and accounts shall be maintained separately and
11 apart from any other business in which the person is involved and shall be kept at the
12 location in the state at which the money transmission activities occurred or at the
13 person's principal office unless otherwise permitted in writing by the commissioner.

14 (4) Records shall be made available for review or examination at a
15 nonresidential location approved by the commissioner.

16 B. If the books and records of any person described in this Section are
17 located outside of the state, he shall make them available to the commissioner at a
18 location within this state convenient to the commissioner or pay the reasonable and
19 necessary expenses for the commissioner or his representative to examine them at
20 the place where they are maintained. The commissioner may designate
21 representatives, including comparable officials of the state in which the records are
22 located, to inspect the records on his behalf.

23 C. The licensee shall pay an examination fee of fifty dollars per hour for
24 each examiner, plus the actual cost of subsistence, lodging, and transportation for
25 out-of-state examinations, not to exceed the amounts provided for in the division of
26 administration travel regulations in force at the time of the examination. If the
27 examination fee is not paid within thirty calendar days of its assessment, the person
28 examined shall be subject to an administrative penalty.

1 D. In addition to any other powers or authority granted in this Title, the
2 commissioner may at any time do any of the following:

3 (1) Conduct on-site examination or investigation, participate in a joint or
4 concurrent examination or investigation with another state or federal agency or
5 agencies, or examine or investigate the books, records, and accounts used in the
6 business of every licensee.

7 (2) Accept and rely upon an examination report or investigative report of any
8 other state or federal agency.

9 E. Nothing in Subsection D of this Section shall preclude the commissioner
10 from conducting an examination or investigation in accordance with applicable
11 provisions of this Chapter, including but not limited to any of the following:

12 (1) Participating in a joint examination or investigation.

13 (2) Participating in a concurrent examination or investigation.

14 (3) Accepting results of an examination or investigation report conducted by
15 any state or federal agency.

16 F. A joint report or concurrent report accepted by the commissioner pursuant
17 to this Section may be accepted as an official report of the office.

18 G.(1) To efficiently and effectively enforce the provisions of this Chapter
19 and to minimize regulatory burdens, the commissioner may participate in a
20 multistate examination and investigation process for licensees that hold licenses in
21 this state and other states.

22 (2) As a participant in any multistate examination or investigation, the
23 commissioner may, to the extent provided by law, do all of the following:

24 (a) Cooperate, coordinate, and share information with other state regulators
25 of money transmission activities.

26 (b) Enter into written cooperation, coordination, or information-sharing
27 contracts or agreements with organizations made up of other state governmental
28 regulators of money transmission activities.

1 (c) Cooperate, coordinate, and share information with organizations made
2 up of other state governmental regulators of money transmission activities, if the
3 organizations agree in writing to maintain confidentiality and security of shared
4 information.

5 (3) Nothing in this Section shall constitute a waiver of the commissioner's
6 authority to do any of the following:

7 (a) Conduct any examination or investigation authorized by law.

8 (b) Otherwise take any independent action authorized by law or any rule
9 promulgated in accordance with the Administrative Procedure Act.

10 (c) Enforce compliance with any order issued pursuant to this Chapter.

11 (4) The following shall not constitute a waiver of any examination fee
12 provided pursuant to this Chapter or any rule promulgated in accordance with the
13 Administrative Procedure Act:

14 (a) The commissioner's participation in any joint examination or
15 investigation.

16 (b) The commissioner's acceptance of an examination or investigative report
17 conducted and prepared by other state or federal regulators of money transmission
18 activity.

19 §1038. Networked supervision

20 A. To efficiently and effectively administer and enforce this Chapter and to
21 minimize regulatory burden, the commissioner is authorized to participate in
22 multistate supervisory processes established between states and coordinated through
23 the Conference of State Bank Supervisors, the Money Transmitter Regulators
24 Association, and affiliates and successors thereof, for all licensees that hold licenses
25 in this state and other states. As a participant in multistate supervision, the
26 commissioner may do any of the following:

27 (1) Cooperate, coordinate, and share information with other state and federal
28 regulators in accordance with the provisions of this Title.

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

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

8 B. The commissioner may not waive, and nothing in this Section constitutes
9 a waiver of, the commissioner's authority to conduct an examination or investigation
10 or otherwise take independent action authorized by this Chapter or a rule or
11 regulation adopted, or order issued relative thereto to enforce compliance with
12 applicable state or federal law.

13 C. A joint examination or investigation, or acceptance of an examination or
14 investigation report, does not waive an examination fee provided for in this Chapter.

15 §1039. License required

16 A. A person may not engage in the business of money transmission or
17 advertise, solicit, or hold itself out as providing money transmission unless the
18 person is licensed pursuant to this Chapter.

19 B. Subsection A of this Section does not apply to any of the following:

20 (1) A person who is an authorized agent of a person licensed in accordance
21 with this Chapter acting within the scope of authority conferred by a written contract
22 with the licensee.

23 (2) A person who is exempt pursuant to R.S. 6:1034 and does not engage in
24 money transmission outside the scope of such exemption.

25 C. A license issued pursuant to R.S. 6:1043 is not transferable or assignable.

26 §1040. Consistent state licensing

27 A. To establish consistent licensing between this state and other states, the
28 commissioner may:

1 (1) Implement all licensing provisions of this Chapter in a manner that is
2 consistent with other states that have adopted similar laws or multistate licensing
3 processes.

4 (2) Participate in nationwide protocols for licensing cooperation and
5 coordination among state regulators if such protocols are consistent with this
6 Chapter.

7 B. In order to fulfill the purposes of this Chapter, the commissioner may
8 establish relationships or contracts with NMLS or other entities designated by NMLS
9 to enable the commissioner to do all of the following:

10 (1) Collect and maintain records.

11 (2) Coordinate multistate licensing processes and supervision processes.

12 (3) Process fees.

13 (4) Facilitate communication between the state and licensees or other
14 persons.

15 C. The commissioner may utilize NMLS for all aspects of licensing,
16 including but not limited to license applications, applications for acquisitions of
17 control, surety bonds, reporting, criminal history background checks, credit checks,
18 fee processing, and examinations.

19 D. The commissioner may utilize NMLS forms, processes, and
20 functionalities. In the event NMLS does not provide functionality, forms, or
21 processes, the commissioner may strive to implement the requirements of this
22 Section in a manner that facilitates uniformity with respect to licensing, supervision,
23 reporting, and regulation of licensees which are licensed in multiple jurisdictions.

24 E. Every person required to be licensed shall register with NMLS and be
25 subject to such registration and renewal requirements as may be established by
26 NMLS in addition to any requirements of this Chapter.

27 §1041. Application for license

28 A. Applicants for a license shall apply in a form and in a medium as
29 prescribed by the commissioner. Each such form shall contain content as set forth

1 by rule, regulation, instruction, or procedure of the commissioner and may be
2 changed or updated by the commissioner in accordance with applicable law in order
3 to carry out the purposes of this Chapter and maintain consistency with NMLS
4 licensing standards and practices. The application shall state or contain, as
5 applicable:

6 (1) The legal name and residential and business addresses of the applicant
7 and any fictitious or trade name used by the applicant in conducting his business.

8 (2) A list of any criminal convictions of the applicant and any material
9 litigation in which the applicant has been involved in the ten-year period next
10 preceding the submission of the application.

11 (3) A description of any money transmission activities previously provided
12 by the applicant and the money transmission that the applicant seeks to provide in
13 this state.

14 (4) A list of the applicant's proposed authorized agent and the locations in
15 this state where the applicant and its authorized agent propose to engage in money
16 transmission.

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

20 (6) Information concerning any bankruptcy or receivership proceedings
21 affecting the licensee or a person in control of a licensee.

22 (7) A sample form of contract for authorized agent, if applicable.

23 (8) The source of funds and credit to be used by the applicant to conduct
24 money transmission activities with, or on behalf of, an individual and documentation
25 demonstrating that the applicant has the tangible net worth required pursuant to R.S.
26 6:1059.

27 (9) Evidence of registration if the applicant is required to register with the
28 Financial Crimes Enforcement Network of the United States Department of Treasury
29 as a money service business.

- 1 (10) A sample form of payment instrument or stored value, as applicable.
- 2 (11) The name and address of any federally insured depository financial
3 institution through which the applicant plans to conduct money transmission.
- 4 (12) An investigative background report prepared by an independent search
5 firm as required by R.S. 6:1042(B) from any key individuals who have resided
6 outside the United States at any time in the last ten years.
- 7 (13) Any other information the commissioner or NMLS requires with respect
8 to the applicant.
- 9 B. If an applicant is a corporation, limited liability company, partnership, or
10 other legal entity, the applicant shall also provide all of the following:
- 11 (1) The date of the applicant's incorporation or formation and state or
12 country of incorporation or formation.
- 13 (2) If applicable, a certificate of good standing from the state or country in
14 which the applicant is incorporated or formed.
- 15 (3) A brief description of the structure or organization of the applicant,
16 including any parents or subsidiaries of the applicant, and whether any parents or
17 subsidiaries are publicly traded.
- 18 (4) The legal name, any fictitious or trade name, all business and residential
19 addresses, and the employment, as applicable, in the ten-year period next preceding
20 the submission of the application of each key individual and person in control of the
21 applicant.
- 22 (5) A list of any criminal convictions and material litigation in which a
23 person in control of the applicant who is not an individual has been involved in the
24 ten-year period next preceding the submission of the application.
- 25 (6) A copy of the audited financial statements of the applicant for the most
26 recent fiscal year and for the two-year period next preceding the submission of the
27 application.
- 28 (7) A certified copy of the unaudited financial statements of the applicant for
29 the most recent fiscal quarter.

1 (8) If the applicant is a publicly traded corporation, a copy of the most recent
2 report filed with the United States Securities and Exchange Commission in
3 accordance with Section 13 of the Securities Exchange Act of 1934, 15 U.S.C. 78m,
4 as amended or recodified from time to time.

5 (9) If the applicant is a wholly owned subsidiary of one of the following:

6 (a) A corporation publicly traded in the United States, a copy of audited
7 financial statements for the parent corporation for the most recent fiscal year or a
8 copy of the parent corporation's most recent report filed in accordance with Section
9 13 of the Securities Exchange Act of 1934, 15 U.S.C. 78m, as amended or recodified
10 from time to time.

11 (b) A corporation publicly traded outside the United States, a copy of similar
12 documentation filed with the regulator of the parent corporation's domicile outside
13 the United States.

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

15 (11) Any other information the commissioner may require with respect to the
16 applicant.

17 C. A nonrefundable application fee of one thousand five hundred dollars
18 shall accompany an application for a license pursuant to this Section. However,
19 beginning with calendar year 2026 and for each subsequent calendar year, on or
20 before July first of the following year, the commissioner shall issue a memo
21 authorizing a new application fee in accordance with this Section. The new amount
22 will be calculated by applying any increase or decrease in the United States Bureau
23 of Labor Statistics Consumer Price Index for All Urban Consumers for the previous
24 calendar year to the previous year's license fee amount and rounding that amount
25 upward to the nearest one-hundred-dollar increment.

26 D. If any material information provided in connection with an application
27 changes during the application review period, the applicant shall immediately notify
28 the commissioner.

1 §1042. Information requirements for certain persons

2 A. Any person in control of a licensee or applicant, any person who seeks
3 to acquire control of a licensee, and each key person shall furnish to the
4 commissioner through NMLS all of the following items:

5 (1) The person's fingerprints for submission to the Federal Bureau of
6 Investigation and the commissioner for purposes of a national criminal history
7 background check unless the person currently resides outside of the United States
8 and has resided outside of the United States for the last ten years.

9 (2) Personal history and experience in a form and in a medium prescribed by
10 the commissioner, to obtain both of the following:

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

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

18 B. If the person has resided outside of the United States at any time in the
19 last ten years, the person shall also provide an investigative background report
20 prepared by an independent search firm that meets all of the following requirements:

21 (1) At a minimum, the search firm shall do all of the following:

22 (a) Demonstrate that it has sufficient knowledge, resources, and employs
23 accepted and reasonable methodologies to conduct the research for the background
24 report.

25 (b) Not be affiliated with or have any direct or indirect interest in or with the
26 individual it is researching.

27 (2) At a minimum, the investigative background report shall be written in the
28 English language and shall contain all of the following:

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

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

10 (c) Employment history.

11 (d) Media history, including an electronic search of national and local
12 publications, wire services, and business applications.

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

15 §1043. Issuance of license

16 A. When the commissioner determines that an application is complete, the
17 commissioner shall promptly notify the applicant in a record of the date on which the
18 application is determined to be complete and one of the following will occur:

19 (1) The commissioner shall approve or deny the application within one
20 hundred twenty calendar days after the completion date.

21 (2) If the application is not approved or denied within one hundred twenty
22 calendar days after the completion date all of the following will occur:

23 (a) The application is deemed approved.

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

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

27 B. A determination by the commissioner that an application is complete and
28 is accepted for processing means only that the application, on its face, appears to
29 include all of the items, including the Criminal Background Check response from the

1 Federal Bureau of Investigation, and address all of the matters that are required, and
2 is not an assessment of the substance of the application or of the sufficiency of the
3 information provided.

4 C. When an application is filed and considered complete pursuant to this
5 Section, the commissioner shall investigate the applicant's financial condition and
6 responsibility, financial and business experience, character, and general fitness. The
7 commissioner may conduct an on-site investigation of the applicant, the cost of
8 which the applicant shall pay. The commissioner shall issue a license to an applicant
9 pursuant to this Section if the commissioner finds that all of the following conditions
10 have been fulfilled:

11 (1) The applicant has complied with R.S. 6:1041 and 1042.

12 (2) The applicant's financial condition and responsibility are compliant with
13 R.S. 6:1059, 1060, and 1061, and the financial and business experience, competence,
14 character, and general fitness of the applicant, and the competence, experience,
15 character, and general fitness of the key individuals and persons in control of the
16 applicant indicate that it is in the interest of the public to permit the applicant to
17 engage in money transmission.

18 D. If an applicant avails himself or is otherwise subject to a multistate
19 licensing process one of the following applies:

20 (1) The commissioner may accept the investigation results of a lead
21 investigative state for the purpose of Subsection C of this Section if the lead
22 investigative state has sufficient staffing, expertise, and minimum standards.

23 (2) If Louisiana is a lead investigative state, the commissioner may
24 investigate the applicant pursuant to Subsection C of this Section and the timeframes
25 established by agreement through the multistate licensing process, provided,
26 however, that in no case shall such timeframe be noncompliant with the application
27 period in Paragraph (A)(1) of this Section.

1 E.(1) The commissioner shall issue a formal written notice of the denial of
2 a license application. The commissioner shall set forth in the notice of denial the
3 reasons for the denial of the application.

4 (2) The applicant may appeal within thirty calendar days after receipt of the
5 written notice of the denial. If the office has not received the applicant's request for
6 appeal within that period, then the applicant is deemed to have waived all rights of
7 appeal. All appeals shall be in accordance with the Administrative Procedure Act.

8 F. If an applicant for a license pursuant to this Chapter does not complete the
9 license application and fails to respond to a notice or notices from the commissioner
10 to correct a deficiency or deficiencies for a period of one hundred twenty calendar
11 days or more after the date the commissioner sends the initial notice to correct the
12 deficiency or deficiencies, the office may deem the application as abandoned and
13 may issue a notice of abandonment of the application to the applicant in lieu of
14 proceedings to deny the application.

15 G. The initial license term shall begin on the day the application is approved.
16 The license shall expire on December thirty-first of the year in which the license
17 term began, unless the initial license date is between November first and December
18 thirty-first, in which instance the initial license term shall expire on December thirty-
19 first of the following year.

20 §1044. Renewal of license

21 A.(1) Each person licensed as a money transmitter in accordance with this
22 Chapter shall submit an annual license renewal application and a nonrefundable fee
23 in the amount of eight hundred dollars, plus one hundred dollars for each location in
24 excess of one in Louisiana through which the licensee plans to conduct money
25 transmission during the license year for which the fee is paid, shall be paid, provided
26 that in no event shall the annual renewal fee exceed six thousand dollars. The annual
27 renewal application fee shall be submitted on or before December thirty-first of each
28 year in a manner and form prescribed by the commissioner and submit to the
29 commissioner a renewal report pursuant to Paragraph (B)(3) of this Section if the

1 person is not issued a new license from November first to December thirty-first of
2 that year. A money transmission license issued during this time period will expire
3 on December thirty-first of the following calendar year.

4 (2) An annual renewal application shall be accompanied by the required
5 annual license renewal fees, as required pursuant to Paragraph (1) of this Subsection.
6 An annual license renewal application submitted after December thirty-first and
7 before March first of the following year shall be charged a nonrefundable annual
8 license renewal late fee in the amount of six hundred dollars, in addition to the
9 annual license renewal fee.

10 B.(1) If the annual renewal application is submitted timely on or before
11 December thirty-first, the license shall remain in force and effect until the renewal
12 application is either approved or denied by the commissioner. Nothing in this
13 Paragraph shall preclude the commissioner from implementing any administrative
14 or enforcement action authorized by this Chapter for violations of this Chapter or for
15 any material representation that may have occurred prior to the renewal date of a
16 license.

17 (2) If the commissioner has not received the renewal fee and late fee before
18 March first, the license to engage in money transmission activities shall expire
19 without a hearing or notification, and the license shall not be reinstated. However,
20 the person whose license has expired may apply for a new license, subject to all new
21 license application requirements of this Chapter. Prior to such application being
22 complete and eligible for approval consideration, the applicant shall be subject to and
23 pay unlicensed activity civil money penalties in an amount determined by the
24 commissioner.

25 (3) A licensee shall submit a renewal report with the renewal fee, in a form
26 and in a manner prescribed by the commissioner. The renewal report shall state or
27 contain a description of each material change in information submitted by the
28 licensee in its original license application and which has not been previously reported
29 to the commissioner.

1 (4) The commissioner may utilize NMLS to process license renewals if such
2 functionality is consistent with this Section.

3 §1045. Maintenance of license

4 A. If a licensee does not continue to meet the qualifications or satisfy the
5 requirements that apply to an applicant for a new money transmission license, the
6 commissioner may suspend or revoke the licensee's license in accordance with the
7 procedures established by this Chapter or other applicable state law for such
8 suspension or revocation.

9 B. An applicant for a money transmission license shall demonstrate that he
10 meets or will meet, and a money transmission licensee shall at all times meet, the
11 requirements in R.S. 6:1059, 1060, and 1061.

12 §1046. Acquisition of control

13 A. Any person, or group of persons acting in concert, seeking to acquire
14 control of a licensee shall obtain the written approval of the commissioner prior to
15 acquiring control.

16 B. A person, or group of persons acting in concert, seeking to acquire control
17 of a licensee shall, in cooperation with the licensee, do both of the following:

18 (1) Submit an application in a form and in a manner prescribed by the
19 commissioner.

20 (2) Submit a nonrefundable fee of one thousand five hundred dollars as
21 required in accordance with R.S. 6:1041 with the request for approval.

22 C. Upon request, the commissioner may permit a licensee or the person, or
23 group of persons acting in concert, to submit some or all information required by the
24 commissioner pursuant to Paragraph (B)(1) of this Section without using NMLS.

25 D. The application required by Paragraph (B)(1) of this Section shall include
26 information required by R.S. 6:1042 for any new key individuals who have not
27 previously completed the requirements of R.S. 6:1041 for a licensee.

28 E.(1) When the commissioner determines an application for acquisition of
29 control in accordance with this Section appears to include all the items and addresses

1 all of the matters that are required, the application shall be considered complete, and
2 the commissioner shall do all of the following:

3 (a) Promptly notify the applicant in a record of the date on which the
4 application was determined to be complete.

5 (b) Approve or deny the application within sixty calendar days after the
6 completion date.

7 (2) If the application is not approved or denied within sixty calendar days
8 after the completion date, both of the following apply:

9 (a) The application is approved.

10 (b) The person, or group of persons acting in concert, is not prohibited from
11 acquiring control.

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

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

18 G. When an application is filed and considered complete in accordance with
19 Subsection E of this Section, the commissioner shall investigate the financial
20 condition and responsibility, financial and business experience, character, and
21 general fitness of the person, or group of persons acting in concert, seeking to
22 acquire control. The commissioner shall approve an acquisition of control pursuant
23 to this Section if the commissioner finds that all of the following conditions have
24 been fulfilled:

25 (1) The requirements of Subsections B and D of this Section, and the
26 provisions of R.S. 6:1059, 1060, and 1061 have been met, as applicable.

27 (2) The financial condition and responsibility, financial and business
28 experience, competence, character, and general fitness of the person, or group of
29 persons acting in concert, seeking to acquire control, and the competence,

1 experience, character, and general fitness of the key individuals and persons that
2 would be in control of the licensee after the acquisition of control indicate that it is
3 in the interest of the public to permit the person, or group of persons acting in
4 concert, to control the licensee.

5 H. If an applicant avails himself or is otherwise subject to a multistate
6 licensing process:

7 (1) The commissioner may accept the investigation results of a lead
8 investigative state for the purpose of Subsection G of this Section if the lead
9 investigative state has sufficient staffing, expertise, and minimum standards.

10 (2) If Louisiana is a lead investigative state, the commissioner may
11 investigate the applicant pursuant to Subsection G of this Section and the timeframes
12 established by agreement through the multistate licensing process.

13 I.(1) The commissioner shall issue a formal written notice of the denial of
14 an application to acquire control. The commissioner shall set forth in the notice of
15 denial the reasons for the denial of the application.

16 (2) The applicant may appeal within thirty calendar days after receipt of the
17 written notice of the denial. If the office has not received the applicant's request for
18 appeal within that period, then the applicant is deemed to have waived all rights of
19 appeal. All appeals shall be in accordance with the Administrative Procedure Act.

20 J. The requirements of Subsections A and B of this Section do not apply to
21 any of the following:

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

25 (2) A person who acquires control of a licensee by devise or descent,
26 provided the person has not been convicted of a felony offense and is in compliance
27 with R.S. 6:1043.

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

4 (4) A person who is exempt pursuant to R.S. 6:1034(7).

5 (5) A person who the commissioner determines is not subject to Subsection
6 A of this Section based on the public interest.

7 (6) A public offering of securities of a licensee or a person in control of a
8 licensee.

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

11 K. Persons outlined in Paragraphs (J)(2) through (7) of this Section in
12 cooperation with the licensee shall notify the commissioner within fifteen calendar
13 days after the acquisition of control.

14 L.(1) The requirements of Subsections A and B of this Section do not apply
15 to a person who has complied with and received approval to engage in money
16 transmission pursuant to this Chapter or was identified as a person in control in a
17 prior application filed with and approved by the commissioner or by an
18 MSB-accredited state pursuant to a multistate licensing process, if all of the
19 following applies:

20 (a) The person has not had a license revoked or suspended or controlled a
21 licensee that has had a license revoked or suspended while the person was in control
22 of the licensee in the previous five years.

23 (b) If the person is a licensee, the person is well managed and has received
24 at least a satisfactory rating for compliance at its most recent examination by an
25 MSB-accredited state if such rating was given.

26 (c) The licensee to be acquired is projected to meet the requirements of R.S.
27 6:1059, 1060, and 1061 after the acquisition of control is completed, and if the
28 person acquiring control is a licensee, that licensee is also projected to meet the

1 requirements of R.S. 6:1059, 1060, and 1061 after the acquisition of control is
2 completed.

3 (d) The licensee to be acquired will not implement any material changes to
4 its business plan as a result of the acquisition of control, and if the person acquiring
5 control is a licensee, that licensee also will not implement any material changes to
6 its business plan as a result of the acquisition of control.

7 (e) The person provides notice of the acquisition in cooperation with the
8 licensee and attests to Subparagraphs (a) through (d) of this Paragraph in a form and
9 in a medium prescribed by the commissioner.

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

12 (3) Before filing an application for approval to acquire control of a licensee
13 a person may request in writing a determination from the commissioner as to
14 whether the person would be considered a person in control of a licensee upon
15 consummation of a proposed transaction. If the commissioner determines that the
16 person would not be a person in control of a licensee, the proposed person and
17 transaction are not subject to the requirements of Subsections A and B of this
18 Section.

19 M. If a multistate licensing process includes a determination pursuant to
20 Paragraph (L)(3) of this Section and an applicant avails itself or is otherwise subject
21 to the multistate licensing process:

22 (1) The commissioner may accept the control determination of a lead
23 investigative state with sufficient staffing, expertise, and minimum standards for the
24 purpose of Paragraph (L)(3) of this Section.

25 (2) If Louisiana is a lead investigative state, the commissioner may
26 investigate the applicant pursuant to this Subsection and the timeframes established
27 by agreement through the multistate licensing process.

1 §1047. Notice and information requirements for a change of key individuals

2 A.(1) A licensee adding or replacing any key individual shall do both of the
3 following:

4 (a) Provide notice in a manner prescribed by the commissioner within fifteen
5 calendar days after the effective date of the key individual's appointment.

6 (b) Provide information as required by R.S. 6:1042 within forty-five calendar
7 days of the effective date of the key individual's appointment.

8 (2) Within ninety calendar days of the date on which the notice provided
9 pursuant to Paragraph (1) of this Subsection was determined to be complete, the
10 commissioner may issue a notice of disapproval of a key individual if the
11 competence, experience, character, or integrity of the individual would not be in the
12 best interests of the public or the customers of the licensee to permit the individual
13 to be a key individual of such licensee.

14 (3)(a) A notice of disapproval shall contain a statement of the basis for
15 disapproval and shall be sent to the licensee and the disapproved individual.

16 (b) The licensee may appeal within thirty calendar days after receipt of the
17 written notice of the disapproval. If the office has not received the licensee's request
18 for appeal within that period, then the licensee is deemed to have waived all rights
19 of appeal. All appeals shall be in accordance with the Administrative Procedure Act.

20 (4) If the notice provided pursuant to Paragraph (1) of this Subsection is not
21 disapproved within ninety calendar days after the date on which the notice was
22 determined to be complete, the key individual is deemed approved.

23 B. If a multistate licensing process includes a key individual notice review
24 and disapproval process pursuant to this Section and the licensee avails itself or is
25 otherwise subject to the multistate licensing process:

26 (1) The commissioner may accept the determination of another state if the
27 investigating state has sufficient staffing, expertise, and minimum standards for the
28 purpose of this Section.

1 (2) If Louisiana is a lead investigative state, the commissioner may
2 investigate the applicant pursuant to this Subsection and the timeframes established
3 by agreement through the multistate licensing process.

4 §1048. Report of condition

5 A. Each licensee shall submit a report of condition, which shall be known
6 as a Call Report, within forty-five calendar days of the end of the calendar quarter,
7 or within any extended time as the commissioner may prescribe.

8 B.(1) The report of condition shall include all of the following:

9 (a) Financial information at the licensee level.

10 (b) Nationwide and state-specific money transmission transaction
11 information in every jurisdiction in the United States where the licensee is licensed
12 to engage in money transmission.

13 (c) Permissible investments report.

14 (d) Transaction destination country reporting for money received for
15 transmission, if applicable.

16 (e) Any other information the commissioner requires with respect to the
17 licensee.

18 (2) The commissioner may utilize NMLS for the submission of the report
19 required by Subsection A of this Section and is authorized to change or update as
20 necessary the requirements of this Section to carry out the purposes of this Chapter
21 and maintain consistency with NMLS reporting.

22 C. The information required by Paragraph (B)(1) of this Section shall only
23 be included in a report of condition submitted within forty-five calendar days of the
24 end of the fourth calendar quarter.

25 §1049. Audited financials

26 A. Each licensee shall, within ninety calendar days after the end of each
27 fiscal year, or within any extended time as the commissioner may prescribe, file with
28 the commissioner both of the following:

1 (1) An audited financial statement of the licensee for the fiscal year prepared
2 in accordance with United States Generally Accepted Accounting Principles.

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

4 B. The audited financial statements shall be prepared by an independent
5 certified public accountant or independent public accountant who is satisfactory to
6 the commissioner.

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

14 §1050. Authorized agent reporting

15 A. Each licensee shall submit a report of authorized agent within forty-five
16 calendar days of the end of the calendar quarter. The commissioner may utilize
17 NMLS for the submission of the report required by this Subsection provided that the
18 functionality is consistent with the requirements of this Section. The utilization shall
19 include the NMLS Uniform Authorized Agent Reporting process, or such other
20 similar process as designated by NMLS.

21 B. The authorized agent report shall include, at a minimum, each authorized
22 agent's:

23 (1) Company legal name.

24 (2) Taxpayer employer identification number.

25 (3) Principal provider identifier.

26 (4) Physical address.

27 (5) Mailing address.

28 (6) Any business conducted in other states.

29 (7) Any fictitious or trade name.

- 1 (8) Contact person name, phone number, and email address.
- 2 (9) Start date as licensee's authorized agent.
- 3 (10) End date acting as licensee's authorized agent, if applicable.
- 4 (11) Any other information the commissioner requires with respect to the
- 5 authorized agent.

6 §1051. Reports of certain events

7 A. A licensee shall file a report with the commissioner within one business

8 day after the licensee knows or should have known of any of the following events:

9 (1) The filing of a petition by or against the licensee pursuant to the United

10 States Bankruptcy Code, 11 U.S.C. 101 through 110, both inclusive, as amended or

11 recodified from time to time, for bankruptcy or reorganization.

12 (2) The filing of a petition by or against the licensee for receivership, the

13 commencement of any other judicial or administrative proceeding for its dissolution

14 or reorganization, or the making of a general assignment for the benefit of its

15 creditors.

16 (3) The commencement of a proceeding to revoke or suspend its license in

17 a state or country in which the licensee engages in business or is licensed.

18 B.(1) A licensee shall file a report with the commissioner within three

19 business days after the licensee has reason to know of the occurrence of any of the

20 following events:

21 (a) An indictment, charge, or conviction of the licensee or of a key individual

22 or person in control of the licensee for a felony.

23 (b) An indictment, charge, or conviction of an authorized agent for a felony.

24 (2)(a) Except as provided in Subparagraphs (b) and (c) of this Paragraph, a

25 licensee shall notify the commissioner in writing or through the NMLS within three

26 business days after the time that the licensee becomes aware of any breach of

27 security of the system of computerized data owned or licensed by the licensee, which

28 contains personal information about a Louisiana resident, or the unauthorized access

29 to or use of such information about a Louisiana resident as a result of the breach. For

1 purposes of this Subparagraph, the terms breach of the security of the system and
2 personal information have the same meaning as in section R.S. 51:3073.

3 (b) If a licensee would be required pursuant to Louisiana law to provide
4 notification to a Louisiana resident regarding the breach, then the licensee shall
5 provide a copy of such notification to the commissioner prior to or simultaneously
6 with the licensee's notification to the Louisiana resident.

7 (c) Notice required by this Subsection may be delayed if a law enforcement
8 agency determines that the notice will impede a criminal investigation. Notice shall
9 be made in good faith and without unreasonable delay as soon as possible after the
10 law enforcement agency determines that notification will no longer impede the
11 investigation.

12 §1052. Reports required by federal law

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

19 §1053. Records

20 A. A licensee shall maintain all of the following records, for determining his
21 compliance with this Chapter for at least five years:

22 (1) A record of each money transmission obligation sold.

23 (2) A general ledger posted at least monthly containing all asset, liability,
24 capital, income, and expense accounts.

25 (3) All bank statements and bank reconciliation records.

26 (4) All records of outstanding money transmission, including but not limited
27 to a list of residents and the most recent residential address.

28 (5) Records of each outstanding money transmission obligation paid within
29 the five-year period.

1 (6) A list of the last-known names and addresses of all of the licensee's
2 authorized agents.

3 (7) Any other records the commissioner requires by rule, regulation, or
4 order.

5 B. The items specified in Subsection A of this Section shall be maintained
6 in written or electronic form.

7 C. Records specified in Subsection A of this Section may be maintained
8 outside this state if they are made accessible to the commissioner on seven business
9 days' notice that is sent in a record.

10 D. All records maintained by the licensee as required in Subsections A
11 through C of this Section are subject to inspection by the commissioner pursuant to
12 R.S. 6:1037(A).

13 E. Each licensee shall maintain written policies and procedures sufficient for
14 it to comply with this Chapter and all other laws and regulations applicable to the
15 conduct of its licensed business.

16 §1054. Relationship between licensee and authorized agent

17 A. As used in this Section, "remit" means to make direct payments of money
18 to a licensee or its representative authorized to receive money or to deposit money
19 in a bank in an account specified by the licensee.

20 B. Before a licensee may conduct business through an authorized agent or
21 allows a person to act as the licensee's authorized agent, the licensee shall do all of
22 the following:

23 (1) Adopt, and update as necessary, written policies and procedures designed
24 to ensure that the licensee's authorized agents comply with applicable state and
25 federal law.

26 (2) Enter into a written contract that complies with Subsection E of this
27 Section.

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

4 C. The licensee's authorized agents shall operate in full compliance with
5 applicable state and federal law, and the licensee shall be responsible for
6 implementing and maintaining a reasonable risk-based supervision program to
7 monitor its authorized agents.

8 D. An authorized agent shall operate in full compliance with this Chapter.

9 E. The written contract required by Paragraph (B)(2) of this Section shall be
10 signed by the licensee and the authorized agent and, at a minimum, shall do all of the
11 following:

12 (1) Appoint the person signing the contract as the licensee's authorized agent
13 with the authority to conduct money transmission on behalf of the licensee.

14 (2) Set forth the nature and scope of the relationship between the licensee
15 and the authorized agent and the respective rights and responsibilities of the parties.

16 (3) Require the authorized agent to agree to fully comply with all applicable
17 state and federal laws, rules, and regulations pertaining to money transmission,
18 including this Chapter and regulations related thereto, relevant provisions of the
19 Bank Secrecy Act and the USA Patriot Act.

20 (4) Require the authorized agent to remit and handle money and monetary
21 value in accordance with the terms of the contract between the licensee and the
22 authorized agent.

23 (5) Impose a trust on money and monetary value net of fees received for
24 money transmission for the benefit of the licensee.

25 (6) Require the authorized agent to prepare and maintain records as required
26 by this Chapter or regulations related thereto, or as requested by the commissioner.

27 (7) Acknowledge that the authorized agent consents to examination or
28 investigation by the commissioner.

1 (8) State that the licensee is subject to regulation by the commissioner and
2 that, as part of that regulation, the commissioner may suspend or revoke an
3 authorized agent designation or require the licensee to terminate an authorized agent
4 designation.

5 (9) Acknowledge receipt of the written policies and procedures required
6 pursuant to Paragraph (B)(1) of this Section.

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

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

20 H. An authorized agent may not use a subagent to conduct money
21 transmission on behalf of a licensee.

22 §1055. Unauthorized activities; prohibited activities

23 A. A person shall not engage in the business of money transmission on
24 behalf of a person not licensed pursuant to this Chapter or not exempt pursuant to
25 R.S. 6:1034 and 1035. A person who engages in such activity provides money
26 transmission to the same extent as if the person were a licensee, and shall be jointly
27 and severally liable with the unlicensed or nonexempt person.

1 B. A person shall not engage in money transmission pursuant to this Chapter
2 if the transmission of money, or its equivalent, is undertaken for the purpose of debt
3 adjusting, as defined in R.S. 14:331.

4 C. For the purposes of this Section, money transmission for the purpose of
5 debt adjusting includes but is not limited to any activity in which a person, directly
6 or indirectly:

7 (1) Acts, or agrees to act, as an agent, processor, custodian, intermediary,
8 clearing entity, payment service provider, escrow service, or similar function for a
9 debt adjustor or debtor.

10 (2) Receives, holds, distributes, or disburses money, or its equivalent,
11 provided by or on behalf of a debtor in connection with debt adjusting.

12 (3) Transmits money, or its equivalent, in the name of, at the direction of, or
13 for the benefit of a debt adjustor or a debtor.

14 D. A person shall not avoid or attempt to avoid the prohibition against debt
15 adjusting in this Section by using any structure or arrangement, regardless of form,
16 including by:

17 (1) Structuring transactions so that the receipt of money, or its equivalent,
18 from a debtor and the distribution or disbursement of such money to creditors are
19 performed by different persons, whether affiliated or unaffiliated, including where
20 a third party receives debtor funds and a person distributes or disburses such funds,
21 when such activities are undertaken pursuant to a common plan, arrangement, or
22 understanding to accomplish debt adjusting.

23 (2) Characterizing debtor funds as fees, administrative payments, processing
24 payments, or any other designation.

25 (3) Transmitting, depositing, or maintaining a debtor's money, or its
26 equivalent, into pooled accounts, pass-through accounts, trust accounts, custodial
27 accounts, or similar accounts.

28 E. Nothing in this Section shall be construed to prohibit or limit debt
29 adjusting activities expressly permitted pursuant to R.S. 14:331(C), including the

1 receipt and disbursement of debtor funds to the extent authorized therein. A money
2 transmission license shall not be used to authorize, facilitate, or expand debt
3 adjusting activities, and a person holding such a license shall remain subject to the
4 prohibitions of this Section with respect to any money transmission that is not
5 otherwise permitted in accordance with R.S. 14:331(C).

6 §1056. Timely transmission

7 A. Every money transmitter licensee and its agents shall transmit the
8 monetary equivalent of all money or equivalent value received from a consumer for
9 transmission, net of any fees, or issue instructions committing the money or its
10 monetary equivalent, to the person designated by the consumer, or return such
11 amount to the consumer, within ten business days after receiving the money or
12 equivalent value, unless otherwise ordered by the consumer, accepted under the
13 terms of a contract for stored value or when the transmission is for the payment of
14 goods or services, or unless the licensee or its agent has reasonable cause to believe
15 that the sender may be a victim of fraud or that a crime or a violation of law has
16 occurred, is occurring, or will occur in connection with transmitting the money.

17 B. If a licensee fails to forward money received for transmission in
18 accordance with this Section, the licensee shall respond to inquiries by the sender
19 with the reason for the failure unless providing a response would violate a state or
20 federal law, rule, or regulation.

21 C. For purposes of this Section, money is considered to have been
22 transmitted when it is mailed, released to the relevant payment system for delivery,
23 or is otherwise available to the person designated by the consumer and, where
24 possible, a reasonable effort has been made to inform the designated person that the
25 money is available.

26 D.(1) Any provision in a money transmitter licensee user policy or user
27 agreement which provides a financial penalty or stipulated damages against a
28 consumer or charitable organization as defined by R.S. 51:1901 for executing a

1 lawful and valid transaction pursuant to federal and state law is contrary to public
2 policy and shall be null and void.

3 (2) A money transmitter licensee shall provide notice to a consumer of any
4 transaction that the money transmitter finds to be or is suspected of being in violation
5 of the user policy or user agreement and for which the licensee seizes the transaction
6 funds, unless such notice is prohibited by law. Any funds seized by the money
7 transmitter prior to providing such notice, unless such notice is prohibited by law,
8 and found to be from a lawful and valid transaction in accordance with federal and
9 state law shall be processed by the licensee in accordance with Subsection A of this
10 Section.

11 E. The enforcement of any choice-of-law provision in a money transmitter
12 licensee user policy or user agreement that would result in a contravention of the
13 public policy of this state as expressed by Subsection D of this Section shall be null
14 and void to the extent of such contravention.

15 F. A money transmitter licensee that seizes or holds funds pursuant to a user
16 policy or user agreement provision that is subject to nullification as provided by this
17 Section shall return to the consumer any funds held or seized as a result of the
18 violation, including any financial penalty or stipulated damages assessed, and the
19 money transmitter licensee may cancel the service contract.

20 G. The commissioner may enjoin a violation of this Chapter, and any such
21 violation shall be considered an unfair trade practice and shall subject violators to the
22 provisions of the Unfair Trade Practices and Consumer Protection Law, R.S. 51:1401
23 et seq. Entities covered by this Section shall be subject to the enforcement powers
24 of the commissioner as provided in R.S. 6:121.1. For purposes of this Section, the
25 provisions of R.S. 51:1406 shall not apply to a money transmitter licensee.

26 H.(1) The provisions of this Section shall not apply to any federally insured
27 depository financial institution, its subsidiaries, or affiliates.

28 (2) The provisions of this Section shall not apply to an operator of a payment
29 system or its subsidiaries and affiliates which are exempt from licensing pursuant to

1 this Chapter to the extent that the operator of a payment system provides processing,
2 clearing, or settlement services, between or among persons, in connection with wire
3 transfers, credit card transactions, debit card transactions, stored value transactions,
4 automated clearing house transfers, or similar funds transfers.

5 §1057. Refunds

6 A. This Section does not apply to:

7 (1) Money received for transmission subject to the federal Remittance Rule,
8 12 CFR Part 1005, Subpart B, as amended or recodified from time to time.

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

12 B. Every licensee shall refund to the sender within ten calendar days of
13 receipt of the sender's written request for a refund of any and all money received for
14 transmission unless any of the following applies:

15 (1) The money has been forwarded within ten calendar days of the date on
16 which the money was received for transmission.

17 (2) Instructions have been given committing an equivalent amount of money
18 to the person designated by the sender within ten calendar days of the date on which
19 the money was received for transmission.

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

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

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

29 (a) Identify the sender's name and address or telephone number.

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

3 §1058. Receipts

4 A. This Section does not apply to any of the following:

5 (1) Money received for transmission subject to the federal Remittance Rule,
6 12 CFR Part 1005, Subpart B, as amended or recodified from time to time.

7 (2) Money received for transmission that is not primarily for personal,
8 family, or household purposes.

9 (3) Money received for transmission pursuant to a written agreement
10 between the licensee and payee to process payments for goods or services provided
11 by the payee.

12 B. For a transaction conducted in person, the receipt may be provided
13 electronically if the sender requests or agrees to receive an electronic receipt. For
14 a transaction conducted electronically or by phone, a receipt may be provided
15 electronically. All electronic receipts shall be provided in a retainable form.

16 C. Every licensee or its authorized agent shall provide the sender with a
17 receipt for money received for transmission.

18 (1) The receipt shall contain all of the following information, as applicable:

19 (a) The name of the sender.

20 (b) The name of the designated recipient.

21 (c) The date of the transaction.

22 (d) The unique transaction or identification number.

23 (e) The name of the licensee, NMLS Unique ID, the licensee's business
24 address, and the licensee's customer service telephone number.

25 (f) The amount of the transaction in United States dollars.

26 (g) Any fee charged by the licensee to the sender for the transaction.

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

28 (2) The receipt required by this Section shall be in English and in the
29 language principally used by the licensee or authorized agent to advertise, solicit, or

1 negotiate, either orally or in writing, for a transaction conducted in person,
2 electronically, or by phone, if other than English.

3 §1059. Required maintenance of tangible net worth

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

9 B. Tangible net worth shall be demonstrated at initial application by the
10 applicant's most recent audited statements pursuant to R.S. 6:1041(B)(6).

11 C. All licensing requirements, including renewals, relative to tangible net
12 worth shall be evidenced at the time of initial application for licensure and renewal,
13 maintained at all times during licensure and renewal, and reported annually to the
14 commissioner in accordance with R.S. 6:1044 (B)(3).

15 §1060. Surety bond

16 A. An applicant for a money transmission license shall provide, and a
17 licensee at all times shall maintain, a surety bond issued by a bonding company or
18 insurance company authorized to do business in this state and in a form satisfactory
19 to the commissioner.

20 B.(1) The amount of the required surety bond shall be the greater of the
21 following:

22 (a) One hundred thousand dollars.

23 (b) An amount equal to one hundred percent of the licensee's average daily
24 money transmission liability in this state calculated for the most recently completed
25 three-month period, up to a maximum of five hundred thousand dollars.

26 (2) A licensee that maintains a bond in the maximum amount provided for
27 in Subparagraphs (1)(a) or (b) of this Subsection, as applicable, shall not be required
28 to calculate its average daily money transmission liability in this state for purposes
29 of this Section.

1 C. A licensee may exceed the maximum required bond amount pursuant to
2 R.S. 6:1062(G).

3 D. The bond shall be in a form satisfactory to the commissioner and shall be
4 for the use and benefit of the office and any claimants against the licensee or his
5 agents to secure the faithful performance of the obligations of the licensee and his
6 agents with respect to the receipt, handling, transmission, and payment of money in
7 connection with money transmissions in this state.

8 E. The surety bond shall be issued by a bonding or insurance company
9 authorized to do business in this state and in a form satisfactory to the commissioner
10 and payable to the office for the benefit of any claimant against the licensee to secure
11 the faithful performance of the obligations and duties of the licensee with respect to
12 money transmission activities with, or on behalf of, residents of this state and the
13 payment of required but unpaid fee amounts due to the office and assessed but
14 unpaid civil money penalties.

15 F. Any claimants against the licensee or his agents may themselves bring suit
16 directly on the bond, or the attorney general may bring suit on behalf of those
17 claimants, either in one action or successive actions.

18 G. The commissioner may increase the required amount of the bond upon
19 the basis of the impaired financial condition of a licensee as evidenced by a reduction
20 in net worth, financial losses, or other relevant criteria.

21 H. Notwithstanding any other provision of law to the contrary, the
22 commissioner may at any time, if in the commissioner's sole opinion the protection
23 of the public so requires, increase the principal sum of the bond required of any
24 applicant or licensee by this Chapter but in no case shall the principal sum of the
25 bond required exceed one million dollars.

26 §1061. Maintenance of permissible investments

27 A. A licensee shall maintain at all times permissible investments that have
28 a market value computed in accordance with United States Generally Accepted

1 Accounting Principles of not less than the aggregate amount of all of its outstanding
2 money transmission obligations in all states.

3 B. Except for permissible investments enumerated in R.S. 6:1062(A), the
4 commissioner, with respect to any licensee, may by rule, regulation, or order limit
5 the extent to which a specific investment maintained by a licensee within a class of
6 permissible investments may be considered a permissible investment, if the specific
7 investment represents undue risk to customers, not reflected in the market value of
8 investments.

9 C. Permissible investments, even if commingled with other assets of the
10 licensee, are held in trust for the benefit of the purchasers and holders of the
11 licensee's outstanding money transmission obligations in the event of insolvency, the
12 filing of a petition by or against the licensee under the United States Bankruptcy
13 Code, 11 U.S.C. 101 through 110, both inclusive, as amended or recodified from
14 time to time, for bankruptcy or reorganization, the filing of a petition by or against
15 the licensee for receivership, the commencement of any other judicial or
16 administrative proceeding for its dissolution or reorganization, or in the event of an
17 action by a creditor against the licensee who is not a beneficiary of this statutory
18 trust. No permissible investments impressed with a trust pursuant to this Subsection
19 shall be subject to attachment, levy of execution, or sequestration by order of any
20 court, except for a beneficiary of this statutory trust.

21 D.(1) Upon the establishment of a statutory trust in accordance with
22 Subsection C of this Section or when any funds are drawn on a letter of credit
23 pursuant to R.S. 6:1062(B), the commissioner shall notify the applicable regulator
24 of each state in which the licensee is licensed to engage in money transmission, if
25 any, of the establishment of the trust or the funds drawn on the letter of credit, as
26 applicable.

27 (2) Notice shall be deemed satisfied if performed pursuant to a multistate
28 agreement or through NMLS.

1 (3) Funds drawn on a letter of credit, and any other permissible investments
2 held in trust for the benefit of the purchasers and holders of the licensee's outstanding
3 money transmission obligations, are deemed held in trust for the benefit of such
4 purchasers and holders on a pro rata and equitable basis in accordance with statutes
5 pursuant to which permissible investments are required to be held in this state, and
6 other states, as applicable.

7 (4) Any statutory trust established pursuant to this Subsection shall be
8 terminated upon extinguishment of all of the licensee's outstanding money
9 transmission obligations.

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

15 §1062. Types of permissible investments

16 A. The following investments are permissible under R.S. 6:1061:

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

25 (2) Certificates of deposit or senior debt obligations of an insured depository
26 institution, as defined in Section 3 of the Federal Deposit Insurance Act, 12 U.S.C.
27 1813, as amended or recodified from time to time, or as defined under the Federal
28 Credit Union Act, 12 U.S.C. 1781, as amended or recodified from time to time.

1 (3) An obligation of the United States or a commission, agency, or
2 instrumentality thereof, an obligation that is guaranteed fully as to principal and
3 interest by the United States, or an obligation of a state or a governmental
4 subdivision, agency, or instrumentality thereof.

5 B. The permissible investments listed in Subsection A of this Section shall
6 also include the full drawable amount of an irrevocable standby letter of credit for
7 which the stated beneficiary is the commissioner that stipulates that the beneficiary
8 need only draw a sight draft under the letter of credit and present it to obtain funds
9 up to the letter of credit amount within seven calendar days of presentation of the
10 items required by Subsection D of this Section. The letter of credit shall meet all of
11 the following requirements:

12 (1) Be issued by a federally insured depository financial institution, a foreign
13 bank that is authorized pursuant to federal law to maintain a federal agency or federal
14 branch office in a state or states, or a foreign bank that is authorized pursuant to state
15 law to maintain a branch in a state that do both of the following:

16 (a) Bears an eligible rating or whose parent company bears an eligible rating.

17 (b) Is regulated, supervised, and examined by United States federal or state
18 authorities having regulatory authority over banks, credit unions, and trust
19 companies.

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

22 (3) Not contain reference to any other agreements, documents, or entities,
23 or otherwise provide for any security interest in the licensee.

24 (4) Contain an issue date and expiration date, and expressly provide for
25 automatic extension, without a written amendment, for an additional period of one
26 year from the present or each future expiration date, unless the issuer of the letter of
27 credit notifies the commissioner in writing by certified or registered mail or courier
28 mail or other receipted means, at least sixty calendar days prior to any expiration
29 date, that the irrevocable letter of credit will not be extended.

1 C. In the event of any notice of expiration or nonextension of a letter of
2 credit issued under Paragraph (B)(4) of this Section, the licensee shall be required
3 to demonstrate to the satisfaction of the commissioner, fifteen calendar days prior to
4 expiration, that the licensee maintains and will maintain permissible investments in
5 accordance with R.S. 6:1061(A) upon the expiration of the letter of credit. If the
6 licensee is not able to do so, the commissioner may draw on the letter of credit in an
7 amount up to the amount necessary to meet the licensee's requirements to maintain
8 permissible investments in accordance with R.S. 6:1061(A). Any such draw shall
9 be offset against the licensee's outstanding money transmission obligations. The
10 drawn funds shall be held in trust by the commissioner or the commissioner's
11 designated agent, to the extent authorized by law, as agent for the benefit of the
12 purchasers and holders of the licensee's outstanding money transmission obligations.

13 D. The letter of credit shall provide that the issuer of the letter of credit will
14 honor, at sight, a presentation made by the beneficiary to the issuer of the following
15 documents on or prior to the expiration date of the letter of credit:

16 (1) The original letter of credit, including any amendments.

17 (2) A written statement from the beneficiary stating if any of the following
18 events have occurred:

19 (a) The filing of a petition by or against the licensee in accordance with the
20 United States Bankruptcy Code, 11 U.S.C. 101 through 110, both inclusive, as
21 amended or recodified from time to time, for bankruptcy or reorganization.

22 (b) The filing of a petition by or against the licensee for receivership, or the
23 commencement of any other judicial or administrative proceeding for its dissolution
24 or reorganization.

25 (c) The seizure of assets of a licensee by a commissioner pursuant to an
26 emergency order issued in accordance with applicable law, on the basis of an action,
27 violation, or condition that has caused or is likely to cause the insolvency of the
28 licensee.

1 (d) The beneficiary has received notice of expiration or nonextension of a
2 letter of credit and the licensee failed to demonstrate to the satisfaction of the
3 beneficiary that the licensee will maintain permissible investments in accordance
4 with R.S. 6:1061(A) upon the expiration or nonextension of the letter of credit.

5 E. The commissioner may designate an agent to serve on the commissioner's
6 behalf as beneficiary to a letter of credit so long as the agent and letter of credit meet
7 requirements established by the commissioner. The commissioner's agent may serve
8 as agent for multiple licensing authorities for a single irrevocable letter of credit if
9 the proceeds of the drawable amount for the purposes of this Subsection are assigned
10 to the commissioner.

11 F. The commissioner may participate in multistate processes designed to
12 facilitate the issuance and administration of letters of credit, including but not limited
13 to services provided by the NMLS and State Regulatory Registry, LLC.

14 G. The permissible investments listed in Subsection A of the Section shall
15 also include:

16 (1) One hundred percent of the surety bond provided for in accordance with
17 R.S. 6:1060 that exceeds the average daily money transmission liability in this state.

18 (2) Any other investment approved by the commissioner.

19 H. Unless permitted by the commissioner by rule, regulation, or by order to
20 exceed the limit as set forth herein, the following investments are permissible
21 pursuant to R.S. 6:1062 to the extent specified:

22 (1) Receivables that are payable to a licensee from its authorized agents in
23 the ordinary course of business that are aged less than seven calendar days from their
24 issuance date, up to fifty percent of the aggregate value of the licensee's total
25 permissible investments.

26 (2) Of the receivables permissible pursuant to Paragraph (1) of this
27 Subsection, receivables that are payable to a licensee from a single authorized agent
28 in the ordinary course of business may not exceed ten percent of the aggregate value
29 of the licensee's total permissible investments.

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

4 (a) A short-term, up to six months, investment bearing an eligible rating.

5 (b) Commercial paper bearing an eligible rating.

6 (c) A bill, note, bond, or debenture bearing an eligible rating.

7 (d) United States tri-party repurchase agreements collateralized at one
8 hundred percent or more with United States government or agency securities,
9 municipal bonds, or other securities bearing an eligible rating.

10 (e) Money market mutual funds rated less than "AAA" and equal to or higher
11 than "A-" by Standard & Poors, or the equivalent from any other eligible rating
12 service.

13 (f) A mutual fund or other investment fund composed solely and exclusively
14 of one or more permissible investments listed in Subsection A of this Section.

15 I. Cash, including demand deposits, savings deposits, and funds in such
16 accounts held for the benefit of the licensee's customers, at foreign depository
17 institutions are permissible up to ten percent of the aggregate value of the licensee's
18 total permissible investments if the licensee has received a satisfactory rating in its
19 most recent examination and the foreign depository institution meets all of the
20 following requirements:

21 (1) Has an eligible rating.

22 (2) Is registered under the United States Foreign Account Tax Compliance
23 Act.

24 (3) Is not located in any country subject to sanctions from the United States
25 Office of Foreign Asset Control.

26 (4) Is not located in a high-risk or noncooperative jurisdiction as designated
27 by the International Financial Action Task Force.

1 §1063. Suspension and revocation

2 A. The commissioner may suspend or revoke a license or order a licensee
3 to revoke the designation of an authorized agent if any of the following occur:

4 (1) The licensee violates any provision of this Chapter or a rule adopted or
5 regulation promulgated or order issued pursuant thereto.

6 (2) The licensee does not cooperate with an examination or investigation by
7 the commissioner.

8 (3) The licensee engages in fraud, intentional misrepresentation, or gross
9 negligence.

10 (4) An authorized agent is convicted of a violation of a state or federal
11 anti-money laundering statute, or violates any rule, regulation, or order related to the
12 provisions of this Chapter, as a result of the licensee's gross negligence, willful
13 misconduct, or willful blindness.

14 (5) The competence, experience, character, or general fitness of the licensee,
15 authorized agent, person in control of a licensee, key individual, or responsible
16 person of the authorized agent indicates that it is not in the public interest to permit
17 the person to provide money transmission.

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

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

21 (8) The licensee does not remove an authorized agent after the commissioner
22 issues and serves upon the licensee a final order including a finding that the
23 authorized agent has violated one or more provisions of this Chapter.

24 B. In determining whether a licensee is engaging in an unsafe or unsound
25 practice, the commissioner may consider the size and condition of the licensee's
26 money transmission, the magnitude of the loss, the gravity of the violation of this
27 Chapter, and the previous conduct of the person involved.

1 §1064. Violations

2 A. The office may implement an enforcement action against a licensee or
3 person who is not a licensee but is engaging in money transmission activities with,
4 or on behalf of, a resident in any of the following instances:

5 (1) The licensee or person violates any of the provisions of this Chapter or
6 any rule or regulation promulgated or any order including but not limited to a cease
7 and desist order or subpoena, issued pursuant to this Chapter.

8 (2) The licensee or person violates any provision of a voluntary consent or
9 compliance agreement that has been entered into with the commissioner.

10 (3) The licensee or person, in the conduct of its money transmission
11 activities with, or on behalf of, a resident, engages in any of the following:

12 (a) An unsafe or unsound act or practice.

13 (b) An unfair or deceptive act or practice.

14 (c) Fraud or intentional misrepresentation.

15 (d) Any other dishonest act.

16 (e) Misappropriation of money, or its equivalent having monetary value, held
17 by a fiduciary.

18 (4) The licensee or person does not cooperate substantially with an
19 investigation by the office, fails to pay a fee, or fails to submit a report or
20 documentation.

21 (5) If any of the following occurs:

22 (a) The licensee or person becomes insolvent.

23 (b) The licensee or person makes a general assignment for the benefit of its
24 creditors.

25 (c) The licensee or person becomes the debtor, alleged debtor, respondent,
26 or person in a similar capacity in a case or other proceeding under any bankruptcy,
27 reorganization, arrangement, readjustment, insolvency, receivership, dissolution,
28 liquidation, or similar law and does not obtain from the court, within a reasonable
29 time, confirmation of a plan or dismissal of the case or proceeding.

1 (d) The licensee or person applies for, or permits the appointment of, a
2 receiver, trustee, or other agent of a court for itself or for a substantial part of its
3 assets.

4 (6) The licensee or person has knowingly provided or caused to be provided
5 a material misrepresentation to the commissioner, any false or fraudulent material
6 fact, or any false or fraudulent financial statement or has suppressed or withheld
7 from the commissioner any information which if submitted by the licensee would
8 have resulted in a denial of the license application.

9 (7) The licensee or person refuses to permit an examination by the
10 commissioner of the books and affairs or has refused or failed within a reasonable
11 time to furnish any information or make any report that may be required by the
12 commissioner pursuant to the provisions of this Chapter.

13 (8) The licensee or person fails to maintain records as required by the
14 commissioner after being given written notice to the last address of record and thirty
15 calendar days within which to correct the failure. The commissioner may grant up
16 to two thirty-calendar-day extensions within which to correct the recordkeeping
17 violation.

18 (9) The licensee or person who continues to have in office any individual
19 with power to direct the management or policies of a person regulated by this
20 Chapter including but not limited to any officer, director, or manager, if such
21 individual is convicted of, pleads guilty to, or is found guilty after a plea of nolo
22 contendere of any felony and has been adjudicated guilty in any state, federal,
23 foreign, or military court.

24 (10) The licensee or person violates any provision of a regulatory or
25 prohibitory statute of this state or any other state as determined by the government
26 agency responsible for citing such violations.

27 (11) The licensee or person misrepresents material facts or makes a false
28 promise likely to influence, persuade, or induce a resident to engage in money
29 transmission activities.

1 (12) The licensee or person misrepresents or conceals a material fact, term,
2 or condition of a transaction to which he is a party pertinent to a resident to engage
3 in money transmission activities.

4 (13) The licensee or person knowingly engages in any transaction, practice,
5 or course of business which perpetrates a fraud upon any person in connection with
6 engaging in money transmission activities.

7 (14) The licensee or person fails to sell, transfer, receive, or store, without
8 just cause, any funds in accordance with any agreement connected with a money
9 transmission transaction.

10 (15) The licensee or person fails to account for or deliver to any person any
11 assets obtained in connection with a money transmission activity transaction
12 including but not limited to money or its equivalent having monetary value.

13 (16) The licensee or person fails to pay any fee, civil money penalty, cost,
14 or assessment imposed pursuant to this Chapter or by any rule adopted or regulation
15 promulgated in accordance with this Chapter.

16 (17) The licensee or person violates the written restrictions or conditions
17 under which the license was issued.

18 (18) The licensee or person fails, after notice and without lawful excuse, to
19 obey any order or subpoena issued by the commissioner.

20 (19) The commissioner discovers any fact or condition that currently exists
21 that, if it had existed at the time of the original application for licensure, would have
22 warranted the denial of the application.

23 B.(1) Notwithstanding any other law to the contrary, and in addition to any
24 other authority conferred upon the commissioner by any other provision of law, the
25 commissioner may, upon discovery, order an immediate suspension of the license
26 of any person licensed pursuant to this Chapter who does any of the following:

27 (a) Fails to meet the tangible net worth or fails to maintain the surety bond
28 requirements in any manner as provided for pursuant to R.S. 6:1059 or 1060.

1 (b) Commits a violation of any provision of this Chapter such that, in the
2 opinion of the commissioner, public safety and welfare demand that emergency
3 action be taken.

4 (c) Submits a payment of any fee for any application, notification,
5 examination, investigation, late fee, or penalty that is returned, declined, denied, or
6 otherwise not paid in full for any reason.

7 (d) Is convicted of a felony that would have prohibited the issuance or
8 renewal of the license.

9 (e) Has his license to engage in money transmission activities suspended or
10 revoked in another jurisdiction.

11 (2) A person whose license is suspended pursuant to this Subsection shall
12 have thirty calendar days from the date of the order to request a hearing in
13 accordance with the Administrative Procedure Act. Failure to timely request a
14 hearing shall constitute a waiver of all hearing rights regarding the suspension.

15 C. In addition to any other authority conferred upon the commissioner by
16 this Chapter or this Title, the commissioner may issue a cease and desist order, order
17 refunds of any unauthorized portion of any fee, or charge any person who collects
18 in violation of this Chapter and may impose a civil money penalty as determined by
19 the commissioner by rule upon any person who is found to have violated any of the
20 provisions of this Chapter or any rule or regulation promulgated in accordance with
21 this Chapter. Each separate violation shall subject the person to a civil money
22 penalty, and each day the person acts without complying with the provisions of this
23 Chapter, or rules or regulations promulgated in accordance with this Chapter, shall
24 constitute a separate violation.

25 D. The violations listed in this Subsection are nonexclusive and are in
26 addition to and exist independent of any violations set forth in other provisions of
27 this Chapter. Failure to comply with any provisions set forth in this Chapter may
28 serve as a basis for any enforcement or other action authorized to the commissioner

1 pursuant to this Title. It shall be a violation of this Chapter for a person engaged in
2 money transmission activities pursuant to this Chapter to do any of the following:

3 (1) Directly or indirectly employ any scheme, device, or artifice to defraud
4 or mislead any resident, when such person knew or should have known that such
5 scheme, device, or artifice was defrauding or misleading.

6 (2) Engage in any unfair or deceptive practice toward any resident.

7 (3) Fail to comply with this Chapter, any rules or regulations promulgated
8 pursuant to this Chapter, the laws of this state, or federal law, including the rules and
9 regulations issued thereunder, applicable to any money transmission activities.

10 (4) Negligently make any false statement, or knowingly and willfully make
11 any omission of material fact, in connection with any information or reports filed
12 with a state or federal government agency or the NMLS or in connection with any
13 investigation conducted by the commissioner or any other state or federal
14 government agency.

15 (5) Fail to truthfully account for any assets in connection with any money
16 transmission activities with, or on behalf of, a resident.

17 E. The commissioner may report apparent violations to other appropriate
18 state and federal regulators, the NMLS, federal law enforcement agencies, the
19 attorney general, or the district attorney of the appropriate parish, who may institute
20 any proceeding as he considers appropriate.

21 F. Advisory opinions and interpretations of the office shall not be considered
22 rules requiring compliance with the rulemaking process of the Administrative
23 Procedure Act. The commissioner and the employees of the office shall have no
24 liability to any person with respect to an advisory opinion or interpretation issued in
25 connection with this Chapter.

26 G. All of the grounds for enforcement action listed in Subsections A and D
27 of this Section are violations of this Chapter and may serve as the basis for any other
28 enforcement action provided to the commissioner by this Title.

1 H. The commissioner may share information about any person who is
2 licensed or required to be licensed pursuant to this Chapter with any state or federal
3 agency also having jurisdiction over the money transmission activities of that person.

4 I.(1) Any licensee whose license was issued pursuant to this Chapter and has
5 been revoked for any reason may not reapply for a license until at least five years
6 have elapsed from the date of the order of revocation, unless the commissioner, in
7 his sole discretion, prescribes an earlier or later date.

8 (2) For purposes of this Subsection, the order is considered to be the
9 commissioner's notification of revocation of the license.

10 (3) For the purpose of this Subsection, the term "licensee" shall include the
11 licensee, owners of ten percent or more of the licensee, and its members if the
12 licensee is a limited liability company, its partners if the licensee is a partnership, its
13 officers and directors if the licensee is a corporation, and any other person
14 determined by the commissioner, in his sole discretion, to be closely related to the
15 licensee.

16 §1065. Authorized agents; suspend or revoke designation; grounds; relief

17 A. The commissioner may issue an order suspending or revoking the
18 designation of an authorized agent if the commissioner finds that any of the
19 following apply:

20 (1) The authorized agent violated any provision of this Chapter or a rule,
21 regulation, or order promulgated or issued pursuant to this Chapter.

22 (2) The authorized agent did not cooperate with an examination or
23 investigation by the commissioner.

24 (3) The authorized agent engaged in fraud, intentional misrepresentation, or
25 gross negligence.

26 (4) The authorized agent is convicted of a violation of a state or federal
27 anti-money-laundering statute.

1 (5) The competence, experience, character, or general fitness of the
2 authorized agent or a person in control of the authorized agent indicates that it is not
3 in the public interest to permit the authorized agent to provide money transmission.

4 (6) The authorized agent is engaging in an unsafe or unsound practice.

5 B. In determining whether an authorized agent is engaging in an unsafe or
6 unsound practice, the commissioner may consider the size and condition of the
7 authorized agent's provision of money transmission, the magnitude of the loss, the
8 gravity of the violation of this Chapter or a rule or regulation adopted and
9 promulgated or order issued in accordance with this Chapter, and the previous
10 conduct of the authorized agent.

11 C. An authorized agent may apply for relief from a suspension or revocation
12 of designation as an authorized agent according to procedures prescribed by the
13 commissioner.

14 §1066. Notice and license revocation hearing

15 A. A license shall not be revoked except on ten calendar days' notice, the
16 first day of the ten-day period to be the date stated on the notice, which shall be the
17 day it is mailed, to the licensee by the commissioner, sent by letter by United States
18 registered or certified mail, return receipt requested, to the licensee's business
19 address set forth in the application.

20 B. Upon receipt of the notice, as stated in the registered or certified mail
21 receipt, the licensee may, within five calendar days thereafter, which five-day period
22 may be wholly or partially outside of the ten-day period, make written demand for
23 a hearing by the office, which demand shall be accompanied by an additional surety
24 bond, the principal sum, or the market value thereof to be specified by the
25 commissioner in the revocation notice.

26 C. The revocation notice shall not become final during the period of time in
27 which the licensee may demand such hearing nor if licensee demands a hearing, until
28 the matter has been finally determined by the office or by the courts, provided that
29 the licensee first posts together with his written demand for hearing an additional

1 corporate surety bond, written by the same bonding or insurance company that wrote
2 the bond required pursuant to R.S. 6:1060 made by the licensee pursuant to R.S.
3 6:1060 which the additional surety bond shall be in a principal amount as specified
4 in the revocation order but not exceeding one million dollars. The bond shall secure
5 the same obligations as does the corporate surety bond required by R.S. 6:1060 but
6 shall be in addition to the bond required thereby.

7 D. Upon receipt of the written demand, the commissioner shall thereafter,
8 with reasonable promptness, hear and determine the matter as provided by law or
9 regulation.

10 E. If the licensee deems himself aggrieved by the determination or order of
11 the commissioner, he may within thirty calendar days after the determination or
12 order have the determination or order reviewed by an appeal. All appeals shall be in
13 accordance with the Administrative Procedure Act. The appeal shall be perfected
14 upon the posting of a bond for the costs of the appeal accompanied by the petition.

15 F. Final revocation of the license, whether automatic or by final
16 determination of the commissioner or the courts, shall cancel as of the date of final
17 revocation of all bonds theretofore furnished by the licensee under any provision of
18 this Section, provided that the licensee and his corporate surety shall not be relieved
19 of any accrued liabilities, until the commissioner determines that all accrued
20 liabilities, including but not limited to the principal sums thereof, accrued interest
21 thereon, and court costs, if any, assessed to the licensee, of the licensee pursuant to
22 this Section have been satisfied in full.

23 G. The commissioner may at any time revoke a license on any ground on
24 which he might refuse to grant a license, or for failure to pay an annual fee, or for
25 violation of any provision of this Section, and any such revocation shall be
26 implemented in accordance with the provisions of this Section.

27 H. A license shall be automatically and finally revoked without any act or
28 further act of the commissioner in the following instances:

1 (1) At expiration of the thirty-day notice period, if the corporate surety gives
2 notice of cancellation of its bond and failure by the licensee to furnish a replacement
3 corporate surety bond or any additional corporate surety bond required by the
4 commissioner pursuant to R.S. 6:1060.

5 (2) Upon failure by the licensee to file when due, following proper notice
6 and a reasonable time period to correct the deficiency, any information required by
7 this Chapter.

8 (3) In case of a revocation notice pursuant to Subsection A of this Section,
9 failure by the licensee to demand a hearing as provided therein or failure to furnish
10 any additional corporate surety bond as required by the commissioner.

11 (4) Upon a license revocation order becoming final at any stage.

12 (5) Upon final conviction of the licensee as to any offense covered by this
13 Chapter.

14 I. If a revocation order becomes final for any reason or in any manner, the
15 license may not be reinstated, except upon new application as if the licensee had
16 never been licensed before. The commissioner may deny the new application on
17 grounds that a previous application was denied, a previous license to the applicant
18 was revoked, or any ground or grounds on which he may deny an original
19 application.

20 §1067. Order to cease and desist

21 A. If the commissioner determines that a violation of this Chapter or of a rule
22 or regulation adopted or an order issued relative thereto by a licensee or authorized
23 agent is likely to cause immediate and irreparable harm to the licensee, its customers,
24 or the public as a result of the violation, or cause insolvency or significant dissipation
25 of assets of the licensee, the commissioner may issue an order requiring the licensee
26 or authorized agent to cease and desist from the violation. The order becomes
27 effective upon service of it upon the licensee or authorized agent.

28 B. When the commissioner has reasonable cause to believe that a person is
29 violating any provision of this Chapter, the commissioner, in addition to and without

1 prejudice to the authority provided elsewhere in this Chapter, may sue in the
2 Nineteenth Judicial District Court of East Baton Rouge Parish to enjoin the person
3 from engaging in or continuing the violation or from doing any act in furtherance of
4 the violation. In such an action, the court may enter any order or judgment awarding
5 a preliminary or permanent injunction.

6 C. An order to cease and desist remains effective until rescinded or released
7 by the commissioner or appealed as provided in this Section.

8 D. A licensee that is served with an order to cease and desist may petition
9 the Nineteenth Judicial District Court of East Baton Rouge Parish for a judicial order
10 setting aside, limiting, or suspending the enforcement, operation, or effectiveness of
11 the order.

12 §1068. Consent orders

13 The commissioner may enter into a consent order at any time with a person
14 to resolve a matter arising pursuant to this Chapter or a rule or regulation adopted or
15 order issued relative thereto. A consent order shall be signed by the person to whom
16 it is issued or by the person's authorized representative, and shall indicate agreement
17 with the terms contained in the order. A consent order may provide that it does not
18 constitute an admission by a person that this Chapter or a rule or regulation adopted
19 or an order issued relative thereto has been violated.

20 §1069. Criminal penalties

21 A. A person who intentionally makes a false statement, misrepresentation,
22 or false certification in a record filed or required to be maintained pursuant to this
23 Chapter or that intentionally makes a false entry or omits a material entry in such a
24 record is guilty of a felony and, upon conviction thereof, shall be fined not less than
25 five hundred dollars nor more than three thousand dollars, and may also be punished
26 by incarceration for a term not less than one year and not more than five years.

27 B. A person that knowingly engages in an activity for which a license is
28 required pursuant to this Chapter without being issued such a license and who
29 receives more than five hundred dollars in compensation within a thirty-day period

1 from this activity is guilty of a felony and, upon conviction thereof, shall be fined not
2 less than five hundred dollars nor more than three thousand dollars, and may also be
3 punished by incarceration for a term not less than one year and not more than five
4 years.

5 C. A person that knowingly engages in an activity for which a license is
6 required pursuant to this Chapter without being issued such a license and who
7 receives no more than five hundred dollars in compensation within a thirty-day
8 period from this activity is guilty of a misdemeanor and, upon conviction, shall be
9 fined not less than one hundred dollars nor more than five hundred dollars and may
10 also be punished by incarceration for a term not more than one year.

11 §1070. Civil money penalties

12 The commissioner may assess a civil money penalty against a person that
13 violates any provision of this Chapter or a rule or regulation adopted or an order
14 issued relative thereto in an amount not to exceed one thousand dollars per day for
15 each day the violation is outstanding, plus this state's costs and expenses for the
16 investigation and prosecution of the matter, including reasonable attorney's fees.

17 §1071. Unlicensed persons

18 A.(1) If the commissioner has reason to believe that a person has violated or
19 is violating the provisions of R.S. 6:1039, the commissioner may issue an order to
20 show cause why an order to cease and desist should not be issued requiring that the
21 person cease and desist from the violation of R.S. 6:1039.

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

24 (3) An order to cease and desist remains effective and enforceable until
25 rescinded or released by the commissioner or appealed as provided in this Section.

26 (4) A person that is served with an order to cease and desist for violating
27 R.S. 6:1039 may petition the Nineteenth Judicial District Court of East Baton Rouge
28 Parish for a judicial order setting aside, limiting, or suspending the enforcement,
29 operation, or effectiveness of the order.

1 B. In an emergency, the commissioner may petition the Nineteenth Judicial
2 District Court of East Baton Rouge Parish on an ex parte basis for the issuance of a
3 temporary restraining order pursuant to the Louisiana Code of Civil Procedure, and
4 such order, if issued, shall not require the posting of a bond on behalf of the state.

5 §1072. Investigation of possible violations

6 In addition to and without prejudice to the authority provided elsewhere in
7 this Title, the commissioner, or his duly authorized representative, for the purpose
8 of discovering violations of this Chapter and for the purpose of determining whether
9 persons are subject to the provisions of this Chapter, may examine persons licensed
10 pursuant to this Chapter and persons reasonably suspected by the commissioner of
11 conducting business that requires a license pursuant to this Chapter, including all
12 relevant books, records, and papers employed by those persons in the transaction of
13 their business, and may summon witnesses and examine them under oath concerning
14 matters relating to the business of those persons, or such other matters as may be
15 relevant to the discovery of violations of this Chapter, including without limitation
16 the conduct of business without a license as required pursuant to this Chapter.

17 Section 3.(A) A person licensed in this state to engage in the business of money
18 transmission shall not be subject to the provisions of this Act, to the extent that they conflict
19 with or establish new requirements not imposed under law as it existed immediately prior
20 to the effective date of this Act, until such time as the licensee renews its current license or
21 for twelve months after the effective date of this Act, whichever is later.

22 (B) Notwithstanding Subsection (A) of this Section, a licensee shall only be required
23 to amend its authorized agent contracts for contracts entered into or amended after the
24 effective date or the completion of any transition period set forth in Subsection (A) of this
25 Section. Nothing herein shall be construed as limiting an authorized agent's obligations to
26 operate in full compliance with this Act as required by R.S. 6:1054(D).

27 Section 4. In applying and construing the provisions of the Chapter established in
28 this Act, consideration may be given to the need to promote uniformity of the law with
29 respect to its subject matter among states.

1 Section 5. If any provision of this Act or the application thereof is held invalid, such
 2 invalidity shall not affect other provisions or applications of this Act which can be given
 3 effect without the invalid provisions or applications, and to this end the provisions of this
 4 Act are hereby declared severable.

5 Section 6. The Louisiana State Law Institute is hereby authorized and directed to
 6 recodify the provisions of Title 6, Chapter 13, to designate the newly enacted Sections as
 7 memorialized in Section 2 of this Act, with any non-substantive, technical changes that may
 8 be necessary.

9 Section 7. The Louisiana State Law Institute is hereby directed to change all
 10 references from "Sales of Checks and Money Transmission Act" to "Louisiana Money
 11 Transmission Act" throughout the Louisiana Revised Statutes of 1950.

12 Section 8. This Act shall become effective July 1, 2026.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 1230 Reengrossed

2026 Regular Session

Deshotel

Abstract: Provides relative to the "Louisiana Money Transmission Act".

Present law provides for "The Sale of Checks and Money Transmission Act".

Present law provides for definitions.

Present law provides for licensing requirements to engage in the business of money transmission or selling checks as a service. Present law provides for exemptions from licensing for present law.

Present law provides for the qualifications for licensure. Present law provides relative to applications for licensure pursuant to present law.

Present law provides for fees, statements, and bonds that are required for applications and for licensees. Present law provides for when a temporary license may be granted. Present law provides for the maintenance of the bond required by present law. Present law provides for the annual renewal fee and a late fee for licensees.

Present law provides relative to agents and subagents.

Present law provides that each licensee is liable for the payment of all checks which he sells or money he is obligated to transmit.

Present law requires that the commissioner of the office of financial institutions (commissioner), or his employee, visit or examine each licensee or his agent on a recurring schedule.

Present law provides for hearings to deny or revoke a license. Present law provides for penalties for violations of present law.

Present law provides for annual reports from the licensee to the commissioner.

Present law provides for what a licensee shall hold in trust.

Present law provides for a list provided by a licensee who has had their license suspended or revoked, to the commission, with the institutions the licensee has worked at.

Present law provides for the surety bond retained by the commissioner.

Present law provides for the notification from the commissioner in the event of a suspended or revoked license.

Present law provides for verification before a financial institution opens an account for a seller of checks or a person who transmits money.

Present law provides for when a licensee shall report certain information to the commissioner.

Present law provides for the delivery of funds requirements for money transmitters.

Proposed law repeals present law in its entirety.

Proposed law enacts the "Louisiana Money Transmission Act" and provides for its purpose.

Proposed law defines certain terms.

Proposed law provides for exemptions for licensure pursuant to proposed law and provides that the commissioner may require documentation to verify any exemption.

Proposed law provides for the powers and duties of the commissioner to implement the provisions of proposed law.

Proposed law gives the commissioner administrative authority to administer, interpret, and enforce the provisions of proposed law, and to promulgate rules or regulations for the implementation of proposed law, and to recover the cost of administering and enforcing proposed law by imposing and collecting proportionate and equitable fees and costs associated with applications, examinations, investigations, and other actions required to achieve the purpose of proposed law.

Proposed law provides for the supervision of a license.

Proposed law requires each person required to be licensed, and his authorized agent, to maintain in his office the books, records, and accounts of his money transmission activities as the commissioner may reasonably require in order to determine whether the person is complying with the provisions of proposed law.

Proposed law provides for the examination of books and records. Proposed law further provides for a \$50 examination fee per hour per examiner plus other costs.

Proposed law provides for investigations and examinations for licensees.

Proposed law states that the commissioner may participate in a multistate examination and investigation process for licensees that hold licenses in this state and other states.

Proposed law allows the commissioner to participate in multistate supervisory processes established between states and coordinated through the Conference of State Bank Supervisors, the Money Transmitter Regulators Association, and affiliates and successors thereof, for all licensees that hold licenses in this state and other states.

Proposed law provides for what the commissioner may do as a participant in multistate supervision.

Proposed law provides that a joint examination or investigation, or acceptance of an examination or investigation report, does not waive the examination fee provided for in proposed law.

Proposed law provides that a person may not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission unless the person is licensed pursuant to proposed law.

Proposed law provides that a license issued pursuant to proposed law is not transferable or assignable.

Proposed law provides for what the commissioner may do to establish licensing between this state and other states.

Proposed law provides that the commissioner may establish relationships or contracts with Nationwide Multistate Licensing System (NMLS) or other entities designated by NMLS. Proposed law further provides that the commissioner may utilize NMLS for all aspects of licensing.

Proposed law requires that applicants for a license to apply in a form and medium prescribed by the commissioner. Proposed law provides for what shall be included in the application process for licensure.

Proposed law provides for the application process if an applicant is a corporation, limited liability company, partnership, or other legal entity. Proposed law requires that a nonrefundable \$1500 fee accompany the application. Proposed law further provides that the fee shall be adjusted yearly in accordance with the Consumer Price Index.

Proposed law provides that if any material information provided in connection with an application changes during the application review period, the applicants shall immediately notify the commissioner.

Proposed law provides what a person in control of a licensee or applicant, any person who seeks to acquire control of a licensee, and each key person shall furnish to the commissioner through NMLS.

Proposed law provides for the process if a person has resided outside the U.S. at any time in the last 10 years.

Proposed law provides for the process by which the commissioner shall issue a license or the process by which the commissioner shall issue a notice of denial. Proposed law provides for the appeal process if an applicant is denied.

Proposed law provides for the process where an applicant for a license does not complete the license application and fails to respond to a notice from the commissioner to correct a deficiency.

Proposed law provides that the initial license term begins on the day the application is approved. The license expires on Dec. 31 of the year in which the license term began, unless the initial license date is between Nov. 1 and Dec. 31, in which instance the initial license term expires on Dec. 31 of the following year.

Proposed law requires each person licensed as a money transmitter in accordance with proposed law to submit an annual license renewal application and a nonrefundable fee in the amount of \$800, plus \$100 for each location in excess of one in La. through which the licensee plans to conduct money transmission during the license year.

Proposed law provides relative to the requirements of the annual renewal application.

Proposed law provides for a late fee.

Proposed law provides for when a license expires or under what circumstances it will not be reinstated.

Proposed law provides that if a licensee does not continue to meet the qualifications or satisfy the requirements that apply to an applicant for a new money transmission license, the commissioner may suspend or revoke the licensee's license in accordance with the procedures established by proposed law or other applicable state law for such suspension or revocation.

Proposed law provides for the process by which any person, or group of persons acting in concert, seeks to acquire control of a licensee.

Proposed law provides application requirements and determination by the commissioner for any person, or group of persons acting in concert, seeking to acquire control of a licensee.

Proposed law provides what a licensee shall do if they are adding or replacing any key individual.

Proposed law requires each licensee to submit a report of condition, which will be known as a Call Report, within 45 days of the end of the calendar quarter, or within any extended time as the commissioner may prescribe. Proposed law provides for what the report of condition will include.

Proposed law provides for what will be filed with the commissioner by a licensee within 90 days after the end of each fiscal year, or within any extended time as the commissioner may prescribe.

Proposed law provides relative to audited financial statements filed with the commissioner and what shall be included in the statements.

Proposed law requires each licensee to submit a report of the authorized agent within 45 days of the end of the calendar quarter and proposed law provides for what shall be in the report.

Proposed law provides for a list of events that will require a licensee to file a report with the commissioner.

Proposed law requires a licensee and an authorized agent to file all reports required by federal currency reporting, record keeping, and suspicious activity reporting requirements as set forth in the Bank Secrecy Act and other federal and state laws pertaining to money laundering.

Proposed law provides for what records the licensee will maintain in written or electronic form. Proposed law further provides for how those records are maintained.

Proposed law provides for the definition of "remit".

Proposed law provides for what a licensee shall do before a licensee may conduct business through an authorized agent or allows a person to act as the licensee's authorized agent.

Proposed law requires the licensee's authorized agents to operate in full compliance with applicable state and federal law, and the licensee shall be responsible for implementing and maintaining a reasonable risk-based supervision program to monitor its authorized agents.

Proposed law provides for what a written contract required by proposed law shall do.

Proposed law provides that if a licensee's license is suspended, revoked, surrendered, or expired, the licensee will, within five business days, provide documentation to the commissioner that the licensee has notified all applicable authorized agents of the licensee whose names are in a record filed with the commissioner of the suspension, revocation, surrender, or expiration of a license.

Proposed law provides that an authorized agent of a licensee shall hold in trust for the benefit of the licensee all money net of fees received from money transmission. If any authorized agent commingles any funds received from money transmission with any other funds or property owned or controlled by the authorized agent, all commingled funds and other property shall be considered held in trust in favor of the licensee in an amount equal to the amount of money net of fees received from money transmission.

Proposed law provides that an authorized agent may not use a subagent to conduct money transmission on behalf of a licensee.

Proposed law prohibits a person from engaging in the business of money transmission on behalf of a person not licensed or exempt pursuant to proposed law. A person who engages in such activity provides money transmission to the same extent as if the person were a licensee, and is jointly and severally liable with the unlicensed or nonexempt person.

Proposed law prohibits a person from engaging in money transmission pursuant to proposed law if the transmission of money, or its equivalent, is undertaken for the purpose of debt adjusting. Proposed law further provides for what shall be considered debt adjusting.

Proposed law provides relative to the timeline to transmit the monetary equivalent of all money or equivalent value received from a consumer for transmission. Proposed law provides for enforcement of the timeline.

Proposed law provides for situations in which user policies or agreements are to be considered null and void.

Proposed law provides for when certain funds shall be returned to a consumer.

Proposed law provides that the commissioner may enjoin a violation of proposed law.

Proposed law requires every licensee to refund to the sender within 10 days of receipt of the sender's written request for a refund of any and all money received for transmission unless for any reason outlined in proposed law.

Proposed law provides that every licensee or its authorized agent shall provide the sender a receipt for money received for transmission. Proposed law further provides what shall be included in that receipt.

Proposed law provides that a licensee pursuant to proposed law shall maintain at all times a tangible net worth of the greater of \$100 thousand or 3% of total assets for the first \$100

million, 2% of additional assets for \$100 million to \$1 billion, and ½% of additional assets for over \$1 billion. Proposed law provides for how net worth is demonstrated.

Proposed law requires an applicant for a money transmission license to provide, and a licensee at all times to maintain, a surety bond issued by a bonding company or insurance company authorized to do business in this state and in a form satisfactory to the commissioner.

Proposed law provides that the amount of the required surety bond shall be the greater of \$1000,000 or an amount equal to 100% of the licensee's average daily money transmission liability in this state calculated for the most recently completed three-month period, up to a maximum of \$500,000. Proposed law provides relative to the requirements of the bond.

Proposed law requires a licensee to maintain at all times permissible investments that have a market value computed in accordance with U.S. Generally Accepted Accounting Principles of not less than the aggregate amount of all of its outstanding money transmission obligations in all states. Proposed law provides for what investments are permissible.

Proposed law provides relative to the establishment of a statutory trust.

Proposed law provides relative to the use of letters of credit. Proposed law provides for what a letter of credit shall do.

Proposed law provides for the event of any notice of expiration or nonexistence of a letter of credit issued pursuant to proposed law. Proposed law provides that the letter of credit shall provide that the issuer of the letter of credit will honor, at sight, a presentation made by the beneficiary to the issuer of certain documents on or prior to the expiration date of the letter of credit.

Proposed law allows the commissioner to designate an agent to serve on the commissioner's behalf as beneficiary to a letter of credit so long as the agent and letter of credit meet requirements established by the commissioner.

Proposed law allows the commissioner to participate in multistate processes designed to facilitate the issuance and administration of letters of credit, including but not limited to services provided by the NMLS and State Regulatory Registry, LLC.

Proposed law provides for circumstances when the commissioner can suspend or revoke a license or order a licensee to revoke the designation of an authorized agent.

Proposed law provides the instances in which the office may implement an enforcement action against a licensee or person who is not a licensee but is engaging in money transmission activities with, or on behalf of, a resident.

Proposed law provides for the instances for when the commissioner may, upon discovery, order an immediate suspension of the license of any person licensed pursuant to proposed law.

Proposed law provides for when the commissioner may issue a cease and desist order to request a hearing.

Proposed law provides that the violations listed in proposed law are nonexclusive and are in addition to and exist independent of any violations set forth in other provisions of proposed law.

Proposed law allows the commissioner to report apparent violations to other appropriate state and federal regulators, the NMLS, federal law enforcement agencies, the attorney

general, or the district attorney of the appropriate parish, who may institute any proceeding as he considers appropriate.

Proposed law provides that advisory opinions and interpretations of the office shall not be considered rules requiring compliance with the rulemaking process of the APA.

Proposed law provides that all of the grounds for enforcement action of proposed law may serve as the basis for any other enforcement action provided to the commissioner by present and proposed law.

Proposed law allows the commissioner to share information about any person who is licensed or required to be licensed pursuant to proposed law with any state or federal agency also having jurisdiction over the money transmission activities of that person.

Proposed law provides that any licensee whose license was issued pursuant to proposed law and has been revoked for any reason may not reapply for a license until at least five years have elapsed from the date of the order of revocation, unless the commissioner, in his sole discretion, prescribes an earlier or later date.

Proposed law provides for the circumstances under which the commissioner may issue an order suspending or revoking the designation of an authorized agent.

Proposed law provides relative to the notice and hearing process relating to the revocation of a license.

Proposed law provides that the commissioner may, at any time, revoke a license on any ground on which he might refuse to grant a license, or for failure to pay an annual fee, or for violation of any provision of proposed law, and any such revocation shall be implemented in accordance with the provisions of proposed law.

Proposed law provides for when a license shall be automatically and finally revoked without any act or further act of the commissioner.

Proposed law provides for when the commissioner may issue a cease and desist. Proposed law provides for the process to petition the 19th JDC relative to a cease and desist.

Proposed law provides that the commissioner may enter into a consent order at any time with a person to resolve a matter arising pursuant to proposed law or a rule or regulation adopted or order issued relative to proposed law.

Proposed law provides relative to the criminal penalties for persons in violation of proposed law.

Proposed law provides that the commissioner may assess a civil money penalty against a person that violates any provision of proposed law or a rule or regulation adopted or an order issued relative to proposed law in an amount not to exceed \$1000 per day for each day the violation is outstanding, plus this state's costs and expenses for the investigation and prosecution of the matter, including reasonable attorney's fees.

Proposed law provides relative to what actions the commissioner may take in regards to persons violating proposed law.

Proposed law provides relative to the investigation process of possible violations of proposed law.

Proposed law provides that a person licensed in this state to engage in the business of money transmission shall not be subject to the provisions of proposed law, to the extent that they conflict with or establish new requirements not imposed under law as it existed immediately

prior to the effective date of proposed law, until such time as the licensee renews its current license or for 12 months after the effective date of proposed law, whichever is later.

Proposed law provides that a licensee shall only be required to amend its authorized agent contracts for contracts entered into or amended after the effective date or the completion of any transition period. Nothing shall be construed as limiting an authorized agent's obligations to operate in full compliance as required by proposed law.

Proposed law provides that in applying and construing the provisions of proposed law, consideration may be given to the need to promote uniformity of the law with respect to its subject matter among states.

Proposed law provides for severability.

Proposed law provides that the La. State Law Institute is authorized and directed to recodify the provisions of present and proposed law, to designate the newly enacted proposed law with any nonsubstantive, technical changes that may be necessary.

Proposed law directs the La. State Law Institute to change references of proposed law in present law.

Effective July 1, 2026.

(Amends R.S. 6:1031-1072)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.
2. Clarify that the commissioner's ability to extend an application period is separate to what automatically happens if an application is not approved or denied within 120 days after completion.
3. Change the reference of persons exempt from proposed law.
4. Clarify what the commissioner may do if La. is a lead investigative state.
5. Amend which information is to be included in a report of condition.
6. Clarify that an authorized agent of a licensee shall hold in trust for the benefit of the licensee all money net of fees received from a money transmission.
7. Clarify that the commissioner may enjoin a violation of proposed law.
8. Amend the reference for investments that are permissible pursuant to proposed law.
9. Clarify which timelines outlined in proposed law will be measured using calendar days.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Amend the definition of "payroll processing service provider".

3. Adds that proposed law does not apply to a wholly owned subsidiary of a federally insured depository institution.
4. Clarify that proposed law does not apply to a payroll processing service provider.
5. Add that all records of the office are strictly confidential and not subject to disclosure.
6. Clarify that certain information outlined in proposed law is required from certain persons instead of certain individuals.
7. Clarify language regarding a licensee reporting certain events to the commissioner.
8. Clarify what records a licensee shall maintain.
9. Remove a duplicate definition of "receipt".
10. Clarify what a receipt shall contain.
11. Clarify a citation regarding the termination of a statutory trust outlined in proposed law.
12. Clarify that for certain provisions of proposed law a licensee shall include owners of 10% or more of a licensee.
13. Amend when a license shall be automatically and finally revoked without any act or further act of the commissioner.
14. Direct the La. State Law Institute to change references of proposed law in present law.