

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
5 definitions; to provide 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.

19 Section 2. Chapter 13 of Title 6 of the Louisiana Revised Statutes of 1950, of R.S.
20 6:1031 through 1072, is hereby amended and reenacted to read as follows:

1 CHAPTER 13: THE LOUISIANA MONEY TRANSMISSION ACT

2 §1031. Short title

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

5 §1032. Purpose

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

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

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

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

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

19 §1033. Definitions

20 For purposes of this Chapter, the following definitions have the following
21 meanings:

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

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

27 (3) "Average daily money transmission liability" means the amount of the
28 licensee's outstanding money transmission obligations in this state at the end of each
29 day in a given period of time, added together and divided by the total number of days

1 in the given period of time. For purposes of calculating average daily money
2 transmission liability under this Chapter for any licensee required to do so, the given
3 period of time shall be the quarters ending March thirty-first, June thirtieth,
4 September thirtieth, and December thirty-first.

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

7 (5) "Commissioner" means the commissioner of the office of financial
8 institutions.

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

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

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

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

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

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

24 (b) For purposes of determining the percentage of a person controlled by any
25 other person, the person's interest shall be aggregated with the interest of any other
26 immediate family member, including the person's spouse, parents, children, siblings,
27 mothers-in-law and fathers-in-law, sons-in-law and daughters-in-law, brothers-in-law
28 and sisters-in-law, and any other person who shares the person's home.

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

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

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

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

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

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

5 (14) "Licensee" means a person licensed by the office pursuant to the
6 Louisiana Money Transmission Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (b) The term does not include a public corporation, government, or
27 governmental subdivision, agency, or instrumentality.

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

1 (29) "Receiving money for transmission" or "money received for
2 transmission" means receiving money or monetary value in the United States for
3 transmission within or outside the United States by electronic or other means.

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

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

6 (ii) A person who is physically located in this state for more than one
7 hundred eighty-three days of the previous three hundred sixty-five days.

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

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

11 (31)(a) "Stored value" means monetary value representing a claim against
12 the issuer evidenced by an electronic or digital record, and that is intended and
13 accepted for use as a means of redemption for money or monetary value, or payment
14 for goods or services. The term includes but is not limited to "prepaid access" as
15 defined by 31 CFR 1010.100, as amended or recodified from time to time.

16 (b) Notwithstanding the foregoing, the term "stored value" does not include
17 a payment instrument or closed loop stored value, or stored value not sold to the
18 public but issued and distributed as part of a loyalty, rewards, or promotional
19 program.

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

25 §1034. Exemptions

26 This Chapter does not apply to:

27 (1) An operator of a payment system to the extent that it provides processing,
28 clearing, or settlement services, between or among persons exempted by this Section
29 or licensees, in connection with wire transfers, credit card transactions, debit card

1 transactions, stored value transactions, automated clearing house transfers, or similar
2 funds transfers.

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

7 (a) There exists a written agreement between the payee and the agent
8 directing the agent to collect and process payments from payors on the payee's
9 behalf.

10 (b) The payee holds the agent out to the public as accepting payments for
11 goods or services on the payee's behalf.

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

15 (3) A person who acts as an intermediary by processing payments between
16 an entity that has directly incurred an outstanding money transmission obligation to
17 a sender, and the sender's designated recipient, provided that the entity is all of the
18 following:

19 (a) Is properly licensed or exempt from licensing requirements of this
20 Chapter.

21 (b) Provides a receipt, electronic record, or other written confirmation to the
22 sender identifying the entity as the provider of money transmission in the transaction.

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

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

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

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

3 (7) A federally insured depository financial institution, bank holding
4 company, office of an international banking corporation, foreign bank that
5 establishes a federal branch pursuant to the International Bank Act, 12 U.S.C. 3102,
6 as amended or recodified from time to time, corporation organized pursuant to the
7 Bank Service Corporation Act, 12 U.S.C. 1861 through 1867, as amended or
8 recodified from time to time, or corporation organized in accordance with the Edge
9 Act, 12 U.S.C. 611 through 633, as amended or recodified from time to time.

10 (8) Electronic funds transfer of governmental benefits for a federal, state,
11 county, parish, or governmental agency by a contractor on behalf of the United
12 States or a department, agency, or instrumentality thereof, or on behalf of a state or
13 governmental subdivision, agency, or instrumentality thereof.

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

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

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

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

27 (13) A person expressly appointed as a third-party service provider to or
28 agent of an entity exempted under Paragraph (7) of this Section, solely to the extent
29 that both of the following occur:

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

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

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

11 (15) A payroll processing service provider, which means a person receiving
12 money for transmission.

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

15 §1035. Authority to require demonstration of exemption

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

19 §1036. Implementation

20 A. In addition to any other powers the commissioner may be authorized to
21 exercise pursuant to this Title, the commissioner may adopt and implement
22 emergency rules as the commissioner considers necessary and appropriate to prevent
23 or terminate any condition the commissioner reasonably considers to create an
24 emergency relative to a particular licensee or to licenses in general, including but not
25 limited to suspending the issuance or renewal of a license or suspending some or all
26 money transmission activities in this state.

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

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

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

7 (3) Accept, from other state or federal government agencies or officials,
8 licensing, examination, or investigation reports made by such other state or federal
9 government agencies or officials.

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

13 C. The commissioner shall have the broad administrative authority to
14 administer, interpret, and enforce the provisions of this Chapter, and to promulgate
15 rules or regulations for the implementation of this Chapter, and to recover the cost
16 of administering and enforcing this Chapter by imposing and collecting proportionate
17 and equitable fees and costs associated with applications, examinations,
18 investigations, and other actions required to achieve the purpose of this Chapter.

19 §1037. Supervision

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

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

28 (3) The books, records, and accounts shall be maintained separately and
29 apart from any other business in which the person is involved and shall be kept at the

1 location in the state at which the money transmission activities occurred or at the
2 person's principal office unless otherwise permitted in writing by the commissioner.

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

5 B. If the books and records of any person described in this Section are
6 located outside of the state, he shall make them available to the commissioner at a
7 location within this state convenient to the commissioner or pay the reasonable and
8 necessary expenses for the commissioner or his representative to examine them at
9 the place where they are maintained. The commissioner may designate
10 representatives, including comparable officials of the state in which the records are
11 located, to inspect the records on his behalf.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (a) The commissioner's participation in any joint examination or
2 investigation.

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

6 §1038. Networked supervision

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

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

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

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

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

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

1 §1039. License required

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

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

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

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

11 C. A license issued under R.S. 6:1043 is not transferable or assignable.

12 §1040. Consistent state licensing

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

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

18 (2) Participate in nationwide protocols for licensing cooperation and
19 coordination among state regulators if such protocols are consistent with this
20 Chapter.

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

24 (1) Collect and maintain records.

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

26 (3) Process fees.

27 (4) Facilitate communication between the state and licensees or other
28 persons.

1 C. The commissioner is authorized to utilize NMLS for all aspects of
2 licensing, including but not limited to license applications, applications for
3 acquisitions of control, surety bonds, reporting, criminal history background checks,
4 credit checks, fee processing, and examinations.

5 D. The commissioner is authorized to utilize NMLS forms, processes, and
6 functionalities. In the event NMLS does not provide functionality, forms, or
7 processes, the commissioner is authorized to strive to implement the requirements
8 of this Section in a manner that facilitates uniformity with respect to licensing,
9 supervision, reporting, and regulation of licensees which are licensed in multiple
10 jurisdictions.

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

14 §1041. Application for license

15 A. Applicants for a license shall apply in a form and in a medium as
16 prescribed by the commissioner. Each such form shall contain content as set forth
17 by rule, regulation, instruction, or procedure of the commissioner and may be
18 changed or updated by the commissioner in accordance with applicable law in order
19 to carry out the purposes of this Chapter and maintain consistency with NMLS
20 licensing standards and practices. The application shall state or contain, as
21 applicable:

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

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

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

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

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

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

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

10 (8) The source of funds and credit to be used by the applicant to conduct
11 money transmission activities with, or on behalf of, an individual and documentation
12 demonstrating that the applicant has the tangible net worth required pursuant to R.S.
13 6:1059.

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

17 (10) A sample form of payment instrument or stored value, as applicable.

18 (11) The name and address of any federally insured depository financial
19 institution through which the applicant plans to conduct money transmission.

20 (12) An investigative background report prepared by an independent search
21 firm as required by R.S. 6:1042(B) from any key individuals who have resided
22 outside the United States at any time in the last ten years.

23 (13) Any other information the commissioner or NMLS requires with respect
24 to the applicant.

25 B. If an applicant is a corporation, limited liability company, partnership, or
26 other legal entity, the applicant shall also provide all of the following:

27 (1) The date of the applicant's incorporation or formation and state or
28 country of incorporation or formation.

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

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

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

10 (5) A list of any criminal convictions and material litigation in which a
11 person in control of the applicant who is not an individual has been involved in the
12 ten-year period next preceding the submission of the application.

13 (6) A copy of the audited financial statements of the applicant for the most
14 recent fiscal year and for the two-year period next preceding the submission of the
15 application.

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

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

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

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

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

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

5 (11) Any other information the commissioner may require with respect to the
6 applicant.

7 (C) A nonrefundable application fee of one thousand five hundred dollars
8 shall accompany an application for a license under this Section. However, beginning
9 with calendar year 2026 and for each subsequent calendar year, on or before July
10 first of the following year, the commissioner will issue a memo authorizing a new
11 application fee in accordance with this Section. The new amount will be calculated
12 by applying any increase or decrease in the United States Bureau of Labor Statistics
13 Consumer Price Index for All Urban Consumers for the previous calendar year to the
14 previous year's license fee amount and rounding that amount upward to the nearest
15 one-hundred-dollar increment.

16 (D) If any material information provided in connection with an application
17 changes during the application review period, the applicant shall immediately notify
18 the commissioner.

19 §1042. Information requirements for certain individuals

20 A. Any individual in control of a licensee or applicant, any individual who
21 seeks to acquire control of a licensee, and each key individual shall furnish to the
22 commissioner through NMLS all of the following items:

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

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

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

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

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

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

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

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

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

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

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

28 (c) Employment history.

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

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

5 §1043. Issuance of license

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

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

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

13 (a) The application is deemed approved.

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

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

17 B. A determination by the commissioner that an application is complete and
18 is accepted for processing means only that the application, on its face, appears to
19 include all of the items, including the Criminal Background Check response from the
20 Federal Bureau of Investigation, and address all of the matters that are required, and
21 is not an assessment of the substance of the application or of the sufficiency of the
22 information provided.

23 C. When an application is filed and considered complete pursuant to this
24 Section, the commissioner shall investigate the applicant's financial condition and
25 responsibility, financial and business experience, character, and general fitness. The
26 commissioner may conduct an on-site investigation of the applicant, the cost of
27 which the applicant shall pay. The commissioner shall issue a license to an applicant
28 pursuant to this Section if the commissioner finds that all of the following conditions
29 have been fulfilled:

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

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

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

10 (1) The commissioner is authorized to accept the investigation results of a
11 lead investigative state for the purpose of Subsection C of this Section if the lead
12 investigative state has sufficient staffing, expertise, and minimum standards.

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

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

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

25 F. If an applicant for a license under this Chapter does not complete the
26 license application and fails to respond to a notice or notices from the commissioner
27 to correct a deficiency or deficiencies for a period of one hundred twenty days or
28 more after the date the commissioner sends the initial notice to correct the deficiency
29 or deficiencies, the office may deem the application as abandoned and may issue a

1 notice of abandonment of the application to the applicant in lieu of proceedings to
2 deny the application.

3 G. The initial license term shall begin on the day the application is approved.
4 The license shall expire on December thirty-first of the year in which the license
5 term began, unless the initial license date is between November first and December
6 thirty-first, in which instance the initial license term shall expire on December thirty-
7 first of the following year.

8 §1044. Renewal of license

9 A.(1) Each person licensed as a money transmitter in accordance with this
10 Chapter shall submit an annual license renewal application and a nonrefundable fee
11 in the amount of eight hundred dollars, plus one hundred dollars for each location in
12 excess of one in Louisiana through which the licensee plans to conduct money
13 transmission during the license year for which the fee is paid, shall be paid, provided
14 that in no event shall the annual renewal fee exceed six thousand dollars. The annual
15 renewal application fee shall be submitted on or before December thirty-first of each
16 year in a manner and form prescribed by the commissioner and submit to the
17 commissioner a renewal report pursuant to Paragraph (B)(3) of this Section if the
18 person is not issued a new license from November first to December thirty-first of
19 that year. A money transmission license issued during this time period will expire
20 on December thirty-first of the following calendar year.

21 (2) An annual renewal application shall be accompanied by the required
22 annual license renewal fees, as required pursuant to Paragraph (1) of this Subsection.
23 An annual license renewal application submitted after December thirty-first and
24 before March first of the following year shall be charged a nonrefundable annual
25 license renewal late fee in the amount of six hundred dollars, in addition to the
26 annual license renewal fee.

27 B.(1) If the annual renewal application is submitted timely on or before
28 December thirty-first, the license shall remain in force and effect until the renewal
29 application is either approved or denied by the commissioner. Nothing in this

1 Paragraph shall preclude the commissioner from implementing any administrative
2 or enforcement action authorized by this Chapter for violations of this Chapter or for
3 any material representation that may have occurred prior to the renewal date of a
4 license.

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

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

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

20 §1045. Maintenance of license

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

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

29 §1046. Acquisition of control

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

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

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

8 (2) Submit a nonrefundable fee of one thousand five hundred dollars as
9 required under R.S. 6:1041 with the request for approval.

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

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

16 E.(1) When the commissioner determines an application for acquisition of
17 control under this Section appears to include all the items and addresses all of the
18 matters that are required, the application shall be considered complete, and the
19 commissioner shall do all of the following:

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

22 (b) The commissioner shall approve or deny the application within sixty days
23 after the completion date.

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

26 (a) The application is approved.

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

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

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

6 G. When an application is filed and considered complete in accordance with
7 Subsection E of this Section, the commissioner shall investigate the financial
8 condition and responsibility, financial and business experience, character, and
9 general fitness of the person, or group of persons acting in concert, seeking to
10 acquire control. The commissioner shall approve an acquisition of control pursuant
11 to this Section if the commissioner finds that all of the following conditions have
12 been fulfilled:

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (6) A public offering of securities of a licensee or a person in control of a
23 licensee.

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

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

1 L.(1) The requirements of Subsections A and B of this Section do not apply
2 to a person who has complied with and received approval to engage in money
3 transmission pursuant to this Chapter or was identified as a person in control in a
4 prior application filed with and approved by the commissioner or by an
5 MSB-accredited state pursuant to a multistate licensing process, provided that all of
6 the following occurs:

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

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

13 (c) The licensee to be acquired is projected to meet the requirements of R.S.
14 6:1059, 1060, and 1061 after the acquisition of control is completed, and if the
15 person acquiring control is a licensee, that licensee is also projected to meet the
16 requirements of R.S. 6:1059, 1060, and 1061 after the acquisition of control is
17 completed.

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

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

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

27 (3) Before filing an application for approval to acquire control of a licensee
28 a person may request in writing a determination from the commissioner as to
29 whether the person would be considered a person in control of a licensee upon

1 consummation of a proposed transaction. If the commissioner determines that the
2 person would not be a person in control of a licensee, the proposed person and
3 transaction are not subject to the requirements of Subsections A and B of this
4 Section.

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

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

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

14 §1047. Notice and information requirements for a change of key individuals

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

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

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

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

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

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

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

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

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

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

17 §1048. Report of condition

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

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

22 (a) Financial information at the licensee level.

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

26 (c) Permissible investments report.

27 (d) Transaction destination country reporting for money received for
28 transmission, if applicable.

1 (e) Any other information the commissioner requires with respect to the
2 licensee.

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

7 C. The information required by Subparagraph (B)(1)(d) of this Section shall
8 only be included in a report of condition submitted within forty-five days of the end
9 of the fourth calendar quarter.

10 §1049. Audited financials

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

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

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

17 B. The audited financial statements shall be prepared by an independent
18 certified public accountant or independent public accountant who is satisfactory to
19 the commissioner.

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

27 §1050. Authorized agent reporting

28 A. Each licensee shall submit a report of authorized agent within forty-five
29 days of the end of the calendar quarter. The commissioner is authorized to utilize

1 NMLS for the submission of the report required by this Subsection provided that the
2 functionality is consistent with the requirements of this Section. The utilization shall
3 include the NMLS Uniform Authorized Agent Reporting process, or such other
4 similar process as designated by NMLS.

5 B. The authorized agent report shall include, at a minimum, each authorized
6 agent:

- 7 (1) Company legal name.
- 8 (2) Taxpayer employer identification number.
- 9 (3) Principal provider identifier.
- 10 (4) Physical address.
- 11 (5) Mailing address.
- 12 (6) Any business conducted in other states.
- 13 (7) Any fictitious or trade name.
- 14 (8) Contact person name, phone number, and email address.
- 15 (9) Start date as licensee's authorized agent.
- 16 (10) End date acting as licensee's authorized agent, if applicable.
- 17 (11) Any other information the commissioner requires with respect to the
18 authorized agent.

19 §1051. Reports of certain events

20 A. A licensee shall file a report with the commissioner within one business
21 day after the licensee has reason to know of the occurrence of any of the following
22 events:

- 23 (1) The filing of a petition by or against the licensee under the United States
24 Bankruptcy Code, 11 U.S.C. 101 through 110, both inclusive, as amended or
25 recodified from time to time, for bankruptcy or reorganization.
- 26 (2) The filing of a petition by or against the licensee for receivership, the
27 commencement of any other judicial or administrative proceeding for its dissolution
28 or reorganization, or the making of a general assignment for the benefit of its
29 creditors.

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

3 B.(1) A licensee shall file a report with the commissioner within three
4 business days after the licensee has reason to know of the occurrence of any of the
5 following events:

6 (a) An indictment, charge, or conviction of the licensee or of a key individual
7 or person in control of the licensee for a felony.

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

9 (2)(a) Except as provided in Subparagraphs (b) and (c) of this Paragraph, a
10 licensee shall notify the commissioner in writing or through the NMLS within three
11 business days after the time that the licensee becomes aware of any breach of
12 security of the system of computerized data owned or licensed by the licensee, which
13 contains personal information about a Louisiana resident, or the unauthorized access
14 to or use of such information about a Louisiana resident as a result of the breach. For
15 purposes of this Subparagraph, the terms breach of the security of the system and
16 personal information have the same meaning as in section R.S. 51:3073.

17 (b) If a licensee would be required under Louisiana law to provide
18 notification to a Louisiana resident regarding such breach, then the licensee shall
19 provide a copy of such notification to the commissioner prior to or simultaneously
20 with the licensee's notification to the Louisiana resident.

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

26 §1052. Reports required by federal law

27 A licensee and an authorized agent shall file all reports required by federal
28 currency reporting, record keeping, and suspicious activity reporting requirements
29 as set forth in the Bank Secrecy Act and other federal and state laws pertaining to

1 money laundering. The timely filing of a complete and accurate report required
2 pursuant to this Section with the appropriate federal agency is deemed compliant
3 with the requirements of this Section.

4 §1053. Records

5 A. A licensee shall maintain the following records, for determining his
6 compliance with this Chapter for at least five years:

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

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

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

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

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

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

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

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

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

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

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

1 §1054. Relationship between licensee and authorized agent

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

5 B. Before a licensee is authorized to conduct business through an authorized
6 agent or allows a person to act as the licensee's authorized agent, the licensee shall
7 do all of the following:

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

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

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

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

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

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

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

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

28 (3) Require the authorized agent to agree to fully comply with all applicable
29 state and federal laws, rules, and regulations pertaining to money transmission,

1 including this Chapter and regulations related thereto, relevant provisions of the
2 Bank Secrecy Act and the USA Patriot Act.

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

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

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

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

12 (8) State that the licensee is subject to regulation by the commissioner and
13 that, as part of that regulation, the commissioner may suspend or revoke an
14 authorized agent designation or require the licensee to terminate an authorized agent
15 designation.

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

18 F. If the licensee's license is suspended, revoked, surrendered, or expired, the
19 licensee shall, within five business days, provide documentation to the commissioner
20 that the licensee has notified all applicable authorized agents of the licensee whose
21 names are in a record filed with the commissioner of the suspension, revocation,
22 surrender, or expiration of a license. Upon suspension, revocation, surrender, or
23 expiration of a license, applicable authorized agents shall immediately cease to
24 provide money transmission as an authorized agent of the licensee.

25 G. An authorized agent of a licensee holds in trust for the benefit of the
26 licensee all money net of fees received from money transmission. If any authorized
27 agent commingles any funds received from money transmission with any other funds
28 or property owned or controlled by the authorized agent, all commingled funds and

1 other property shall be considered held in trust in favor of the licensee in an amount
2 equal to the amount of money net of fees received from money transmission.

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

5 §1055. Unauthorized activities; prohibited activities

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

11 B. A person shall not engage in money transmission under this Chapter if the
12 transmission of money, or its equivalent, is undertaken for the purpose of debt
13 adjusting, as defined in R.S. 14:331.

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

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

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

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

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

27 (1) Structuring transactions so that the receipt of money, or its equivalent,
28 from a debtor and the distribution or disbursement of such money to creditors are
29 performed by different persons, whether affiliated or unaffiliated, including where

1 a third party receives debtor funds and a person distributes or disburses such funds,
2 when such activities are undertaken pursuant to a common plan, arrangement, or
3 understanding to accomplish debt adjusting.

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

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

9 E. Nothing in this Section shall be construed to prohibit or limit debt
10 adjusting activities expressly permitted pursuant to R.S. 14:331(C), including the
11 receipt and disbursement of debtor funds to the extent authorized therein. A money
12 transmission license shall not be used to authorize, facilitate, or expand debt
13 adjusting activities, and a person holding such a license shall remain subject to the
14 prohibitions of this Section with respect to any money transmission that is not
15 otherwise permitted in accordance with R.S. 14:331(C).

16 §1056. Timely transmission

17 A. Every money transmitter licensee and its agents shall transmit the
18 monetary equivalent of all money or equivalent value received from a consumer for
19 transmission, net of any fees, or issue instructions committing the money or its
20 monetary equivalent, to the person designated by the consumer, or return such
21 amount to the consumer, within ten business days after receiving the money or
22 equivalent value, unless otherwise ordered by the consumer, accepted under the
23 terms of a contract for stored value or when the transmission is for the payment of
24 goods or services, or unless the licensee or its agent has reasonable cause to believe
25 that the sender may be a victim of fraud or that a crime or a violation of law has
26 occurred, is occurring, or will occur in connection with transmitting the money.

27 B. If a licensee fails to forward money received for transmission in
28 accordance with this Section, the licensee shall respond to inquiries by the sender

1 with the reason for the failure unless providing a response would violate a state or
2 federal law, rule, or regulation.

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

8 D.(1) Any provision in a money transmitter licensee user policy or user
9 agreement which provides a financial penalty or stipulated damages against a
10 consumer or charitable organization as defined by R.S. 51:1901 for executing a
11 lawful and valid transaction pursuant to federal and state law is contrary to public
12 policy and shall be null and void.

13 (2) A money transmitter licensee shall provide notice to a consumer of any
14 transaction that the money transmitter finds to be or is suspected of being in violation
15 of the user policy or user agreement and for which the licensee seizes the transaction
16 funds, unless such notice is prohibited by law. Any funds seized by the money
17 transmitter prior to providing such notice, unless such notice is prohibited by law,
18 and found to be from a lawful and valid transaction under federal and state law shall
19 be processed by the licensee in accordance with Subsection A of this Section.

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

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

1 G. The commissioner shall have the may enjoy a violation of this Chapter,
2 and any such violation shall be considered an unfair trade practice and shall subject
3 violators to the provisions of the Unfair Trade Practices and Consumer Protection
4 Law, R.S. 51:1401 et seq. Entities covered by this Section shall be subject to the
5 enforcement powers of the commissioner as provided in R.S. 6:121.1. For purposes
6 of this Section, the provisions of R.S. 51:1406 shall not apply to a money transmitter
7 licensee.

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

10 (2) The provisions of this Section shall not apply to an operator of a payment
11 system or its subsidiaries and affiliates which are exempt from licensing pursuant to
12 this Chapter to the extent that the operator of a payment system provides processing,
13 clearing, or settlement services, between or among persons, in connection with wire
14 transfers, credit card transactions, debit card transactions, stored value transactions,
15 automated clearing house transfers, or similar funds transfers.

16 §1057. Refunds

17 A. This Section does not apply to:

18 (1) Money received for transmission subject to the federal Remittance Rule,
19 12 CFR Part 1005, Subpart B, as amended or recodified from time to time.

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

23 B. Every licensee shall refund to the sender within ten days of receipt of the
24 sender's written request for a refund of any and all money received for transmission
25 unless any of the following occurs:

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

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

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

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

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

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

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

16 §1058. Receipts

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

18 (1) Money received for transmission subject to the federal Remittance Rule,
19 12 CFR Part 1005, Subpart B, as amended or recodified from time to time.

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

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

25 B. For purposes of this Section, "receipt" means a paper receipt, electronic
26 record, or other written confirmation. For a transaction conducted in person, the
27 receipt may be provided electronically if the sender requests or agrees to receive an
28 electronic receipt. For a transaction conducted electronically or by phone, a receipt

1 may be provided electronically. All electronic receipts shall be provided in a
2 retainable form.

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

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

6 (a) The name of the sender.

7 (b) The name of the designated recipient.

8 (c) The date of the transaction.

9 (d) The unique transaction or identification number.

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

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

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

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

15 (2) The receipt required by this Section shall be in English and in the
16 language principally used by the licensee or authorized agent to advertise, solicit, or
17 negotiate, either orally or in writing, for a transaction conducted in person,
18 electronically, or by phone, if other than English.

19 §1059. Required maintenance of tangible net worth

20 A. A licensee pursuant to this Chapter shall maintain at all times a tangible
21 net worth of the greater of one hundred thousand dollars or three percent of total
22 assets for the first one hundred million dollars, two percent of additional assets for
23 one hundred million dollars to one billion dollars, and one-half percent of additional
24 assets for over one billion dollars.

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

27 C. All licensing requirements, including renewals, relative to tangible net
28 worth shall be evidenced at the time of initial application for licensure and renewal,

1 maintained at all times during licensure and renewal, and reported annually to the
2 commissioner in accordance with R.S. 6:1044 (B)(3).

3 §1060. Surety bond

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

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

10 (a) One hundred thousand dollars.

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

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

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

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

25 E. The surety bond shall be issued by a bonding or insurance company
26 authorized to do business in this state and in a form satisfactory to the commissioner
27 and payable to the office for the benefit of any claimant against the licensee to secure
28 the faithful performance of the obligations and duties of the licensee with respect to
29 money transmission activities with, or on behalf of, residents of this state and the

1 payment of required but unpaid fee amounts due to the office and assessed but
2 unpaid civil money penalties.

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

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

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

14 §1061. Maintenance of permissible investments

15 A. A licensee shall maintain at all times permissible investments that have
16 a market value computed in accordance with United States Generally Accepted
17 Accounting Principles of not less than the aggregate amount of all of its outstanding
18 money transmission obligations in all states.

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

25 C. Permissible investments, even if commingled with other assets of the
26 licensee, are held in trust for the benefit of the purchasers and holders of the
27 licensee's outstanding money transmission obligations in the event of insolvency, the
28 filing of a petition by or against the licensee under the United States Bankruptcy
29 Code, 11 U.S.C. 101 through 110, both inclusive, as amended or recodified from

1 time to time, for bankruptcy or reorganization, the filing of a petition by or against
2 the licensee for receivership, the commencement of any other judicial or
3 administrative proceeding for its dissolution or reorganization, or in the event of an
4 action by a creditor against the licensee who is not a beneficiary of this statutory
5 trust. No permissible investments impressed with a trust pursuant to this Subsection
6 shall be subject to attachment, levy of execution, or sequestration by order of any
7 court, except for a beneficiary of this statutory trust.

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

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

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

22 (4) Any statutory trust established hereunder shall be terminated upon
23 extinguishment of all of the licensee's outstanding money transmission obligations.

24 E. The commissioner, by rule, regulation, or by order may allow other types
25 of investments that the commissioner determines are of sufficient liquidity and
26 quality to be a permissible investment. The commissioner is authorized to
27 participate in efforts with other state regulators to determine that other types of
28 investments are of sufficient liquidity and quality to be a permissible investment.

29 §1062. Types of permissible investments

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

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

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

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

18 B. The permissible investments listed in Subsection A of this Section shall
19 also include the full drawable amount of an irrevocable standby letter of credit for
20 which the stated beneficiary is the commissioner that stipulates that the beneficiary
21 need only draw a sight draft under the letter of credit and present it to obtain funds
22 up to the letter of credit amount within seven days of presentation of the items
23 required by Subsection D of this Section. The letter of credit shall do all of the
24 following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 E. The commissioner may designate an agent to serve on the commissioner's
18 behalf as beneficiary to a letter of credit so long as the agent and letter of credit meet
19 requirements established by the commissioner. The commissioner's agent may serve
20 as agent for multiple licensing authorities for a single irrevocable letter of credit if
21 the proceeds of the drawable amount for the purposes of this Subsection are assigned
22 to the commissioner.

23 F. The commissioner is authorized to participate in multistate processes
24 designed to facilitate the issuance and administration of letters of credit, including
25 but not limited to services provided by the NMLS and State Regulatory Registry,
26 LLC.

27 G.(1) The permissible investments listed in Subsection A of the Section shall
28 also include one hundred percent of the surety bond provided for under R.S. 6:1060
29 that exceeds the average daily money transmission liability in this state.

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

2 H. Unless permitted by the commissioner by rule, regulation, or by order to
3 exceed the limit as set forth herein, the following investments are permissible under
4 R.S. 6:1063 to the extent specified:

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

9 (2) Of the receivables permissible under Paragraph (1) of this Subsection,
10 receivables that are payable to a licensee from a single authorized agent in the
11 ordinary course of business may not exceed ten percent of the aggregate value of the
12 licensee's total permissible investments.

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

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

17 (b) Commercial paper bearing an eligible rating.

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

19 (d) United States tri-party repurchase agreements collateralized at one
20 hundred percent or more with U.S. government or agency securities, municipal
21 bonds, or other securities bearing an eligible rating.

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

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

27 I. Cash, including demand deposits, savings deposits, and funds in such
28 accounts held for the benefit of the licensee's customers, at foreign depository
29 institutions are permissible up to ten percent of the aggregate value of the licensee's

1 total permissible investments if the licensee has received a satisfactory rating in its
2 most recent examination and the foreign depository institution is all of the following:

3 (1) Has an eligible rating.

4 (2) Is registered under the United States Foreign Account Tax Compliance
5 Act.

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

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

10 §1063. Suspension and revocation

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

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

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

17 (3) The licensee engages in fraud, intentional misrepresentation, or gross
18 negligence.

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

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

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

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

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

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

8 §1064. Violations

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

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

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

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

- 19 (a) An unsafe or unsound act or practice.
- 20 (b) An unfair or deceptive act or practice.
- 21 (c) Fraud or intentional misrepresentation.
- 22 (d) Any other dishonest act.
- 23 (e) Misappropriation of money, or its equivalent having monetary value, held
24 by a fiduciary.

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

28 (5) If any of the following occurs:

- 29 (a) The licensee or person becomes insolvent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Chapter, or rules or regulations promulgated in accordance with this Chapter, shall
2 constitute a separate violation.

3 D. The violations listed in this Subsection are nonexclusive and are in
4 addition to and exist independent of any violations set forth in other provisions of
5 this Chapter. Failure to comply with any provisions set forth in this Chapter may
6 serve as a basis for any enforcement or other action authorized to the commissioner
7 pursuant to this Title. It shall be a violation of this Chapter for a person engaged in
8 money transmission activities pursuant to this Chapter to do any of the following:

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

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

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

16 (4) Negligently make any false statement, or knowingly and willfully make
17 any omission of material fact, in connection with any information or reports filed
18 with a state or federal government agency or the NMLS or in connection with any
19 investigation conducted by the commissioner or any other state or federal
20 government agency.

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

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

27 F. Advisory opinions and interpretations of the office shall not be considered
28 rules requiring compliance with the rulemaking process of the Administrative
29 Procedure Act. The commissioner and the employees of the office shall have no

1 liability to any person with respect to an advisory opinion or interpretation issued in
2 connection with this Chapter.

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

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

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

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

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

20 §1065. Authorized agents; suspend or revoke designation; grounds; relief

21 A. The commissioner may issue an order suspending or revoking the
22 designation of an authorized agent if the commissioner finds that any of the
23 following occur:

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

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

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

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

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

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

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

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

16 §1066. Notice and license revocation hearing

17 A. Except where a license is automatically revoked without any act of the
18 commissioner as specially provided in this Section, no license shall be revoked
19 except on ten days' notice, the first day of the ten-day period to be the date stated on
20 the notice, which shall be the day it is mailed, to the licensee by the commissioner,
21 sent by letter by United States registered or certified mail, return receipt requested,
22 to the licensee's business address set forth in the application.

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

1 C. The revocation notice shall not become final during the period of time in
2 which the licensee may demand such hearing nor if licensee demands a hearing, until
3 the matter has been finally determined by the office or by the courts, provided that
4 the licensee first posts together with his written demand for hearing an additional
5 corporate surety bond, written by the same bonding or insurance company that wrote
6 the bond required pursuant to R.S. 6:1060 made by the licensee pursuant to R.S.
7 6:1060 which the additional surety bond shall be in a principal amount as specified
8 in the revocation order but not exceeding one million dollars. The bond shall secure
9 the same obligations as does the corporate surety bond required by R.S. 6:1060 but
10 shall be in addition to the bond required thereby.

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

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

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

27 G. The commissioner may at any time revoke a license on any ground on
28 which he might refuse to grant a license, or for failure to pay an annual fee, or for

1 violation of any provision of this Section, and any such revocation shall be
2 implemented in accordance with the provisions of this Section.

3 H. A license shall be automatically and finally revoked without any act or
4 further act of the commissioner and without any right of the licensee to any hearing
5 or further hearing by the commissioner or the courts and without any right of the
6 licensee or the commissioner to reinstate or have reinstated the license, in the
7 following instances:

8 (1) At expiration of the sixty-day notice period, if the corporate surety gives
9 notice of cancellation of its bond or any of them.

10 (2) Upon failure by licensee to pay when due the license renewal fee
11 required by R.S. 6:1044.

12 (3) Upon failure by licensee to file when due any information required by
13 this Chapter.

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

17 (5) Upon a license revocation order becoming final at any stage.

18 (6) Failure by licensee to furnish when due any additional corporate surety
19 bond required by the commissioner pursuant to R.S. 6:1060(G).

20 (7) Upon final conviction of the licensee as to any offense covered by this
21 Chapter.

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

28 §1067. Order to cease and desist

1 A. If the commissioner determines that a violation of this Chapter or of a rule
2 or regulation adopted or an order issued relative thereto by a licensee or authorized
3 agent is likely to cause immediate and irreparable harm to the licensee, its customers,
4 or the public as a result of the violation, or cause insolvency or significant dissipation
5 of assets of the licensee, the commissioner may issue an order requiring the licensee
6 or authorized agent to cease and desist from the violation. The order becomes
7 effective upon service of it upon the licensee or authorized agent.

8 B. When the commissioner has reasonable cause to believe that a person is
9 violating any provision of this Chapter, the commissioner, in addition to and without
10 prejudice to the authority provided elsewhere in this Chapter, may sue in the
11 Nineteenth Judicial District Court of East Baton Rouge Parish to enjoin the person
12 from engaging in or continuing the violation or from doing any act in furtherance of
13 the violation. In such an action, the court may enter any order or judgment awarding
14 a preliminary or permanent injunction.

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

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

21 §1068. Consent orders

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

29 §1069. Criminal penalties

1 A. A person who intentionally makes a false statement, misrepresentation,
 2 or false certification in a record filed or required to be maintained pursuant to this
 3 Chapter or that intentionally makes a false entry or omits a material entry in such a
 4 record is guilty of a felony and, upon conviction thereof, shall be fined no less than
 5 five hundred dollars nor more than three thousand dollars, and may also be punished
 6 by incarceration for a term not less than one year and not more than five years.

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

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

20 §1070. Civil money penalties

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

26 §1071. Unlicensed persons

27 A.(1) If the commissioner has reason to believe that a person has violated or
 28 is violating the provisions of R.S. 6:1039, the commissioner may issue an order to

1 show cause why an order to cease and desist should not be issued requiring that the
2 person cease and desist from the violation of R.S. 6:1039.

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

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

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

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

15 §1072. Investigation of possible violations

16 In addition to and without prejudice to the authority provided elsewhere in
17 this Title, the commissioner, or his duly authorized representative, for the purpose
18 of discovering violations of this Chapter and for the purpose of determining whether
19 persons are subject to the provisions of this Chapter, may examine persons licensed
20 pursuant to this Chapter and persons reasonably suspected by the commissioner of
21 conducting business that requires a license pursuant to this Chapter, including all
22 relevant books, records, and papers employed by those persons in the transaction of
23 their business, and may summon witnesses and examine them under oath concerning
24 matters relating to the business of those persons, or such other matters as may be
25 relevant to the discovery of violations of this Chapter, including without limitation
26 the conduct of business without a license as required pursuant to this Chapter.

27 Section 3.(A) A person licensed in this state to engage in the business of money
28 transmission shall not be subject to the provisions of this Act, to the extent that they conflict
29 with or establish new requirements not imposed under law as it existed immediately prior

1 to the effective date of this Act, until such time as the licensee renews its current license or
2 for twelve months after the effective date of this Act, whichever is later.

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

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

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

15 Section 6. The Louisiana State Law Institute is hereby authorized and directed to
16 recodify the provisions of Title 6, Chapter 13.1, to designate the newly enacted Sections as
17 memorialized in Section 2 of this Act, with any non-substantive, technical changes that may
18 be necessary.

19 Section 7. 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 Original

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 the 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, which include \$800 plus an additions \$25 dollars for each location in the state, 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 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 shall be liable for the payment of all checks which he sells or money he is obligated to transmit.

Present law provides that the commissioner, or his employee, shall 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.

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 provides for the "Louisiana Money Transmission Act".

Proposed law provides for purpose.

Proposed law defines "acting in concert", "authorized agent", "average daily money transmission liability", "Bank Secrecy Act", "commissioner", "closed loop stored value", "control", "eligible rating", "eligible rating service", "federally insured depository financial institution", "in this state", "individual", "key individual", "licensee", "material litigation", "money", "monetary value", "money transmission", "MSB accredited state", "multistate licensing process", "NMLS", "office", "outstanding money transmission obligations",

"passive investor", "payment instrument", "payroll processing service provider", "person", "receipt", "receiving money for transmission" or "money received for transmission", "resident", "stored value", and "tangible net worth".

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

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

Proposed law provides that commissioner shall have the broad 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 provides that each person required to be licensed and his authorized agent shall maintain in his office the books, records, and accounts of its 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 that to efficiently and effectively administer and enforce proposed law and to minimize regulatory burden, the commissioner is authorized 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 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 in order to fulfill the purposes of proposed law, the commissioner may establish relationships or contracts with NMLS or other entities designated by NMLS.

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

Proposed law provides that applicants for a license shall 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 for if an applicant is a corporation, limited liability company, partnership, or other legal entity.

Proposed law provides that a \$1500 fee shall accompany the application. Proposed law further provides that the fee shall be adjusted yearly in accordance with the Consumer Price Index.

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

Proposed law provides for the process if an individual 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 issues a notice of denial.

Proposed law provides for the appeal process if an applicant is denied.

Proposed law provides that each person licensed as a money transmitter in accordance with proposed law shall 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 renewal fee.

Proposed law provides for when a license shall expire or under what circumstances it shall 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, is seeking to acquire control of a licensee.

Proposed law provides for application requirements and determination by the commissioner.

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

Proposed law provides that each licensee shall submit a report of condition, which shall 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 shall include.

Proposed law provides for what shall 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.

Proposed law provides that each licensee shall 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 shall require a licensee to file a report with the commissioner.

Proposed law provides for what records the licensee shall maintain.

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

Proposed law provides that a person shall not engage 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 shall be jointly and severally liable with the unlicensed or nonexempt person.

Proposed law provides that a person shall not engage in money transmission under proposed law if the transmission of money, or its equivalent, is undertaken for the purpose of 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 that every licensee shall 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 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 relative to the requirements of the bond.

Proposed law provides that a licensee shall 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 under proposed law.

Proposed law provides relative to the use of letters of credit.

Proposed law provides for circumstances when the commissioner suspended or revokes 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.

Proposed law provides that the commissioner may 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 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 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 the commissioner may do 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 this Act, 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 this Act, until such time as the licensee renews its current license or for twelve months after the effective date of this Act, 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 herein shall be construed as limiting an authorized agent's obligations to operate in full compliance with this Act as required by proposed law.

Proposed law provides that in applying and construing the provisions of proposed law established in this Act, 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 hereby authorized and directed to recodify the provisions of present and proposed law, to designate the newly enacted proposed law with any non-substantive, technical changes that may be necessary.

Effective July 1, 2026.

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