



**STATE OF KANSAS
OFFICE OF THE STATE BANK COMMISSIONER**

**APPLICATION TO ENGAGE IN THE
MONEY TRANSMITTER'S BUSINESS
IN THE STATE OF KANSAS
Pursuant to K.S.A. 9-508 et seq.**

[Full legal name of applicant]

[Street address]

[City, State, Zip Code]

[Telephone and fax numbers]

[Name of person to contact regarding this application]

[Address, telephone and fax numbers, if different from above]

A completed original application should be submitted to:

Robin Wilson, Money Transmitter Director
Office of the State Bank Commissioner
Jayhawk Tower, Suite 300
700 S.W. Jackson Street
Topeka, Kansas 66603-3796

A remittance of \$100 plus \$10 for each agent thereof to the State Bank Commissioner is required, pursuant to Kansas Administrative Regulation 17-22-1, for authority to engage in the money transmitter business. It should be understood that any additional cost of on-site examinations or investigations in connection with this application will be the responsibility of the applicant.

The application, subject to limitations imposed by federal or state statutes, is available to members of the public.

If the applicant is of the opinion that disclosure of commercial or personal financial information would likely result in substantial harm to the competitive position of the applicant, or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy, confidential treatment of such information may be requested.

Information for which confidential treatment is requested should be (1) specifically identified in the public portion of the application (by reference to the confidential section), (2) separately bound, and (3) labeled confidential.

The Office of the State Bank Commissioner interprets the term “money transmitting” to include, but not be limited to, transferring funds on behalf of the public by any and all means including, but not limited to, transfers within this country or to locations abroad by wire, check, draft, electronic means, or facsimile.

A license is not required for banks, building & loan associations, savings and loan associations, savings banks, or credit unions, organized under the laws of this state, another state or the government of the United States. A license is also not required for activity that is part of the lawful practice of law, bookkeeping, accounting, or real estate sales or brokerage, or as an incidental and necessary part of any lawful business activity.

Pursuant to K.S.A. 9-512, any person who violates the law regarding money transmitters shall be guilty of a severity level 9, nonperson felony. Each transaction and each day of any such offense shall be considered a separate offense. In addition, the unlawful transmission of money may subject the person to Federal prosecution under 18 U.S.C. § 1960.

Each licensee is subject to Kansas unclaimed property laws and should have procedures in place to comply with K.S.A. 58-3934 et seq.

Please provide the following information. (Separate page(s) should be attached where necessary.) It should be understood that the Commissioner may request additional information, if deemed necessary.

ORGANIZATION

1. What is the nature of the applicant organization? (corporation, sole proprietorship, partnership, etc.)
2. If the organization is incorporated, what is the location of the corporation? Provide a copy of the Articles of Incorporation, as filed with the home state.

If not incorporated in the State of Kansas, provide a copy of the filing with the Kansas Secretary of State, indicating the organization is authorized to conduct business in the state.

3. Identify the type of money transmission activity to be conducted (mark all that apply):

- | | | | | | |
|--------------------------|------------------|--------------------------|--------------|--------------------------|------------------|
| <input type="checkbox"/> | Checks | <input type="checkbox"/> | Money Orders | <input type="checkbox"/> | Travelers Checks |
| <input type="checkbox"/> | Drafts | <input type="checkbox"/> | Stored Value | <input type="checkbox"/> | Wire Transfers |
| <input type="checkbox"/> | Other (explain): | | | | |

4. Provide a copy of the company's business plan and describe highlights of the plan. The plan must include: the method and types of activities and operations; the proposed location of operations and outlets in Kansas; and the anticipated growth in volume and in number of transactions at the end of the first two years of operations in Kansas.

If activities include issuing stored value cards or similar products, explain how the program will work. Include details about loading, reloading and activation of the cards.

5. Provide a list of directors and senior officers along with their biographies. Also, provide a list of shareholders who own more than 10% of the company's outstanding stock.

6. Provide information as to whether the applicant and/or any of the applicant's directors, senior officers, partners, or shareholders who own more than 10%, have been refused a bond or have been indicted or convicted of any crime, other than a traffic violation.

7. Provide a list of the names and business addresses of proposed selling agents of the applicant operating in Kansas.

8. Provide a list of states in which the company is currently licensed to do business. Include the license date, business activities conducted, and if applicable, the trade name of the company.

9. Has a license been suspended, revoked, or refused/denied in any other state? If so, provide details on a separate sheet.

10. Have enforcement actions been issued against the applicant in any other state? If so, provide details on a separate sheet.

11. Describe procedures in place to check money transmission names with names from the Office of Foreign Assets Control lists.

12. Has the company registered as a "money services business" with the U.S. Department of Treasury? Yes No Not Applicable

If yes, provide a copy of the company's acknowledgment letter from the IRS-Detroit Computing Center and a copy of FinCEN Form 107 (Registration of Money Services Business).

FINANCIAL INFORMATION

Pursuant to K.S.A. 9-509(b)(1), the requested audited financial information must be certified to by an owner, or a partner, or an officer of the corporation or other entity. The net worth of the applicant must be \$250,000 or more at all times. Each licensee shall maintain, at all times, permissible investments having an aggregate market value, of not less than the aggregate amount of all outstanding payment instruments issued or sold by the licensee. Audited financial statements are to be filed with the Commissioner on an annual basis and the Commissioner may require such filing at more frequent intervals.

1. Provide audited (prepared by an independent CPA) financial statements of the applicant, including balance sheet, statement of income and statement of stockholder's equity, for the two most recently completed fiscal or calendar years.
2. Provide the most recent un-audited interim financial statements prepared for the applicant, dated no more than 90 days from the date of application.

SECURITY DEPOSIT/BONDING

1. Provide evidence that cash or securities have been deposited with the State Treasurer, or a bank in Kansas approved by the Commissioner, in an amount not less than \$200,000. Upon the basis of the impaired financial condition of the licensee, the Commissioner may increase the amount of cash or securities required up to a maximum of \$500,000.

In lieu of a cash or securities deposit, the applicant may give a surety bond in an amount equal to that required for the deposit of cash or securities, in a form satisfactory to the Commissioner (see Form A) and issued by a company authorized to do business in this state. Such bond shall be payable to the Kansas Office of the State Bank Commissioner and be filed with the Commissioner.

If a surety bond is used, the following should be included with evidence of bonding:

1. The original bond document
2. Certificate of power of attorney dated on or before the effective date of the bond
3. Identification of all signatures (names of signatures should also be printed)

The surety on the bond shall have the right to cancel such bond upon giving 30 days notice to the Commissioner and thereafter shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

The Commissioner, or any aggrieved party, may enforce claims against such deposit of cash or securities, or surety bond.

STATE OF _____)
) ss:
COUNTY OF _____)

I certify under penalty of perjury under the laws of the State of Kansas that this application and attached documents are true and correct to the best of my knowledge and belief.

Date)

[Signature]

Subscribed and sworn to before me this _____ day of _____

Notary Public

[Stamp]

My Commission Expires: _____

State of Kansas
OFFICE OF THE STATE BANK COMMISSIONER
700 SW Jackson St., Suite 300
Topeka, Kansas 66603
785-296-2266 Fax: 785-296-6168

SURETY BOND
MONEY TRANSMITTER
(Kansas Money Transmitter Act, K.S.A. 9-508 et seq.)

Bond Number _____ Amount \$ _____

KNOW ALL MEN BY THESE PRESENTS, that we,

_____,
(applicant/licensee name)

of the City of _____, County of _____, State of _____ as principal and obligor, and _____, as Surety are held and firmly bound unto the State of Kansas, Office of the State Bank Commissioner (hereinafter "OSBC") in the penal sum of \$_____ for payment of which, well and truly to be made, we hereby bind ourselves and each of our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. Such bond shall be for the use of the OSBC for protection and benefit of purchasers of money transmission services, purchasers or holders of payment instruments furnished by the Principal, and for the protection of those for whom such Principal has agreed to act as agent in the transmission of monetary value and to secure the faithful performance of the obligations of the principal in respect to the receipt, handling, transmission and payment of monetary value.

WHEREAS, Principal is applying to become or is a licensed money transmitter pursuant to the Kansas Money Transmitter Act, K.S.A. 9-508 et seq., and seeks to meet the requirements of the OSBC during the term of the subject license by tender of the within bond,

NOW, THEREFORE, the condition of the foregoing obligation is such that:

1. If the Principal and agents will faithfully conform to and abide by applicable state and federal law, including the Kansas Money Transmitter Act and amendments thereto, as well as any rule or regulation lawfully adopted thereunder, and shall pay any and all amounts which become due or owed thereunder, then this obligation is null and void, but otherwise to remain in full force and effect,
2. Surety agrees to promptly (within sixty [60] days) remit payment as instructed by the OSBC upon receiving notice that any of the following has not been paid by the Principal: any lawful expenses incurred, or fees levied, by the OSBC; any expenses, fines, fees, or refunds pursuant to a settlement agreement with the OSBC; any expenses, fines and fees that become lawfully due pursuant to a final judgment or order; or any losses or damages which are determined by the OSBC to have been incurred by any consumer as a result of the Principal's, or its agent's, failure to faithfully comply with the provisions of Kansas law, including the Kansas Money Transmitter Act,

PROVIDED, that the Surety's aggregate liability for any and all claims which may arise under this bond shall in no event exceed the amount of this bond, regardless of the number of claims or claimants, and

FURTHER PROVIDED that this Bond shall remain effective continuously subject to the termination or reduction in liability as provided in this paragraph. The Surety shall have the right to terminate or reduce its liability hereunder only by giving the Principal and the OSBC written notice of such termination by written notification via certified mail to the State of Kansas Office of the State Bank Commissioner at least thirty (30) days prior to the effective date of such termination; provided, however, that the Principal and Surety shall be and remain liable for a period of two (2) years from the date of termination for any action or inaction of Principal, occurring during the effective period of the bond, that gives rise to a claim under this bond, unless released in writing, in whole or in part, from such liability by the Commissioner.

FURTHER PROVIDED that after giving notice of termination or reduction of liability, the surety may reinstate or increase its liability by the execution and filing of a new bond or by mailing written notice to the OSBC indicating that the Surety desires to continue as surety for the licensee and that its prior notice of termination or reduction of liability is withdrawn and rescinded.

FURTHER PROVIDED that, if this bond is not previously terminated as set forth above, the liability of the Surety shall expire two (2) years after the date of the surrender, revocation, or expiration of the subject license, whichever shall first occur.

THIS BOND shall be effective on and after _____, or, if left blank, the day of execution by Surety shall be the effective date of the bond. The bond shall be effective, if accepted by the OSBC, without further notice.

IN WITNESS WHEREOF, we have duly executed the foregoing obligation this ___ day of _____, 20__.

[CORPORATE SEAL]
(If Any)

LICENSEE:

(Licensee's Name)

(Signature)

(Print Signature Name)

(Title) (Date)

Surety Must Attach Power of Attorney

(Surety)

(Signature)

(Print Signature Name)

(Telephone Number) (Date)

Name, address, and telephone number of the Surety representative to contact in the event a claim must be filed:

