



# **RISK MANAGEMENT AND COMPLIANCE GUIDELINES FOR RETAIL DISTRIBUTORS**

## **Retail Sales Of Prepaid and Demand Deposit Accounts**

**May 2023**

CONFIDENTIALITY NOTICE: These Guidelines, including certain of the materials attached as exhibits hereto, are not publicly available, should be treated as strictly confidential and should not be reproduced, transmitted or shown to any person other than your authorized employees and agents, and financial and legal advisors. Reference is hereby made to the non-disclosure agreement you entered into with Netspend Corporation. Until such time as the parties enter into a definitive agreement as noted below, please note that you are subject to the terms and conditions of such non-disclosure agreement and that these Guidelines constitute “Confidential Information” as defined therein.

**AS A DISTRIBUTOR OF PRODUCTS AND SERVICES (AS DEFINED HEREIN) YOU ARE REQUIRED TO MAINTAIN A COPY OF THESE PROGRAM GUIDELINES AT EACH LOCATION WHERE SUCH PRODUCTS AND SERVICES ARE PROVIDED.**

For your convenience, the BSA/AML training materials and Risk & Compliance Guidelines are always available on a website designed and designated for Distributors and Agents:

<https://www.netspend.com/compliance-guidelines/>

Feel free to visit the website regularly, as we are continuously updating training materials and adding new information to the site.

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This document contains risk-management and compliance guidelines ("Program Guidelines") that you, the Distributor, are required to follow: (i) in connection with your marketing or support in the establishment of demand deposit account ("DDA") products and services (each, a "DDA Program") offered by an agreed upon bank ("Bank") and for which Netspend is the program manager and service provider; (ii) in connection with your marketing or support in the establishment of prepaid account ("Prepaid Card") products and services (each, a "Prepaid Program") offered by an agreed upon bank ("Bank") and for which Netspend is the program manager and service provider; and (iii) in connection with your role as an authorized agent of Netspend in offering money transmission services under Netspend's money transmitter licenses (each, a "Remittance Service"). DDA Programs, Prepaid Programs, and Remittance Programs are collectively referred to herein as the "Products and Services." To the extent that you, the Distributor, do not offer a specific Product and Service, or some aspect thereof as set forth in the Program Guidelines, the provisions directly applicable to such specific Product and Service will not apply to you. In addition, these Program Guidelines supplement and should be construed in accordance with the agreement(s) between you and Netspend (each and collectively, the "Agreement"). In the event of a conflict between these Program Guidelines and the Agreement, the Agreement shall control with respect to the applicable conflict. Please note, compliance with these Program Guidelines will be monitored by making periodic visits to your stores and by monitoring transaction activity using our anti-money laundering tools.

If you have any questions regarding these Program Guidelines, please contact your Account Manager or Netspend Partner Services at 1-866-397-5643 or [partnersupport@netspend.com](mailto:partnersupport@netspend.com).

**IN THE EVENT THAT YOU FAIL TO COMPLY WITH THESE PROGRAM GUIDELINES, NETSPEND MAY SUSPEND OR TERMINATE THE DISTRIBUTION OF ANY OR ALL OF THE PRODUCTS AND SERVICES AT YOUR STORES.**

**AS A DISTRIBUTOR OF PRODUCTS AND SERVICES YOU ARE REQUIRED TO MAINTAIN A COPY OF THESE PROGRAM GUIDELINES AT EACH LOCATION WHERE SUCH PRODUCTS AND SERVICES ARE OFFERED.**

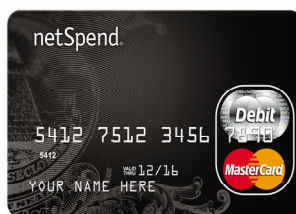
## SECTION 1. INTRODUCTION TO NETSPEND

### Who are we?

Austin, Texas-based Netspend Corporation, is a pioneer in card-based alternative financial services, and we're one of the only companies in the country with a stated mission to develop products and services that help unbanked consumers take the first step toward a smarter way to spend, save and manage their money. Our products have enabled more than 10 million consumers to make purchases, pay bills, and shop online without the need for a traditional bank account or credit history.

Our mission at Netspend is to "empower consumers with the convenience, security and freedom to be self-banked." We're proud to have been an advocate for our customers for 20 years and understand that trust is earned. Every day, we strive to deliver the undisputed best product that serves the financial needs of our customers, and we continually do all that we can to be their trusted partner.

### What is a DDA Program and Prepaid Program?



A DDA Program is a consumer demand deposit account established and offered by a Bank and serviced by Bank's processor and service provider, Netspend. All funds held on deposit by the Bank are covered in accordance with the FDI Act and up to the applicable FDIC limits. Each DDA Program will offer an access device to make purchase transactions and withdrawals and will offer a variety of features and functionality.

Each DDA Program may be offered to consumers in several ways:

- (1) New customers may be able to submit applications for DDAs in stores at the Point-of-Sale ("POS")\*, or through an online application process at an agreed-upon website; and
- (2) Eligible customers of Prepaid Programs may be offered an opportunity to upgrade from their Prepaid Program to a DDA Program through the online account center ("OAC").

*\*Distribution of DDAs at Retail locations is not yet available.*

A Prepaid Program is typically comprised of a general purpose reloadable prepaid card that works similar to a traditional bank-issued debit card, and that is associated with a Card Account that is offered and established by a Bank for which Netspend is the Bank's service provider and program manager. All funds are held on deposit by the Bank in a pooled custodial account and are covered in accordance with the FDI Act up to the applicable FDIC limits.

Each Prepaid Program will offer an access device, prepaid card, to make purchase transactions and ATM withdrawals, and will offer a variety of features and functionality associated with the Card Account.

Each Prepaid Program may be offered to consumers in several ways. New customers may be able to submit applications for Prepaid Cards 1) in store at the POS, 2) through an online process at an agreed-upon website, or 3) by purchasing a Prepaid Card in a retail package ("J-Hook") at a Retail location.

## SECTION 2. NETSPEND POLICIES & PROCEDURES

### A. GENERAL POLICIES AND PROCEDURES

As a distributor of Products and Services, you are required to educate your staff to ensure your business complies with each of these important policies and procedures.

#### 1. Distributor Agrees to Requirements of a Company-Wide Prepaid Card Sales Policy

Due to federal regulation, you are required to implement policies and procedures reasonably adapted to prevent the sale of more than \$10,000 of "prepaid access" (including "closed loop prepaid access") to any one individual on any particular day (as such terms are defined in 31 CFR Sec. 1010.100(ww) and 31 CFR Sec. 1010.100(kkk), respectively).

In light of the foregoing, ***we recommend that you consider*** implementing the following restrictions with respect to the sale and reload of Prepaid Cards at each retail location (including prepaid products not supported by Netspend):

- (a) Implement a per load limit of \$500 for each prepaid card;
- (b) Limit the sale of reloadable prepaid cards at a particular retail location to one card per customer per day;
- (c) and Limit total loads of reloadable prepaid cards held by a particular customer at a particular retail location to \$1,000 per day.

#### 2. Acceptable Forms of Payment

As applicable, your employees may ONLY accept CASH or DEBIT payments in connection with the sale of Prepaid Cards, the distribution of DDAs, and the transfer of funds through the Remittance Service. **NO OTHER FORM OF PAYMENT IS ACCEPTABLE.**

Note that if any of your employees does in fact accept another form of payment in violation of these Guidelines, you will be responsible for any losses resulting from your acceptance of credit cards, checks, money orders, or other payment instruments when selling Prepaid Cards, distributing DDAs, and/or the transfer of funds through the Remittance Service. This means your business is responsible if the payment is dishonored because of insufficient funds or for any other reason. In addition, your business is responsible if the payment instrument is a credit card, prepaid card, or other electronic payment card or device, and the loss arises from fraud or ID theft.

#### 3. Transmission of Customer Funds using the Remittance Service

As a provider of the Remittance Service and marketer of DDA and Prepaid Programs, you may collect funds from consumers. These consumer funds are collected for the sole purpose of transferring such funds to the relevant Bank through the Remittance Service for such Bank to credit the appropriate DDA or Prepaid Card ("Customer Funds"). Customers may also be able to request a cash disbursement of funds from the Bank holding their DDA at certain authorized agent locations with Netspend undertaking a money services obligation to the Bank in delivering such funds to the designated customer. In each case, the money

transmission service will be offered as a separate service of Netspend (in its capacity as a licensed money transmitter) independent of each Bank.

You MAY NOT treat Customer Funds as your property – this means your business cannot use Customer Funds for any operating or other general purpose.

On the business day immediately following a day that any Remittance Service transactions are conducted at your store(s), Netspend will provide you with a report setting forth the amount of Customer Funds associated with such transactions (the "Daily Report"). No later than 12:00 p.m. (CT) on the same business day, you must make available the Customer Funds reflected on the Daily Report to be credited as initiated by the applicable issuing bank, through the Automated Clearinghouse system, to a custodial bank account designated by Netspend at the Issuing Bank.

***We recommend that you consider*** implementing the following restrictions with respect to the use of the Remittance Service in connection with a DDA: A) limit remittances to DDAs held by a particular customer at a particular retail location to \$7,500 per day, except as noted in C); B) in connection with each remittance to or request for a remittance from a DDA, match the name on the debit card used for initiating the transaction against a valid photo ID; and C) for Arizona, New Mexico, and Oklahoma, implement a remittance limit of \$999 per customer per day and for Florida and Texas, implement a remittance limit of \$2999.99 per day.

#### **4. Customer Refunds**

You MAY NOT issue refunds for:

- (a) The purchase price or processing fee (if any) associated with opening a DDA or Prepaid Card;
- (b) The transaction fee for using the Remittance Service to send or receive money; or
- (c) Customer Funds transferred using the Remittance Service.

Any requests for refunds will be handled by Netspend. In the event that a customer requests a refund, the customer should be instructed to call Netspend Customer Service at 1-86-NETSPEND (1-866-387-7363). Hours of operation: 8 a.m.-10 p.m. CT, Monday through Friday; 8 a.m. - 8 p.m. CT, Saturday and Sunday, holidays excepted.

**IMPORTANT: YOU MAY ISSUE A REFUND FOR ANY FEE YOUR BUSINESS CHARGES IN CONNECTION WITH THE REMITTING OF FUNDS THROUGH THE REMITTANCE SERVICE.**

#### **5. Marketing**

a. Approval of Materials:

All acquisition flows, marketing sites, consumer disclosures, and marketing material intended for use or distribution to consumers in connection with a DDA Program, Prepaid Program, or Remittance Service ("Collateral") must be reviewed and approved by Netspend, the applicable Bank, and, in certain circumstances, the applicable Card Association prior to use or implementation. All new Collateral, existing Collateral that is to be reprinted (even if no changes have been made), and proposed modifications to existing Collateral must be provided to Netspend, the applicable Bank, and, in certain circumstances, the applicable Card Association, for review and approval prior to use. Netspend, Bank, and the Card Association (if applicable) reserve the right to request changes at time of reprinting. Contact Netspend Partner Services for further detail and, to the extent you are creating collateral, further details on the Bank's collateral guidelines.

- b. Training:  
In addition to the information provided in Training section below, training materials are subject to review and approval by Netspend and Bank. You should take measures to train all employees on approved training materials who will be involved in the marketing of a DDA Program or Prepaid Program and distribution of associated Collateral (including Welcome Kits) to ensure that the Products and Services are properly described and offered in accordance with Netspend and the Bank's guidelines.
- c. Third-Party Marketing:  
You will ensure that no Collateral relating to the Products and Services is used by any third-party marketer in connection with any marketing initiative without the pre-approval of Netspend and Bank.
- d. Relating to the Remittance Service for remitting Cash to and from DDAs and Prepaid Cards:  
The use of the term "deposit" cannot be used as a stand-alone descriptor for money transfers accepted at approved third party locations (i.e., licensed money transmitters or authorized agents of licensed money transmitter). In addition, similar terms that create the appearance or otherwise dilute the distinction between the Remittance Service and services provided by the Bank are prohibited. Federal and state regulations do not allow deposits to be taken at non-branch locations.
- e. Unfair, Deceptive, Abusive Acts and Practices:  
Collateral, training, operational and marketing practices, and the Products and Services, are evaluated by how consumers perceive and understand them. For Collateral, including content, disclosures, and disclaimers, they are evaluated within the context of the entire document. Collateral must always contain claims that are truthful and substantiated. In addition, Collateral will be reviewed for compliance with Unfair, Deceptive, or Abusive Acts or Practices (UDAAP) principles. Lastly, Collateral is evaluated for compliance with applicable law.
- f. Telemarketing via calls or text messaging:  
You may not market directly to holders of a DDA or a Prepaid Card through the use of telemarketing calls or text messages without the prior review and written consent of Netspend.
- g. Overdraft Marketing:  
Overdraft services may be available on your DDA Program. If they overdraft services are available, marketing of the overdraft service shall be limited in scope. It may never be positioned as a requirement for opening or maintaining a DDA. Customers who are interested in opening a DDA or customers who have opened a DDA may receive informational materials or emails explaining the features of the DDA, including the availability and functionality of the overdraft service. These are primarily the Optional Overdraft Services Notice, items in the Welcome Kit, and the account holder agreement governing the DDA, which is available in the OAC and in print. The overdraft service will not be promoted or advertised in a way that promotes bad account behavior. Netspend distributors are prohibited from developing their own marketing materials and may only use materials provided by Netspend following approval from Bank.

## 6. Damaged Products

Damaged Products and Services **MAY NOT** be sold.

Damaged Products and Services include, but are not limited to, J-Hooks, Welcome Kits, debit cards, terms and conditions, and packaging that has been tampered with and/or opened (unless designed to do so). A damaged Welcome Kit or opened package is one where the pocket containing the access device for a DDA or Prepaid Card has been tampered with or the card number has been fully exposed. Any other flap or area designed to be opened to allow disclosure of terms and fees does not constitute an opened package.

For the protection of your store and customers, Netspend strongly suggests that you shred all damaged packages and materials containing Prepaid Cards and DDAs.



## **7. Employee Fraud and/or Error**

You will be responsible for any losses associated with errors or fraudulent activity made by your employees and agents in connection with (a) offering and establishing a DDA or Prepaid Card on behalf of the Bank (b) transferring funds in connection with the Remittance Service; and (c) the transmission of data to Netspend.

### Loss Prevention:

If you become aware of any unauthorized, fraudulent, or erroneous activity in relation to the offer or establishment of a DDA or Prepaid Card, as applicable, or any erroneous data transmission, you shall promptly notify Netspend by (i) e-mail or facsimile and (ii) telephone, and provide any related pertinent information. You will immediately cooperate with Netspend and the applicable Bank and their respective representatives to investigate the matter, mitigate any harm, and, if appropriate and not unreasonably costly, locate and prosecute the perpetrator of any fraud.

### Emergency Suspension:

Bank or Netspend may suspend or terminate the marketing, establishment, or acceptance and processing of applications for DDAs or Prepaid Cards through one or more stores or online through either the OAC or website, or Netspend may suspend or terminate the marketing, offering, or use of any aspect of the Remittance Service, in the event that (i) it is necessary to comply with applicable law (ii) Netspend or Bank has reasonable suspicion to believe that fraudulent activity is taking place, or (iii) employees at your store(s) are not complying with these Guidelines or the Agreement. In these instances, you and Netspend shall work together to resolve the issues which led to the suspension or termination in order to resume the suspended or terminated activity.

## **8. Duty to report suspected fraud and the restriction or suspension of the offering of Products and Services**

It is your responsibility to monitor financial transactions at your stores for any suspicious activity.

### **What YOU should do if your customer demonstrates unusual or suspicious behavior or activity related to a Product and Service:**

#### **(a) Write down details about the activity**

- Who was suspicious? Was it a new customer, a returning customer, etc.?
- What was unusual about the transaction or the customer's behavior?
- How was the Product and Service used?
- When and at what location did the purchase or load take place?

#### **(b) Inform the Netspend Compliance Department about the activity**

- Complete the Unusual/ Suspicious Activity Referral Form (see Appendix 1) by providing as much information as possible about the customer's unusual or suspicious behavior. If the form is not helpful, please contact the Netspend Compliance Department at 1-866-914-7224 about the suspicious activity observed in relation to the Product or Service.
- Upon receipt of the form or phone call, Netspend will review the account activity to determine whether the activity warrants referral to the appropriate Bank and/or filing of a Suspicious Activity Report with FinCEN.
- Netspend will provide your business with feedback regarding the results of the investigation, when appropriate and in accordance with applicable law.

- (c) **Do not disclose to the customer involved in the transaction that any suspicious activity has been or will be reported. This information must remain confidential.**

**IF YOU HAVE REASONABLE SUSPICION TO BELIEVE FRAUDULENT ACTIVITY IS OCCURRING AT ANY OF YOUR STORES, YOU MUST PROMPTLY NOTIFY NETSPEND.** You are required to fully cooperate with Netspend and the appropriate issuing bank and their respective representatives in connection with any investigation of suspected fraudulent activity.

YOU ARE RESPONSIBLE FOR ALL LOSSES ASSOCIATED WITH FRAUDULENT ACTIVITY ATTRIBUTABLE TO YOUR EMPLOYEES AND/OR AGENTS.

IF YOUR BUSINESS DEMONSTRATES A HIGH VOLUME OF SUSPICIOUS TRANSACTION ACTIVITY, NETSPEND MAY IMMEDIATELY RESTRICT OR SUSPEND THE SALE OF DDAS OR PREPAID CARDS AND/OR USE OF ANY ASPECT OF THE REMITTANCE SERVICE.

See Page 14 and Appendices 2 and 3 for additional important information about detecting, reporting and preventing money laundering, ID theft, and elder abuse.

## **9. Data Security**

In accordance with the framework set forth in the Agreement between you and Netspend, you may not collect or store any customer data, except as provided in the Agreement. Further, you are restricted from using, or allowing any third party to use, any customer data other than as necessary to perform your obligations with respect to the applicable Product and Service or as required to comply with applicable law. You shall establish administrative, technical and physical safeguards for customer data in your control or possession from time to time. Safeguards shall be designed to (i) ensure the security of such data, (ii) to protect against any anticipated threats or hazards to the security or integrity of the applicable customer or prospective customer (iii) ensure the proper disposal of such data, and (iv) protect against unauthorized access to or use of such data that would result in substantial harm or inconvenience to any customer or potential customer. To the extent applicable, such safeguards shall be established in accordance with applicable law, including, without limitation, Section 501 of GLBA and the Interagency Guidelines Establishing Information Security Standards adopted pursuant to Section 501 of GLBA.

You must be in compliance at all times with each of the Information and Data Security requirements associated with the Payment Card Industry Data Security Standards ("PCI DSS" or the "Standards"). The PCI DSS, a set of comprehensive requirements designed to enhance payment account data security, was developed by the PCI Security Standards Council. The Council includes American Express®, Discover®, MasterCard® and Visa®. The Standards help facilitate the broad adoption of consistent data security measures around the world. For more information about the Standards, please refer to Appendix 5.

## **10. Employee Training**

### Compliance Training Program Administration

In compliance with the Bank Secrecy Act (BSA), Netspend has established a training program that will provide Distributors and Agents with bank secrecy act (BSA)/ anti-money laundering (AML) and regulatory training appropriate for third-party relationships engaged in distributing DDAs, Prepaid Cards and/or transferring funds through the Remittance Service.

Netspend's Compliance Training Program for Distributors and Agents is primarily focused on our large, high-risk, third-party relationships. We deliver training to these third-party representatives online through

the FIS "Regulatory University" BSA/AML Training Module, as well as through the Risk & Compliance Guidelines that are provided during the new partner onboarding and ongoing due diligence process.

Smaller third-party representatives also receive BSA/AML training materials, along with Risk & Compliance Guidelines, during the new partner onboarding process and the ongoing due diligence process.

**We require that you to maintain a copy of these Risk & Compliance Guidelines at each location where the Products and Services are offered.**

For your convenience, the BSA/AML training materials and Risk & Compliance Guidelines are always available on a website designed and designated for Distributors and Agents:

<https://www.netspend.com/compliance-guidelines/>

Feel free to visit the website regularly, as we are continuously updating training materials and adding new information to the site.

### OFAC Training

Office of Foreign Assets Control (OFAC) training is critical to your operations. OFAC administers and enforces economic sanctions against targeted individuals, entities, and countries who may be involved in terrorist activities, narcotics trafficking, or the proliferation of weapons of mass destruction (WMD), among other activities that may threaten U.S. national security. The level of training should include OFAC basics and be commensurate with the risks posed by the employees' responsibilities.

#### (a) OFAC Basics

- OFAC's regulations apply to all U.S. "persons", including banks, bank holding companies, and non-bank subsidiaries, wherever located;
- Institutions must identify any property or transactions subject to economic sanctions;
- If you get an OFAC hit, you are required to block/freeze or reject the transaction;
- Advise OFAC of the blocked asset or rejected transaction and release said transaction or property only on OFAC authority;
- If an individual's last name matches the OFAC list, you must take additional steps, such as comparing first name and general location, to determine whether the individual is the same as the one named on the list.

We encourage you to provide ongoing communication to ensure staff members receive training and stay informed. And remember, **you are responsible for completing any required Netspend training programs in a timely manner.**

## **11. Customer Complaints**

You are responsible for cooperating with Netspend and the appropriate Bank in resolving complaints associated with the Products and Services, whether initiated by a customer or third party. If you receive a complaint related to the Products and Services, you are required to promptly report the complaint to Netspend for investigation and resolution. Additionally, if you receive notice of a complaint related to the Products and Services from any third party under your control – including any government, regulatory, consumer protection or consumer advocacy agency – you must forward within 2 business days of your receipt the complaint (or other such timeframe as designated in your Agreement) and any written documentation to Netspend. You should **NOT** respond to any complaints on behalf of Netspend or any of its Banks.

You are also responsible for maintaining internal records related to the number and nature of customer complaints related to Products and Services and providing those reports to Netspend or its Banks upon request. You are also required to cooperate with Netspend and its Banks to identify any trends in an effort to eliminate any root causes giving rise to customer complaints.

## **B. DISTRIBUTING PRODUCTS AND SERVICES**

As a distributor of Products and Services, you are required to educate your staff to ensure your business complies with each of these important in-store policies and procedures:

### **1. Prepaid Cards and Demand Deposit Accounts**

#### **(i) Requirements for distributing a Prepaid Card at a Retail Location. Each Prepaid card customer must\*\*:**

- a. **must receive a copy of his or her Prepaid Card terms and conditions** ("Cardholder Agreement") at the point-of-sale. The Cardholder Agreement is included in the J-hook packaging along with any disclosures as required by the Bank or applicable law. In addition, the Prepaid Rule promulgated by the Consumer Financial Protection Bureau has mandated certain pre-acquisition forms be present on J-Hook packaging sold at retail.
- b. **must present a valid government-issued photo ID at the point-of-sale in connection with the reload of any Netspend Prepaid Card, if the reload amount is greater than \$500.** The ID must match the name on the Netspend Prepaid Card. **Cardholders should only load their own Netspend Prepaid Cards.**
- c. **be at least 18 years of age and otherwise eligible** to purchase a Prepaid Card.
- d. **not be permitted to purchase more than one Prepaid Card** at a time (if the customer wants to buy more than one card, advise the customer to call Netspend Customer Service).
- e. **must activate his or her Netspend Prepaid Card** by calling Netspend Customer Service or by visiting the Netspend web site.

**As the distributor**, you should **NOT** load any Prepaid Cards as a result of a phone call instructing you to load any Prepaid Cards. **All money transfers utilizing the Remittance Service must be performed in person, in exchange for cash only.** Netspend will NEVER call you to request that "test" loads be made to an account. Please be alert and report any requests to load Customer Funds via phone to Netspend.

**Through systemic controls, Netspend limits the amount of funds that may be ultimately loaded to Prepaid Cards, as well as the overall customer balance.** Maximum Netspend load and balance limits are subject to change. To determine what the current limits are, your employees may call Netspend Partner Services at 1-866-397-5643, or email [partnersupport@Netspend.com](mailto:partnersupport@Netspend.com). The minimum initial load when purchasing a card at your retail locations is \$10. The load limit at your retail locations will vary based on the cardholder's ID **verification** status and the bank issuing the card. Please contact Netspend Partner Services if you have questions.

**\*\*IMMEDIATE SPEND EXCEPTION.** In certain circumstances, a Prepaid Program may offer Prepaid Cards with Immediate Spend functionality. The Immediate Spend functionality allows a customer with a Prepaid Card to conduct a one-time load of a limited amount of funds (generally no more than \$500) and use that card (with a very limited functionality) without requiring activation or CIP verification. If the customer wishes to add additional funds to the Prepaid Card or utilize all the features and functionality offered on the Prepaid Card, the customer must pass ID verification and complete the account enrollment process.

(ii) **Requirements for distributing a Prepaid Card at the POS. Each Prepaid card customer must\*\*:**

- **receive and have an opportunity to review the kit or package containing all required pre-acquisition disclosures, including the short form and long form fee schedules and cardholder agreement** ("Cardholder Agreement") and any disclosures as required by the Bank or applicable law at the point-of-sale.
- **be at least 18 years of age and otherwise eligible** to purchase a Prepaid Card.
- **not be permitted to purchase more than one Prepaid Card** at a time (if the customer wants to buy more than one card, advise the customer to call Netspend Customer Service).
- **must be able to provide Netspend with valid identification\*** when activating his or her Netspend Prepaid Card.
- **must activate his or her Netspend Prepaid Card** by calling Netspend Customer Service or by visiting the Netspend web site.

**As the distributor of a Prepaid Card, you must collect the necessary identifying information to enable Netspend to conduct CIP verification on behalf of the Bank.** Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Netspend will verify a customer's information during the application process and run required screening of customers in accordance with Bank instructions.

We must collect the following identification for all cardholders:

- Legal Name
  - Address of residence (This cannot be a P.O. Box)
  - Date of Birth
  - Social Security Number (SSN) or Foreign Government-Issued ID Number
- **For U.S. citizens:** Netspend will attempt to validate identity electronically. If we are unable to validate electronically, we will ask for identity documents.
  - **For non-U.S. citizens:** For residents without an SSN, we require identity documentation to verify identity showing name, address, date of birth, and government ID reflecting nationality. A valid form of foreign government-issued photo ID is a passport, drivers' license, identity card, Matricula Consular card, Alien Identification card, or Voter Registration card. Non-U.S. citizens must provide 2 pieces of identity documentation: a valid photo ID and proof of residence, such as a recent utility bill or payroll stub. Non-U.S. citizens residing in the State of Florida must provide a Foreign ID, a valid U.S. Government or U.S. State ID, and proof of residence. Contact Netspend Partner Services at 1-866-397-5643 for acceptable ID options.
- If an ID is available, you should e-mail a copy of the ID documents to Netspend at documents@Netspend.com. If the customer does not have all of the required information readily available for e-mail at the store, you should direct them to e-mail the documentation to documents@Netspend.com at his or her convenience. A customer has 30 days from the date of card purchase to provide Netspend with a copy of his or her ID. The customer will have limited card functionality until his or her identity has been verified. If email is unavailable, documents may be faxed to 1-866-358-0526.
  - Netspend reviews customer documentation during the following hours:
    - 8 a.m. to 10 p.m. CT, Monday through Friday, and 8 a.m. to 8 p.m. CT, Saturday and Sunday. Expected turnaround time is within 6 hours.

- Failure to provide Netspend with an ID within the required timeframe will result in his or her account being blocked. Contact Netspend Partner Services at 1-866-397-5643 for acceptable ID options.
- Note: The customer must provide a residential street address or an Army Post Office (APO) or Fleet Post Office (FPO) address. A P.O. Box is not an acceptable address.

**\*\*IMMEDIATE SPEND EXCEPTION.** In certain circumstances, a Prepaid Program may offer Prepaid Cards with Immediate Spend functionality. The Immediate Spend functionality allows a customer with a Prepaid Card to conduct a one-time load of a limited amount of funds (generally no more than \$500) and use that card (with a very limited functionality) without requiring activation or CIP verification. If the customer wishes to add additional funds to the Prepaid Card or utilize all the features and functionality offered on the Prepaid Card, the customer must pass ID verification and complete the account enrollment process.

**(iii) Requirements for distributing a DDA at Retail – RESERVED**

**(iv) Requirements for distributing a DDA. Each DDA customer:**

- Must pass (or have passed) required identity verification;
- Must have Social Security Number (Foreign IDs are not allowed);
- Must be a citizen or permanent resident of the fifty (50) United States or the District of Columbia who can lawfully enter into and form contracts under applicable law in the state in which you reside;
- Must provide required information upon request as needed to satisfy requirements under applicable law or regulation (e.g., customer due diligence / expected use questions); and
- Any other requirements set forth by Netspend on behalf of the Bank to maintain or open DDA.

○ Requirements for distributing a DDA at the POS

For new customers, you are required to undertake the following steps in accepting DDA applications for Netspend to process on behalf of the by Bank, subject to update and revision from time to time by the Bank and Netspend:

- Provide each customer with a complete Welcome Kit and an opportunity to review all required disclosures. The Welcome Kit generally includes the Bank’s Deposit Account Agreement, Privacy Policy, and Optional Overdraft Service Notice. The Welcome Kit may also contain an informational brochure and a temporary debit card.
- Collect the customer’s identifying information, phone number, and email address from each applicant enrolling in the DDA Program to enable Netspend to conduct CIP verification on behalf of the Bank. The following identifying information must be collected for all potential customers:
  - Legal Name
  - Address of residence (This cannot be a P.O. Box)
  - Date of Birth
  - Social Security Number (SSN)

Note: The customer must provide a residential street address or an Army Post Office (APO) or Fleet Post Office (FPO) address. A P.O. Box is not an acceptable address.

Netspend will attempt to validate the identity information provided electronically.

**\*Why Bank and Netspend need to collect valid identification:** To help the U.S. government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions and their third parties to obtain, verify and record information that identifies each person who opens an account. Netspend will verify a customer's information during the application process and run required screening of customers in accordance with Bank instructions.

- If the customer passes CIP verification, the customer is eligible to open a DDA. If the customer is unable to pass CIP verification, the customer is not eligible to open a DDA.
  - If the customer passes CIP verification on a conditional-basis, the DDA may be opened subject to certain limits on feature functionality and the customer curing the CIP deficiencies during the online enrollment and card activation step.
- For customers that pass or conditionally pass CIP, the customer may use the Remittance Service to send money to the applicable Bank to be credited to their DDA. If the customer has conditionally-passed CIP, his initial remittance transaction will be limited (generally to \$1,000.00). **Use of the Remittance Service in connection with the acquisition of a DDA must be optional.**
- After completion of identity verification and use of the Remittance Service (if applicable), the Associate should inform the customer that the DDA has been opened but the customer must go online or download the mobile application to finish enrollment.
  - **IMPORTANT: The customer will not have access to funds until the online enrollment process and card activation have been completed.**

## 2. Money Movement

"Send Transaction" means the tender of funds by a consumer to Agent for the purpose of remitting and delivering such funds through the Remittance Service to a recipient designated by such consumer. Send Transactions include, but are not limited to, loads and reloads of Netspend-serviced Prepaid Cards.

"Receive Transaction" means the disbursement by Agent to a designated consumer of funds remitted by another consumer through the Remittance Service. Receive transactions include, but are not limited to, transactions for the purpose of making a payment on a loan.

### *Receive Transactions*

Prior to conducting any Receive Transaction, agents shall use reasonable efforts to verify the identity of a customer. You must verify the identity of any consumer conducting a Receive Transaction using such consumer's government-issued photo ID, adequately document such verification, and provide such documentation to Netspend upon request. Refer to your contract for limits with respect to these transactions.

If a consumer elects to conduct a Receive Transaction from a Prepaid Card or DDA for the purpose of paying a loan, the Distributor shall under no circumstances charge a fee for such transaction.

### *Send Transactions*

**All Send Transactions conducted by consumers to send money to a Bank to be credited to a DDA or Prepaid Card must be performed in person and in exchange for cash only.** As the distributor, you should **NOT** conduct a Send Transaction as a result of a phone call, email, or text. Netspend will NEVER call you to request that "test" transactions be made to send funds through the Remittance Service. Please be alert and report any requests to conduct Send Transactions via phone to Netspend.\*

**Through systemic controls, Netspend limits the amount of funds that may be ultimately credited to a DDA or Prepaid Card, as well as implementing limits to a customer's total balance.**

Maximum transaction and balance limits are subject to change without notice. To determine what the current limits are, your employees may call Netspend Partner Services at 1-866-397-5643, or email [partnersupport@Netspend.com](mailto:partnersupport@Netspend.com). The minimum initial load when purchasing a Prepaid Card at your retail locations is \$10. The load limit at your retail locations will vary based on the cardholder's ID verification status and the Bank issuing the Prepaid Card. Please contact Netspend Partner Services if you have questions.

If a consumer elects to conduct a Send Transaction to a Prepaid Card or DDA using loan proceeds received via cash or check, the Distributor shall under no circumstances charge a fee for such transaction.

*Push-to-Debit Program*

The "Push-to-Debit" program is a Remittance Service allowing a person to push funds disbursed by an agent to an external, third party debit card. Such transactions may be conducted or requested online or in person, subject to the limitations as set forth in the Push-to-Debit contract. Agents shall verify the identity of each payee in the Push-to-Debit program, and provide the appropriate payee disclosures prior to conducting a transaction. In all circumstances, Push-to-Debit transactions may only be made to an account owned by the customer requesting the transaction. In no case may a Push-to-Debit transaction be made to a third party.

Additionally, for Push-to-Debit transactions for the purpose of loading cash (a "Cash-to-Card" transaction) or for loading the proceeds of a cashed check (a "Check-to-Card" transaction) to a third party debit card, the agent shall provide a receipt to the payee as required by the applicable state.

**C. MERCHANDISING & DISPLAYING NETSPEND PREPAID CARDS AND DDAS**

As a distributor of Netspend Prepaid Cards and DDAs, you are required to educate your staff to ensure your business complies with each of these important in-store policies and procedures:

**1. Receipt requirements for various states**

As an authorized delegate of Netspend Corporation, a licensed money transmitter in numerous states, you are required under your agreement with Netspend and applicable law to comply with certain state receipt requirements in connection with your offering of the Remittance Service under Netspend's money transmitter licenses. As such, please ensure that the receipt you provide to each customer who conducts a Remittance Service transaction in a particular state under Netspend's money transmitter license contains the language set forth in Appendix 4. If Netspend has appointed you as its authorized agent to offer the Remittance Service certain states where Netspend is a licensed money transmitter, you are required to display specific verbiage on the product transaction receipts that you provide to the customer.

Please refer to Appendix 4 for each state's receipt requirements.

**2. Signage at each Retail Location\***

Netspend has appointed you as its authorized agent to offer the Remittance Service in those jurisdictions where Netspend is licensed as a money transmitter ("Subject States"). As an authorized agent of Netspend in the Subject States, you may be engaged in the provision of money transmission services in connection with the offering of the Remittance Service and as result are required to post such signs or other notifications at all of your retail locations as Netspend may provide to you from time to time.



**The signage provided to you by Netspend must be conspicuously displayed. This means a customer with 20/20 vision should be able to read it from the place where he or she would typically conduct business with you or, alternatively, on a bulletin board, in plain view, on which you post notices to the general public.**

**It is your responsibility to ensure that the signage is conspicuously posted in a timely manner at each of your retail locations.**

### **3. Merchandising Policies**

DDAs and Prepaid Cards must NOT be marketed, advertised, labeled or sold as gift cards or gift certificates.

When marketing, advertising, labeling, or selling DDAs and Prepaid Cards you must follow these rules:

- (a) NEVER use the words "gift" or "present" in connection with a DDA or Prepaid Card or accompanying materials such as documentation, packaging or promotional displays.
- (b) NEVER represent or suggest – orally, or in writing – that a DDA or Prepaid Card can be given to another person, for example, as a "gift," "token of appreciation" or as a "stocking stuffer."
- (c) NEVER include a congratulatory message on a DDA or Prepaid Card, on accompanying documents or promotional materials, or within in-store displays. Examples of messages that CANNOT be used include: gift-giving or celebratory images or themes, such as a bow, ribbon, wrapped present, candle, or congratulatory message.

When marketing, advertising, labeling, or selling Prepaid Cards you may use these messages:

- (a) A Prepaid Card can be used as an alternative for a checking or traditional bank account.
- (b) A Prepaid Card can be used to pay for a consumer's personal expenses.
- (c) A Prepaid Card can be used as a substitute for travelers' checks or cash.
- (d) A Prepaid Card can be used as a budgeting tool.

If you sell Prepaid Cards or DDAs from behind the counter or at an in-store cash register or check-out lane, NEVER promote the Prepaid Card or DDA as a "gift card" or "gift certificate" in conversation or in any supporting marketing or advertising materials.

### **4. Display Policies**

If you sell gift cards or gift certificates at your retail locations and you use promotional card displays:

- (a) We recommend using 2 promotional displays. One display should be for gift cards and/or gift certificates. The second display should be physically separate and be for Netspend Prepaid Cards or DDAs, wireless telephone cards and other non-gift card products.
- (b) The inventory of the 2 displays must always remain separate – your staff must diligently maintain each display.
- (c) If you use 1 display: clear signage must indicate whether products are "Gift Cards" or "General Purpose Reloadable Cards" or "Deposit Account Products". The signs should be prominently positioned to help eliminate customer confusion. Your staff must diligently maintain the display to ensure the different cards are not commingled.

- (d) If you use 1 display it must be in the form of a two-sided or multi-sided display. Signs of equal size and prominence should be placed on each side of the display and must clearly differentiate between gift cards and the other types of products that are available for sale.

NEVER use more conspicuous signage suggesting the general availability of gift cards. Example: You may not use a large sign stating "Gift Cards" and have a smaller sign stating "General Purpose Reloadable Cards."

**EXAMPLES OF ACCEPTABLE AND UNACCEPTABLE MERCHANDISING DISPLAYS ARE SHOWN IN APPENDIX 6. If you have questions, contact your Netspend Account Manager.**

## **5. Educating Your Staff**

**As a distributor of Netspend Prepaid Cards and DDAs, it is your responsibility to educate your staff and monitor your business's compliance with these merchandising requirements.**

You should regularly monitor or otherwise verify that Netspend Prepaid Cards and DDAs are not marketed, advertised, labeled, or sold in any manner as gift cards or gift certificates.

Your responsibility to "regularly monitor or otherwise verify" means the following:

- (a) Distribute these Merchandising Requirements to your Store Operations Manager and to each Store Manager and Assistant Manager at each of your retail locations that market, advertise and/or distribute Netspend Prepaid Cards and DDAs.
- (b) Require that each Store Manager personally, or through his or her designee(s), periodically communicate and explain- either individually or in group meetings, and either orally or in writing – the content of these Merchandising Requirements to each member of the in-store staff responsible for (1) creating or maintaining in-store displays containing Netspend Prepaid Cards and DDAs, and (2) staffing counters, cash registers or checkout lanes at which Netspend Prepaid Cards and DDAs are marketed, advertised, labeled or distributed.
- (c) Communication and explanation should occur at least once every six (6) months for existing staff and at the time of hire for each newly-hired employee.
- (d) If you use independent third-party card program managers or other third parties to create or maintain your in-store displays, you must provide these Merchandising Requirements to such third parties and periodically communicate and explain the contents. Communication and explanation should occur both at the time of contracting and at least once every six (6) months thereafter.
- (e) In conjunction with our annual diligence review of your status as a retailer of Netspend Prepaid Cards and DDAs, we may ask you to complete a short questionnaire regarding: (1) your efforts to comply with these Merchandising Requirements, and (2) any circumstances in which a consumer complained that he or she was led to believe that a Netspend Prepaid Card or DDA was a gift card or gift certificate and the manner in which you addressed such consumer confusion.

## **D. INVENTORY MANAGEMENT**

You and your employees must comply with the following Visa and MasterCard policies with respect to the management of your Netspend Prepaid Card inventory:

### **1. Storage of Netspend Prepaid Cards**

Cards must be stored in a controlled environment with limited dual access. Dual access (*i.e.*, joint access by two persons) must be limited to those individuals who pass a comprehensive background investigation, where legally permissible.

Upon receipt of cards, receiving stores must do **all** of the following:

- (a) Authorize at least 2 employees to take the shipment to a secure storage area.
- (b) Compare the number of cards received with the card count on the shipment invoice.
- (c) Attempt to resolve any discrepancies with Netspend.
- (d) Immediately report all lost, stolen, or missing cards to Netspend Partner Services at 1-866-397-5643 or [partnersupport@Netspend.com](mailto:partnersupport@Netspend.com).
- (e) Store the cards in a secure area, such as a vault with secure construction and an intrusion alarm system. At a minimum, cards must be stored in a locked drawer or safe.
- (f) With respect to warehouses and distribution centers, areas in which cards are stored must additionally be monitored by Closed Circuit television (CCTV) and video recorded.

## **2. Shipping and Packaging of Cards**

Netspend must approve all methods of card shipment prior to shipping. Do not remove cards from their packaging prior to shipping them to Netspend. No references to Visa or MasterCard cards are to appear on the labels of packing slips of any shipments.

### ***Shipping up to 500 cards***

The area designated for card storage prior to shipping must be limited to authorized personnel only. A shipping log with the exact card count, expected date and time of delivery, and postal service location must be maintained. To send small drop shipments of boxes, you may use a traceable overnight courier service. To mail individual cards to Netspend via U.S. Postal Service, use envelopes of a non-descript manner with the same size, color and nature as other envelopes, co-mingled through the mail. The envelopes may be pre-sorted or delivered to the postal service.

### ***Shipments in excess of 500 cards***

The cards to be shipped in bulk must be shipped in a manner that includes a controlled method of shipment that allows for tracking until the cards have reached their intended destination. The cards must be poly-bagged and sealed in packages of 10 or 25. The sealed packages must be sleeved in boxes of 100 cards and skid-packaged no more than 15,000 cards per pallet. All pallets must be shrink-wrapped and banded with four bands. Each band must have a security seal attached.

Please contact Netspend Partner Services at 1-866-397-5643 or [partnersupport@Netspend.com](mailto:partnersupport@Netspend.com) for our shipping address or additional information on pallet shipments, in the event you need to return cards.

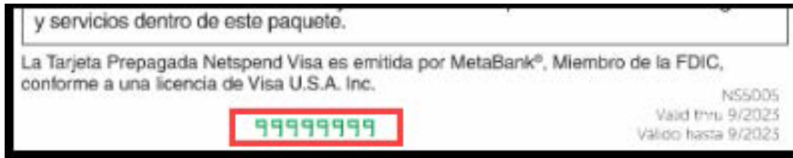
## **3. Inventory Control of DDAs and Prepaid Cards**

All cards must be inventoried on a monthly basis, and all unused card products must be packaged in a manner that would detect tampering.

The number of card products spoiled at the end of each day must be logged at the end of each day. The process must be performed under dual control and documented with dual signatures, date and time of inventory.

You must maintain a Netspend Monthly Spoilage Log, which includes the following:

- (a) Log the date and time
- (b) Log the number of Netspend cards spoiled during each business day (e.g. damaged or transferred, etc.)
- (c) Log the Unique Control Numbers (XXXXXXXX, green 8-digit number at the bottom of the Short Form on the back of the kit)



- (d) Signatures of each employee completing this log

Please see Appendix 7 to these Guidelines for the Monthly Spoilage Log.

Monthly Spoilage Log must be maintained for 24 months. Inventory discrepancies must be immediately reported to your business's management and to Netspend, and a reconciliation of all card products should begin.

#### **4. Destruction of cards associated with DDAs or Prepaid Cards**

If you have fewer than 25 spoiled cards, you may destroy them by following the procedures described below. If you have more than 25 spoiled cards in need of destruction, you must ship them back to Netspend for destruction per the "Shipping and Packaging of Netspend Prepaid Cards" requirements outlined above.

The following procedures for card destruction must be performed under dual control:

- (a) Spoiled cards must be destroyed immediately upon determination that the card product is no longer of business use.
- (b) Both employees destroying the cards are to ensure that all plastics are rendered unusable or unreadable by cross-shredding them. It is *not acceptable* to cut cards in half and dispose of them in the trash.
- (c) The two individuals counting and cross-shredding the cards are not to leave the area until all items have been destroyed.
- (d) A destruction log is to be immediately completed upon the counting and destruction of spoiled cards. This document or log is to be maintained for a minimum of 24 months.
- (e) The card destruction log is to include at a minimum:
  - The date of destruction
  - The number of each card type(s) being destroyed
  - The unique control numbers of each card package. (XXXXXXXX, green 8-digit number at the bottom of the Short Form on the back of the kit)
  - Printed names and signatures of both employees counting and destroying the cards.

Please see Appendix 7 for Card Destruction Log.

Netspend reserves the right at any time, and from time to time, to request that you provide Netspend with copies of the Netspend Monthly Spoilage Log and Card Destruction Log you are required to maintain under these Guidelines.

## **E. ANTI-MONEY LAUNDERING, ID THEFT, AND ELDER ABUSE**

### **1. The Importance of ID Checks**

#### ***Checking a customer's identity helps prevent money laundering.***

For crime to pay, criminals need to launder their profits, *i.e.*, make "dirty" money look clean. Criminals use false identities or steal the identities of innocent people to obtain financial products such as bank accounts. By using these accounts and false identities they make it difficult to trace the money back to them. If the criminals are required to use their own names and there is an investigation, the identity-check records will help law enforcement.

#### ***Checking a customer's identity makes it harder for terrorists to move money anonymously.***

Terrorists use the financial system as part of preparing their attacks. Identity-check records have been helpful in terrorist investigations.

#### ***Checking a customer's identity helps prevent identity theft.***

Identity theft is often referred to as one of the fastest growing crimes in the United States. Identity thieves obtain their victims' personal details and then open credit card accounts, obtain loans or steal from the victims' savings or other bank accounts. Please refer to Appendix 2 for more details.

### **2. Load Limits and Maximum Balances**

To prevent illegal activity, Netspend enforces load limits and maximum balances. The load limits and balance maximums may change from time to time. For further detail, call Netspend Partner Services.

### **3. The Importance of Reporting Unusual or Suspicious Activity\***

Your in-store staff members are on the frontline of the U.S. government's efforts to fight money laundering and terrorist financing. According to the Financial Crimes Enforcement Network (FinCEN), an agency of the U.S. Department of the Treasury, the primary focus of your staff should be on reporting suspicious activities or behavior rather than determining whether transactions are linked to money laundering, terrorist financing, or other criminal activity. Reporting the suspicious activity of a customer must remain confidential – You are not allowed to disclose to the customer that any suspicious activity has been or will be reported to regulatory authorities.

### **4. Any unusual or suspicious activity or behavior involving any dollar value.**

Complete an Unusual/Suspicious Activity Referral Form (fillable PDF form available from Netspend; see Appendix 1) or please call the Netspend Compliance Department at 1-866-914-7224 about any suspicious activity involving a Product and Service.

\* A transaction must be reported if you know, suspect, or have reason to suspect that the transaction (or a pattern of transactions of which the one transaction is a part):

- (a) Involves funds derived from illegal activity or is intended to be conducted in order to hide or disguise funds or assets derived from illegal activity;
- (b) Appears designed to evade the requirements of the Bank Secrecy Act\*\*, whether through structuring or other means, or
- (c) Serves no business or apparent lawful purpose and the reporting business knows of no reasonable explanation for the transaction after examining all available facts.

\*\*The Bank Secrecy Act (BSA), passed by Congress in 1970, established the requirements for recordkeeping and reporting by private individuals, banks and other financial institutions. The BSA was designed to help identify the source, volume and movement of currency and other monetary instruments transported or transmitted into or out of the United States or deposited in financial institutions.

**Appendix 2 contains additional important information about indicators (the "RED FLAGS") of ID theft and other illegal activity.**

## **5. Report Elder Abuse- Elder Financial Exploitation.**

If you suspect Elder Financial Exploitation **REPORT IT IMMEDIATELY** to the following agencies:

- Contact local Law Enforcement.
- Contact the Adult Protective Services (APS) located in your community. You can find information about reaching your local APS office at the Eldercare Locator at [www.eldercare.gov](http://www.eldercare.gov)
- You may need to report to additional entities based on your state requirements.
- If applicable, report to FinCEN via your internal SAR process.

**If the activity involves a Netspend account, report the activity by completing the Unusual/Suspicious Activity Referral Form (fillable PDF form available from Netspend; see Appendix 1) or please call the Netspend Compliance Department at 1-866-914-7224 about any suspicious activity involving a Product and Service.**

**Appendix 3 contains additional important information about indicators (the "RED FLAGS") of Elder Abuse and how to report it.**

## **SECTION 3. Money Transmitter Requirements by Subject States**

As an authorized agent of Netspend, a licensed money transmitter in certain states, you are engaged in the provision of money transmission services in connection with the offering of the Remittance Service. As such, you are obligated to develop policies and procedures to ensure compliance with the requirements set forth in Appendix 8. Please note that Netspend may update Appendix 8 from time to time to comply with applicable law.

### **A. RECORD KEEPING REQUIREMENTS FOR VARIOUS STATES**

As an authorized delegate of Netspend Corporation, a licensed money transmitter in numerous states, you are required under your agreement with Netspend and applicable law to comply with certain state record keeping requirements in connection with your offering of the Remittance Service under Netspend's money transmitter licenses. Please note, federal recordkeeping requirements may be different from individual state requirements.

#### **1. Arizona Record Keeping Requirements**

All records in regards to the offering of the Netspend Remittance Service, for transactions of \$1,000 or more, in the state of Arizona must be retained for a period of 3 years from the date of origination. The records will be retained in an electronic format and will include the following information:

- (a) The Legal Name of the Customer
- (b) Customer's Social Security Number or Taxpayer Identification Number, if any
- (c) Customer's ID Type and ID Number
- (d) Customer's Current Occupation
- (e) Customer's current Residential Address
- (f) Customer's Signature

## **2. Oklahoma Record Keeping Requirements**

All records in regards to the offering of the Netspend Remittance Service, for transactions of \$1,000 or more, in the state of Oklahoma must be retained for a period of 3 years from the date of origination. The records will be retained in an electronic format and will include the following information:

- (a) The Legal Name of the Customer
- (b) Customer's Date of Birth
- (c) Customer's current Residential Address
- (d) Customer's ID Type and ID Number

## **3. New Mexico Record Keeping Requirements**

All records in regards to the offering of the Netspend Remittance Service, for transactions of \$1,000 or more, in the state of New Mexico must be retained for a period of 3 years from the date of origination. The records will be retained in an electronic format and will include the following information:

- (a) The Legal Name of the Customer
- (b) Customer's Social Security Number or Taxpayer Identification Number, if any
- (c) Customer's ID Type and ID Number
- (d) Customer's current Occupation
- (e) Customer's current Residential Address
- (f) Customer's Signature

## **B. RECORD KEEPING REQUIREMENTS FOR NON-STANDARD SEND TRANSACTIONS**

In addition to the state-specific requirements set forth above, as an authorized delegate of Netspend Corporation, a licensed money transmitter in numerous states, you are required under your agreement with Netspend and applicable law to comply with additional record keeping requirements in connection with offering consumers the ability to conduct Non-Standard Send Transactions via the Remittance Service under Netspend's money transmitter licenses. The records will be retained in an electronic format and provided to Netspend daily through a secure method designated by Netspend, and will include the following information:

- (a) The Legal Name of the Sender
- (b) Sender's Social Security Number or Taxpayer Identification Number, if any
- (c) Sender's Date of Birth

- (d) Sender's Physical Address
- (e) Sender's current Occupation
- (f) Transaction Date and Timestamp
- (g) Amount of Transaction plus applicable NetSpend Send Transaction Fees, if any
- (h) Method of Payment
- (i) Numbered Receipt or Confirmation Number
- (j) Instructions or messages related to the transaction, if any
- (k) Store ID where transaction was conducted
- (l) Name or other identifying information of employee conducting the transaction

## **SECTION 4. IMPORTANT CONTACT INFORMATION**

### **A. NETSPEND SUPPORT**

For consumers:

**Netspend Customer Service:**

1-86-NETSPEND (1-866-387-7363)

IVR hours:

24/7

Live agent hours:

8 a.m. – 10 p.m. CT, Monday – Friday

8 a.m. – 8 p.m. CT, Saturday and Sunday

Closed on holidays

Email: [Customerservice@Netspend.com](mailto:Customerservice@Netspend.com)

For use by your staff ONLY:

**Netspend Partner Services:**

1-866-397-5643

8 a.m. 10 p.m. CT, Monday – Friday

8 a.m. – 6 p.m. CT, Saturday

9 a.m. – 5:30 p.m. CT, Sunday

Email: [partnersupport@Netspend.com](mailto:partnersupport@Netspend.com)

**Netspend Compliance Department:**

1-866-914-7224

Fax: 1-512-539-5839



**APPENDIX 1. UNUSUAL/SUSPICIOUS ACTIVITY REFERRAL FORM**

Form available at <https://www.netspend.com/compliance-guidelines>



## Potential Suspicious Activity Referral

### DISTRIBUTOR INFORMATION

Date	<input type="text"/>	Representative Name	<input type="text"/>
Store Number	<input type="text"/>	Distributor Name	<input type="text"/>
Phone Number	<input type="text"/>	Email Address	<input type="text"/>

### SUBJECT INFORMATION

SUBJECT 1

Click here if Subject's Information is Unknown

Name	<input type="text"/>	Account Number	<input type="text"/>		
Street Address	<input type="text"/>	SSN/Gov't ID	<input type="text"/>	Issuer	<input type="text"/>
City	<input type="text"/>	State	<input type="text"/>	Date of Birth	<input type="text"/>
Zip Code	<input type="text"/>	Phone Number	<input type="text"/>		
Other	<input type="text"/>	Email	<input type="text"/>		

SUBJECT 2

Click here if Subject's Information is Unknown

Name	<input type="text"/>	Account Number	<input type="text"/>		
Street Address	<input type="text"/>	SSN/Gov't ID	<input type="text"/>	Issuer	<input type="text"/>
City	<input type="text"/>	State	<input type="text"/>	Date of Birth	<input type="text"/>
Zip Code	<input type="text"/>	Phone Number	<input type="text"/>		
Other	<input type="text"/>	Email	<input type="text"/>		

## Suspicious Activity Details

Use the box below to describe the activity you're referring.

*The Narrative must contain the Who, What, When, Where, Why, and How of the suspicious activity being reported.*

- Who is involved in the activity? - List names of all individuals that may be involved in the suspicious activity.
- What activity seems to be suspicious? - Explain in detail what occurred. Include dollar amounts.
- When did the activity occur? - Dates of transactions or customer contact.
- Where did the activity occur? - Location activity/transactions took place.
- Why do you believe the activity is suspicious? - What specific activity did not appear to be normal for the account?
- How were the transactions conducted? In person or over the phone?

Reset Form

Print Form

Submit by Email

Compliance Department Confidential

May 2023

## **APPENDIX 2. ANTI-MONEY LAUNDERING AND ID THEFT REFERENCE MATERIALS**

There are several warning signs, or “red flags,” associated with the sale and reload of Netspend products and Services. These characteristics and behaviors could be indicators of identity theft or other illegal activity.

You should be familiar with these warning signs, as well as the extensive list of red flags identified by the Federal Trade Commission (the “FTC”) for identity theft. **More information may be found at <http://www.business.ftc.gov/documents/bus23-fighting-identity-theft-red-flags-rule-how-guide-business>.**

WHETHER YOU OBSERVE JUST ONE OR A COMBINATION OF MANY RED FLAGS, IT MAY REQUIRE THE OBSERVANCE OF JUST ONE RED FLAG TO WARRANT FURTHER INVESTIGATION.

### **Be on the lookout for customers who:**

- (a) Are in a hurry or seem nervous or evasive
- (b) Offer bribes, tips, or other gratuities
- (c) Provide inconsistent information
- (d) Are reluctant to provide identification or information
- (e) Change their mind multiple times during the course of a transaction
- (f) Use unusual or suspicious identification documents that cannot be readily verified
- (g) Admit to criminal activity
- (h) Cash a large number of third-party checks, then transfer the proceeds to a Netspend Prepaid Card or DDA
- (i) Use multiple IDs on different occasions (e.g., name, address and/or identification number on IDs are different)
- (j) Go to different tellers or locations and perform multiple transactions

### **Other examples of unusual or suspicious customer activity include:**

- (a) Receiving disbursements of cash from a Netspend Prepaid Card or DDA, followed by the purchase of money orders, traveler’s checks, or other monetary instruments
- (b) Transactions are conducted at a particular retail location on a regular basis, but customer seems to neither reside nor work in the retail location’s service area
- (c) Use of musty bills with an unusual, chemical-like odor
- (d) Frequent high-dollar loads consisting of small-dollar denominations
- (e) Frequent loads with currency wrapped in currency straps or in rubber bands that appear disorganized and do not balance when counted

### **APPENDIX 3. ELDER ABUSE: Reporting Financial Exploitation of Older Adults**

The National Center on Elder Abuse (NCEA) identifies **Elder Abuse** as the illegal or improper use of an older adult's funds, property, or assets. This form of Elder Abuse is also known as **Financial Exploitation**. Recent studies suggest that financial exploitation is the most common form of elder abuse and that only a small fraction of incidents are reported.

As a distributor of Netspend and issuer of financial services you can play a key role in preventing elder financial exploitation. The Financial Crimes Enforcement Network (FinCEN) strongly encourages the prompt reporting of suspected financial exploitation.

#### **Potential Indicators of Elder Financial Exploitation**

FinCEN provides the following guidelines in identifying potential red flag indicators of elder financial exploitation. This list of red flags identifies only possible signs of illicit activity. You should always evaluate the indicators of potential financial exploitation in combination with other red flags and expected transaction activity being conducted by or on behalf of the elder. Additional investigation and analysis may be necessary to determine if the activity is suspicious.

You may become aware of individuals conducting illicit activity against the elderly through monitoring transaction activity that is not consistent with expected behavior. In addition, you may become aware of such scams through the direct interactions with elderly customers who are being financially exploited. In many cases, branch or store personnel familiarity with specific victim customers may lead to the identification of unusual activity that could alert the business to initiate a review of the customer activity.

#### *Red flag indicators for Elder Financial Exploitation:*

1. Erratic or unusual purchases or transactions, or changes in account patterns:
  - Frequent large withdrawals, including daily maximum currency withdrawals from an ATM;
  - Sudden Non-Sufficient Fund activity;
  - Uncharacteristic nonpayment for services, which may indicate a loss of funds or access to funds;
  - Debit transactions that are inconsistent for the elder;
  - Uncharacteristic attempts to wire large sums of money;
  - Closing of accounts without regard to penalties.
2. Interactions with customers or caregivers:
  - A caregiver or other individual shows excessive interest in the elder's finances or assets, does not allow the elder to speak for himself, or is reluctant to leave the elder's side during conversations;
  - The elder shows an unusual degree of fear or submissiveness toward a caregiver, or expresses a fear of eviction or nursing home placement if money is not given to a caretaker;
  - The financial institution is unable to speak directly with the elder, despite repeated attempts to contact him or her;
  - A new caretaker, relative, or friend suddenly begins conducting financial transactions on behalf of the elder without proper documentation;
  - The customer moves away from existing relationships and toward new associations with other "friends" or strangers;
  - The elderly individual's financial management changes suddenly, such as through a change of power of attorney to a different family member or a new individual;
  - The elderly customer lacks knowledge about his or her financial status, or shows a sudden reluctance to discuss financial matters.

## How to Report?

If you suspect Elder Financial Exploitation **REPORT IT IMMEDIATELY** to the following agencies:

- Contact local Law Enforcement
- Contact the Adult Protective Services (APS) located in your community. You can find information about reaching your local APS office at the Eldercare Locator at [www.eldercare.gov](http://www.eldercare.gov)
- You may need to report to additional entities based on your state requirements.
- If applicable, report to FinCEN via your internal SAR process.
- **If the activity involves a Netspend account, report the activity by completing the Unusual/Suspicious Activity Referral Form** (fillable PDF form available from Netspend; see Appendix 1) or please call the Netspend Compliance Department at 1-866-914-7224 about any suspicious activity involving a Product and Service.

## More Resources

*For more info on elder abuse you can go to:*

- National Center on Elder Abuse at [www.ncea.acl.gov](http://www.ncea.acl.gov)
- Consumer Financial Protection Bureau at [www.consumerfinance.gov/practitioner-resources/resources-for-older-adults/protecting-against-fraud](http://www.consumerfinance.gov/practitioner-resources/resources-for-older-adults/protecting-against-fraud)

**APPENDIX 4. RECEIPT LANGUAGE**

State(s)	Receipt Language
<p>New York</p> <p>Receipts Information:            1) Dollar Amount of any transfer using the Remittance Service;            2) Fee charged for any transfer using the Remittance Service;            3) If the Prepaid Card or DDA is mentioned on the receipt, an issuer statement must be present;            4) The block of text "Netspend Corporation is licensed...(800) 342 – 3736 <a href="http://www.dfs.ny.gov/consumer/fileacomplaint.htm">http://www.dfs.ny.gov/consumer/fileacomplaint.htm</a>";            5) The date of the transfer using the Remittance Service;            6) The store location where the transfer using the Remittance service was made; and            7) A unique transaction identifier.</p>	<p align="center">SAMPLE</p> <p>All-Access Account - Open - Bank 1 \$00.00            Netspend Prepaid – Open – Bank \$00.00</p> <p align="right">Package Purchase Fee \$00.00</p> <p align="right">Transfer Amount 1 \$00.00            Service Fees 1 \$00.00</p> <p align="right">Subtotal \$00.00            Tax:0.00% \$ 00.00            Total: \$ \$00.00</p> <p align="center">Unique #: 000000123456789</p> <p>The [All-Access Account] is a deposit account established by [Bank, National Association, Member FDIC.]            Or            Card is issued by [Bank, National Association, Member FDIC.]</p> <p>"Netspend Corporation (NMLS ID: 932678) is licensed by the New York State Department of Financial Services located at One State Street, New York, NY 10004-1511, to engage in money transmission, the sale of payment instruments, and the sale of prepaid card products and payment instruments in the State of New York. Subject to the terms of the Cardholder Agreement, Netspend assumes responsibility for the delivery of funds tendered to its agents located in New York State. In-store card purchase and reload fees are non-refundable. Please call Netspend's Customer Service Department with questions about our refund policy.</p> <p>If you have a complaint regarding the money transmission activity and/or the sale of prepaid card products, first contact Netspend Customer Service Department toll-free at 1-866-387-7363 or by mail at:</p>

	<p>Netspend Corporation  PO Box 2136  Austin, TX 78768  If you still have an unresolved complaint, please mail your complaint to New York State Department of Financial Services' Consumer Assistance Unit at:</p> <p>Consumer Assistance Unit  New York State Department of Financial Services  One Commerce Plaza Albany, NY 12257  (800) 342 - 3736</p> <p><a href="http://www.dfs.ny.gov/consumer/fileacomplaint.htm">http://www.dfs.ny.gov/consumer/fileacomplaint.htm</a></p>																								
<p>Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, Nevada, New Hampshire, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Washington D.C., West Virginia, Wisconsin, Wyoming</p> <p>Receipt Information:  1) Dollar Amount of any transfer using the Remittance Service;  2) Fee charged for any transfer using the Remittance Service;  3) If the Prepaid Card or DDA is mentioned on the receipt, an issuer statement must be present.  4) The date of the transfer using the Remittance Service;  5) The store location where the transfer using the Remittance service was made;  6) A unique transaction identifier  7) The block of text "Netspend Corporation...Austin, TX 78768"</p>	<p style="text-align: center;">SAMPLE</p> <table border="0"> <tr> <td>All-Access Account - Open - Bank</td> <td style="text-align: right;">1</td> <td style="text-align: right;">\$00.00</td> </tr> <tr> <td>Netspend Prepaid – Open – Bank</td> <td></td> <td style="text-align: right;">\$00.00</td> </tr> <tr> <td>Package Purchase Fee</td> <td></td> <td style="text-align: right;">\$00.00</td> </tr> <tr> <td>Transfer Amount</td> <td style="text-align: right;">1</td> <td style="text-align: right;">\$00.00</td> </tr> <tr> <td>Service Fees</td> <td style="text-align: right;">1</td> <td style="text-align: right;">\$00.00</td> </tr> <tr> <td>Subtotal</td> <td></td> <td style="text-align: right;">\$00.00</td> </tr> <tr> <td>Tax:0.00% \$</td> <td></td> <td style="text-align: right;">00.00</td> </tr> <tr> <td>Total: \$</td> <td></td> <td style="text-align: right;">\$00.00</td> </tr> </table> <p>Unique #: 000000123456789</p> <p>The [All-Access Account] is a deposit account established by [Bank, National Association, Member FDIC.]  Or  Card is issued by [Bank, National Association, Member FDIC.]</p> <p>"Netspend Corporation (NMLS ID: 932678) is a licensed money transmitter. In-store card purchase and reload fees are non-refundable. Please contact Netspend Customer Service with questions about our refund policy. You may contact Netspend Customer Service toll-free at 1-866-387-7363 (1-86-NETSPEND) or by mail at:</p> <p>Netspend Corporation  PO Box 2136  Austin, TX 78768"</p>	All-Access Account - Open - Bank	1	\$00.00	Netspend Prepaid – Open – Bank		\$00.00	Package Purchase Fee		\$00.00	Transfer Amount	1	\$00.00	Service Fees	1	\$00.00	Subtotal		\$00.00	Tax:0.00% \$		00.00	Total: \$		\$00.00
All-Access Account - Open - Bank	1	\$00.00																							
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Package Purchase Fee		\$00.00																							
Transfer Amount	1	\$00.00																							
Service Fees	1	\$00.00																							
Subtotal		\$00.00																							
Tax:0.00% \$		00.00																							
Total: \$		\$00.00																							

<p>Montana</p> <p>Receipt Information:</p> <ol style="list-style-type: none"> <li>1) Dollar Amount of any transfer using the Remittance Service;</li> <li>2) Fee charged for any transfer using the Remittance Service;</li> <li>3) If the Prepaid Card or DDA is mentioned on the receipt, an issuer statement must be present.</li> <li>4) The date of the transfer using the Remittance Service;</li> <li>5) The store location where the transfer using the Remittance service was made;</li> <li>6) A unique transaction identifier; and</li> <li>7) The block of text "In-store card purchase...Austin, TX 78768".</li> </ol>	<p style="text-align: center;">SAMPLE</p> <p>All-Access Account - Open - Bank 1 \$00.00  Netspend Prepaid – Open – Bank \$00.00</p> <p style="padding-left: 40px;">Package Purchase Fee \$00.00</p> <p style="padding-left: 40px;">Transfer Amount 1 \$00.00  Service Fees 1 \$00.00</p> <p style="padding-left: 40px;">Subtotal \$00.00  Tax:0.00% \$ 00.00  Total: \$ \$00.00</p> <p style="padding-left: 40px;">Unique #: 000000123456789</p> <p>The [All-Access Account] is a deposit account established by [Bank, National Association, Member FDIC.]  Or  Card is issued by [Bank, National Association, Member FDIC.]</p> <p>In-store card purchase and money transmission fees are non-refundable. Please contact Netspend Customer Service with questions about our refund policy. You may contact Netspend Customer Service toll-free at 1-866-387-7363 (1-86-NETSPEND) or by mail at:</p> <p>Netspend Corporation  PO Box 2136  Austin, TX 78768</p>
<p>California (As required by California Financial Code Section 2103), the receipt language should appear in at least 8-point font)</p> <p>Receipt Information:</p> <ol style="list-style-type: none"> <li>1) The name of the Sender;</li> <li>2) The name of the designated recipient;</li> <li>3) the date of the transaction;</li> <li>4) name of the licensee</li> <li>5) the amount being transferred (using the term "Transfer Amount")</li> <li>6) Any fees and taxes imposed on the money transmission by the licensee or agent; and</li> <li>7) The right to refund paragraph</li> </ol> <p>Dollar Amount of any transfer using the Remittance Service.</p>	<p style="text-align: center;">SAMPLE</p> <p>Date/Fecha: 5/27/2016 16:58 GMT-06:00 (CST)</p> <p>Sender/ : [Card last 4 or Name]  Remitente</p> <p>Recipient/ : [Name or  Bank]  Beneficiario</p> <p>Service Fees/ : \$ 0.00  Cargos por el servicio</p> <p>Transfer Amount/ : \$ 00.00  Cantidad de Transferir</p>



\* Modifications to this receipt must be approved by the state of California Department of Business Oversight prior to use.

\*\* If we advertise the Products and Services in any language other than English, the receipt is required to be made in English and in the language principally used by that licensee / agent to conduct such advertisement. Please contact your account manager if receipt language other than English or English and Spanish is required.

\_\_\_\_\_

Total Due/ : \$ 00.00  
Cantidad a Pagar

NetSpend Corporation is a licensed money transmitter (NMLS ID: 932678). You, the customer, are entitled to a refund of the money to be transmitted as the result of this agreement if NetSpend Corporation does not forward the money received from you within 10 days of the date of its receipt, or does not give instructions committing an equivalent amount of money to the person designated by you within 10 days of the date of the receipt of the funds from you unless otherwise instructed by you.

If your instructions as to when the moneys shall be forwarded or transmitted are not complied with and the money has not yet been forwarded or transmitted you have a right to a refund of your money.

If you want a refund, you must mail or deliver your written request to NetSpend Corporation at PO Box 2136 Austin, TX 78768. If you do not receive your refund, you may be entitled to your money back plus a penalty of up to \$1,000 and attorney's fees pursuant to Section 2102 of the California Financial Code.

If you have any questions about NetSpend Corporation's refund policy you may contact NetSpend Customer Service toll-free at 1-866-387-7363 (1-86-NETSPEND) or by mail at:

NetSpend Corporation  
P.O. Box 2136  
Austin, TX 78768

NetSpend Corporation (NMLS ID: 932678) es una empresa de transferencia de dinero acreditada. Usted, el(la) cliente, tiene derecho a un reembolso del dinero que se transmita como resultado de este acuerdo si NetSpend Corporation no envía el dinero recibido de usted en un plazo de 10 días desde la fecha de su recepción, o no da instrucciones destinando una cantidad equivalente de dinero a la persona designada por usted dentro de los 10 días siguientes a la fecha de recepción de los fondos

	<p>facilitados por usted, a menos que usted indique lo contrario.</p> <p>Si sus instrucciones acerca de cuándo se enviará o transferirá el dinero no se cumplen, y el dinero no ha sido enviado o transmitido todavía, usted tiene derecho al reembolso de su dinero.</p> <p>Si desea recibir dicho reembolso, deberá enviar por correo o hacernos llegar de otra forma una solicitud por escrito a NetSpend Corporation a la siguiente dirección: PO Box 2136 Austin, TX 78768. Si no recibe su reembolso, podría tener derecho a la devolución del dinero más una multa de hasta \$1,000 y los correspondientes honorarios de abogados, según establece la Sección 2102 del Código Financiero de California.</p> <p>Si usted tiene pregunta alguna acerca de la póliza de reembolso de NetSpend Corporation puede comunicarse con el departamento de servicio al cliente gratis al 1-866-387-7363 (1-86-NETSPEND) o a través del correo a:</p> <p>NetSpend Corporation PO Box 2136 Austin, TX 78768</p>
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## APPENDIX 5. DATA SECURITY REFERENCE MATERIALS

### PAYMENT CARD INDUSTRY DATA SECURITY STANDARDS (“PCI DSS”)

The PCI DSS is a multi-faceted security standard that includes requirements for security management; policies; procedures; network architecture; software design; and other critical protective measures. This comprehensive standard is intended to help organizations proactively protect customer account data.

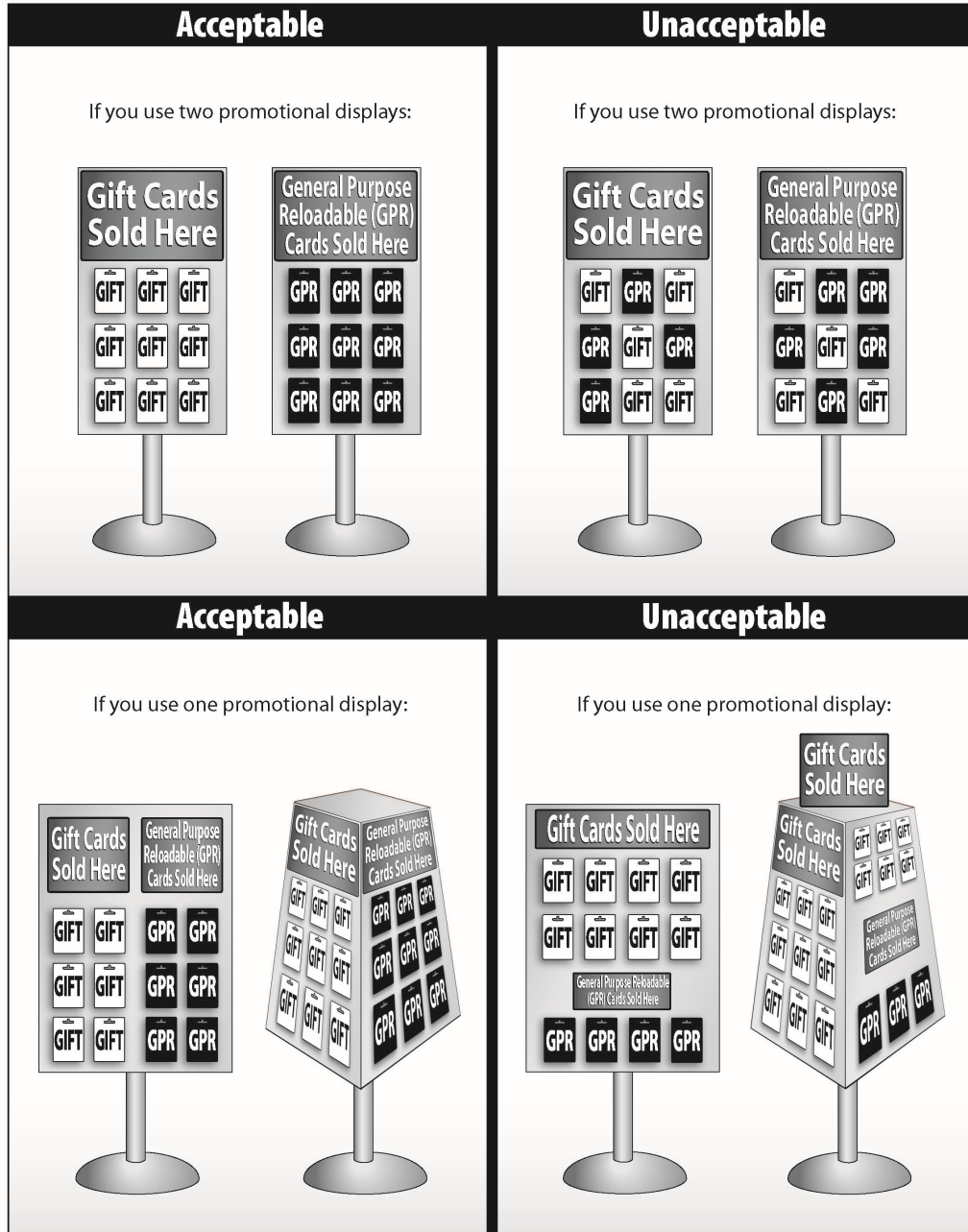
**The core of the PCI DSS is a group of six principles and 12 accompanying requirements:**

- (a) Build and maintain a secure network**
  - Requirement 1: Install and maintain a firewall configuration to protect cardholder data
  - Requirement 2: Do not use vendor-supplied defaults for system passwords and other security parameters
- (b) Protect Cardholder data**
  - Requirement 3: Protect stored cardholder data
  - Requirement 4: Encrypt transmission of cardholder data across open, public networks
- (c) Maintain a Vulnerability Management Program**
  - Requirement 5: Use and regularly update anti-virus software
  - Requirement 6: Develop and maintain secure systems and applications
- (d) Implement strong access control measures**
  - Requirement 7: Restrict access to cardholder data by business need-to-know
  - Requirement 8: Assign a unique ID to each person with computer access
  - Requirement 9: Restrict physical access to cardholder data
- (e) Regularly monitor and test networks**
  - Requirement 10: Track and monitor all access to network resources and cardholder data
  - Requirement 11: Regularly test security systems and processes
- (f) Maintain an Information Security Policy**
  - Requirement 12: Maintain a policy that addresses information security

For more information, visit [www.pcisecuritystandards.org/security\\_standards/index.php](http://www.pcisecuritystandards.org/security_standards/index.php)

## APPENDIX 6.

### In-Store Merchandising and Display of Prepaid Cards



### APPENDIX 7. NETSPEND CARD MONTHLY SPOILAGE LOG

<b>Netspend Card Monthly Spoilage Log</b> (to be completed at the end of each day)				
<b>Date and Time</b>	<b># of Netspend cards spoiled during business day (damaged or transferred)</b>	<b>Unique Control Numbers</b>	<b>Signatures of each employee completing this log</b>	

**NETSPEND CARD DESTRUCTION LOGS**

Netspend Card Destruction Log (to be completed at the end of each day)				
Date and Time of Card Destruction	# of Netspend cards destroyed during business day	Unique Control Number (Green 8-digit # at bottom of kit)	Signatures of each employee completing this log	
6/25/2020	4	XXXXXXXX, XXXXXXXX	<i>John Smith</i>	<i>Jane Doe</i>
		XXXXXXXX, XXXXXXXX		

## APPENDIX 8. MONEY TRANSMITTER REQUIREMENTS BY SUBJECT STATES

### ALABAMA

1. Operate in full compliance with Title 8, Chapter 7A of the Code of Alabama and any policies and procedures provided to Agent by NetSpend in connection with same. *Ala. Code § 8-7A-11(a), (b)*.
2. Not use a sub-delegate to conduct money services on behalf of NetSpend. *Ala. Code § 8-7A-11(c)*.
3. Consent to an annual on-site examination by the Alabama Securities Commission. *Ala. Code § 8-7A-12(a)*.
4. Consent to an on-site examination by the Alabama Securities Commission without prior notice to Agent in the event that the Alabama Securities Commission has reason to believe that Agent is engaging in an unsafe or unsound practice or has violated or is violating Title 8, Chapter 7A of the Code of Alabama or any rule adopted or issued thereunder. *Ala. Code § 8-7A-12(b)*.
5. Pay all reasonably incurred costs of an on-site examination by the Alabama Securities Commission. *Ala. Code § 8-7A-12(c)*.
6. Maintain a file of all reports required by federal currency reporting, record keeping, and suspicious transaction reporting requirements as set out in 31 U.S.C. § 5311, and other federal and state laws pertaining to money laundering. *Ala. Code § 8-7A-13(d)*.
7. Make available all records to reasonable, periodic, or special examination by the Alabama Securities Commission, at any time or from time to time, whether the records are located within or outside the State of Alabama, as the Alabama Securities Commission deems necessary or appropriate to the public interest. *Ala. Code § 8-7A-14(c)*.

### ALASKA

1. Operate in full compliance with the Alaska Uniform Money Services Act and any policies and procedures provided to Agent by NetSpend in connection with same. *Alaska Stat. § 06.55.301(a)*.
2. Remit all money owing to NetSpend under the terms of the contract between NetSpend and Agent. *Alaska Stat. § 06.55.301(b)*.
3. Cease to provide money services as an authorized delegate of NetSpend upon notice by the Alaska Department of Commerce, Community and Economic Development that NetSpend's money service license is suspended and/or revoked. *Alaska Stat. § 06.55.301(c)*.
4. Not provide money services outside the scope of activity permissible under the contract between Agent and NetSpend. *Alaska Stat. § 06.55.30(d)*.
5. Hold in trust for the benefit of NetSpend all money, net of fees, received from money transmission. *Alaska Stat. § 06.55.301(d)*.
6. Not use a sub-delegate to conduct money services on behalf of NetSpend. *Alaska Stat. § 06.55.301(e)*.
7. Consent to an on-site examination by the Alaska Department of Commerce, Community, and Economic Development. *Alaska Stat. § 06.55.401(a)*.
8. File with the Alaska attorney general all reports required by federal currency reporting, record keeping, and suspicious transaction reporting requirements as set out in 31 U.S.C. 5311, 31 C.F.R. 103, and other federal

and state laws pertaining to money laundering. *Alaska Stat. § 06.55.406(a)*.

9. Not disclose to another person financial information, defined to include a consumer's social security number, taxpayer identification number, account number, credit card account number, debit card account number, personal identification number, payment instrument number, or access code, provided to NetSpend or Agent by such consumer except when, and only to the extent that, the disclosure is (1) authorized in writing by the consumer; (2) required by federal, state, or local law; (3) required by an order issued by a court or an administrative agency; or (4) part of the money services transaction ordered by the consumer. *Alaska Stat. § 06.55.407(d)-(e)*.

10. Display a sign at each location where Agent provides money services under the Alaska Uniform Money Services Act. The sign shall be displayed at all times in full view of persons visiting the location and shall give the Alaska Department of Commerce, Community and Economic Development's address and telephone number for receiving calls regarding complaints and other concerns about NetSpend and/or Agent. *Alaska Stat. § 06.55.810(b)-(c)*.

### ARIZONA

#### Article 1

#### 6-1201. Definitions

In this chapter, unless the context otherwise requires:

1. "Authorized delegate" means Agent.
2. "Check cashing" means exchanging for compensation a check, debit card payment order, draft, money order, traveler's check or payment instrument of a licensee for money delivered to the presenter at the time and place of the presentation.
3. "Control" means ownership of fifteen per cent or more of a licensee or controlling person, or the power to vote fifteen per cent or more of the outstanding voting securities of a licensee or controlling person. For the purpose of determining the percentage controlled by any one person, that person's interest shall be aggregated with the interest of any other person controlled by that person or an officer, partner or authorized delegate of that person, or by a spouse, parent or child of that person.
4. "Controlling person" means a person directly or indirectly in control of a licensee.
5. "Engage in the business" means conducting activities regulated under this chapter more than ten times in any calendar year for compensation or in the expectation of compensation. For purposes of this paragraph, "compensation" means any fee, commission or other benefit.
6. "Foreign money exchange" means exchanging for compensation money of the United States government or a foreign government to or from money of another government at a conspicuously posted exchange rate at the time and place of the presentation of the money to be exchanged.
7. "Licensee" means NetSpend.
8. "Location" means a place of business at which activity regulated by this chapter occurs.
9. "Money" means a medium of exchange that is authorized or adopted by a domestic or foreign government as a part of its currency and that is customarily used and accepted as a medium of exchange in the country of issuance.
10. "Money accumulation business" means obtaining money from a money transmitter as part of any activity that is carried on for financial

gain if the money that is obtained by all persons acting in concert in the activity, in amounts of one thousand dollars or more, totals over fifty thousand dollars in the preceding twelve-month period. Money accumulation business does not include a person who is subject to the reporting requirements under 31 United States Code section 5313. The exception that is established by 31 United States Code section 5331, subsection (c), paragraph 1 does not apply to persons who are engaged in the money accumulation business.

11. "Money transmitter" means a person who is located or doing business in this state, including a check casher and a foreign money exchanger, and who does any of the following:

- (a) Sells or issues payment instruments.
- (b) Engages in the business of receiving money for the transmission of or transmitting money.
- (c) Engages in the business of exchanging payment instruments or money into any form of money or payment instrument.
- (d) Engages in the business of receiving money for obligors for the purpose of paying that obligor's bills, invoices or accounts.
- (e) Meets the definition of a bank, financial agency or financial institution as prescribed by 31 United States Code section 5312 or 31 Code of Federal Regulations section 103.11.

12. "Outstanding payment instruments" means unpaid payment instruments whose sale has been reported to a licensee.

13. "Payment instrument" means a check, draft, money order, traveler's check or other instrument or order for the transmission or payment of money sold to one or more persons whether or not that instrument or order is negotiable. Payment instrument does not include an instrument that is redeemable by the issuer in merchandise or service, a credit card voucher or a letter of credit.

14. "Permissible investment" means any of the following:

- (a) Money on hand or on deposit in the name of the licensee.
- (b) Certificates of deposit or other debt instruments of a bank, savings and loan association or credit union.
- (c) Bills of exchange or time drafts that are drawn on and accepted by a bank, otherwise known as banker's acceptances, and that are eligible for purchase by member banks of the federal reserve system.
- (d) Commercial paper bearing a rating of one of the three highest grades as defined by a nationally recognized organization that rates these securities.
- (e) Securities, obligations or other instruments whose payment is guaranteed by the general taxing authority of the issuer, of the United States or of any state or by any other governmental entity or any political subdivision or instrumentality of a governmental entity and that bear a rating of one of the three highest grades by a nationally recognized investment service organization that has been engaged regularly in rating state and municipal issues for at least five years.
- (f) Stocks, bonds or other obligations of a corporation organized in any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico or the several territories organized by Congress that bear a rating of one of the three highest grades by a nationally recognized investment service organization that has been engaged regularly in rating corporate securities for at least five years.
- (g) Any receivable that is due to a licensee from its authorized delegate pursuant to a contract between the licensee and authorized delegate as prescribed in section 6-1208 if the amount of investment in those receivables does not exceed ninety per cent of the total amount of those receivables after subtracting the amount of those receivables that are past due or doubtful of collection.

15. "Responsible individual" means a person who is employed by a licensee and who has principal active management authority over the business of the licensee in this state that is regulated under this chapter.

16. "Trade or business" has the same meaning prescribed in section 162 of the internal revenue code of 1954 and includes the money accumulation business.

17. "Transmitting money" means the transmission of money by any means including transmissions within this country or to or from locations abroad

by payment instrument, wire, facsimile internet or any other electronic transfer, courier or otherwise.

18. "Traveler's check" means an instrument identified as a traveler's check on its face or commonly recognized as a traveler's check and issued in a money multiple of United States or foreign currency with a provision for a specimen signature of the purchaser to be completed at the time of purchase and a countersignature of the purchaser to be completed at the time of negotiation.

#### 6-1202. License required

A. A person shall not sell or issue payment instruments, engage in the business of receiving money for transmission or transmitting money, engage in the business of exchanging payment instruments or money into any form of money or payment instrument or engage in the business of receiving money for an obligor for the purpose of paying that obligor's bills, invoices or accounts without first obtaining a license as provided in this chapter or becoming an authorized delegate of a licensee with respect to those activities. A licensee is under the jurisdiction of the department. A person who is not licensed under this chapter or who is not an authorized delegate of a licensee with respect to those activities is presumed to be engaged in a business that is regulated by this chapter and that requires a license if the person advertises, solicits or holds himself out as being in the business of selling or issuing payment instruments, of receiving money for transmission or transmitting money or of converting one form of money to another form of money.

B. No person other than a corporation or limited liability company organized and in good standing under the laws of the state of its incorporation or formation or a corporation or limited liability company organized under the laws of a country other than the United States and in good standing under the laws of the country of its incorporation or formation and authorized to do business in this state may apply for or be issued a license as provided in this chapter.

C. A person engages in business activity regulated by this chapter in this state if any of the following applies:

1. Conduct constituting any element of the regulated activity occurs in this state.
2. Conduct occurs outside this state and constitutes an attempt, offer or conspiracy to engage in the activity within this state and an act in furtherance of the attempt, offer or conspiracy occurs within this state.
3. As part of a business activity described by this section a person knowingly transmits money into this state or makes payments in this state without disclosing the identity of each person on whose behalf money was transmitted or payment was made.

#### 6-1203. Exemptions

A. This chapter does not apply to:

1. The United States or any department or agency of the United States.
  2. This state, including any political subdivision of this state.
- B. This chapter does not apply to the following if engaged in the regular course of their respective businesses, except that the provisions of article 2 of this chapter apply to:
1. A bank, financial institution holding company, credit union, savings and loan association or savings bank, whether organized under the laws of any state or the United States when the term "money transmitter" is used.
  2. A person who engages in check cashing or foreign money exchange and engages in other activity regulated under this chapter only as an authorized delegate of a licensee acting within the scope of the contract between the authorized delegate and the licensee.
  3. A person licensed pursuant to chapter 5, 6, 7 or 8 of this title, chapter 9, article 2 of this title, chapter 12.1 of this title or title 32, chapter 9.

#### 6-1204. Application for license: fees

A. Each application for a license shall be made in writing, under oath and in the form prescribed by the superintendent. The application shall contain at least the following:



1. Copies of the articles of incorporation for the applicant, a listing of all trade names or fictitious names used by the applicant and other information concerning the corporate status of the applicant.

2. The address of the applicant's principal place of business, the address of each location where the applicant intends to transact business in this state, including any branch offices, and the name and address of each location of any authorized delegates.

3. For each executive officer and director of the applicant and for each executive officer and director of any controlling person, unless the controlling person is a publicly traded company on a recognized national exchange and has assets in excess of four hundred million dollars, a statement of personal history in the form prescribed by the superintendent.

4. An identification statement for each branch manager and responsible individual including all of the following:

(a) Name and any aliases or previous names used.

(b) Date and place of birth.

(c) Alien registration information, if applicable.

(d) Employment history and residence addresses for the preceding fifteen years.

(e) Social security number.

(f) Criminal convictions, excluding traffic offenses.

5. The name and address of each authorized delegate.

6. The identity of any account in any financial institution through which the applicant intends to conduct any business regulated under this chapter.

7. A financial statement audited by a licensed independent certified public accountant.

B. Each application shall be accompanied by the nonrefundable application fee and an annual fee as prescribed in section 6-126.

#### 6-1205. Bond required; conditions; notice; cancellation; substitution

A. Each application for a license shall be accompanied by and each licensee shall maintain at all times a bond executed by the licensee as principal and a surety company authorized to do business in this state as surety. The bond shall be in the amount of twenty-five thousand dollars for a licensee with five or fewer authorized delegates and locations, one hundred thousand dollars for a licensee with more than five but fewer than twenty-one authorized delegates and locations and an additional five thousand dollars for each authorized delegate and location in excess of twenty but fewer than two hundred one authorized delegates and locations, to a maximum of two hundred fifty thousand dollars and an additional five thousand dollars for each authorized delegate and location in excess of two hundred authorized delegates and locations, to a maximum of five hundred thousand dollars.

B. The bond shall be conditioned on the faithful compliance of the licensee, including its directors, officers, authorized delegates and employees, with this chapter. The bond shall be payable to any person injured by the wrongful act, default, fraud or misrepresentation of the licensee, his authorized delegates or his employees or to the state for the benefit of the person injured. Only one bond is required for any licensee irrespective of the number of officers, directors, locations, employees or authorized delegates of that licensee.

C. The bond shall remain in effect until cancelled by the surety, which cancellation may be had only after thirty days' written notice to the superintendent. That cancellation does not affect any liability incurred or accrued during the thirty day period.

D. In lieu of the bond prescribed in this section, an applicant for a license or a licensee may deposit with the superintendent cash or alternatives to cash acceptable to the superintendent in the amount of the required bond. Notwithstanding section 35-155, subsection E, the principal amount of the deposit shall be released only on written authorization of the superintendent or on the order of a court of competent jurisdiction. The principal amount of the deposit shall not be released to the licensee before the expiration of five years from the first occurrence of any of the following:

1. The date of substitution of a bond for a cash alternative unless the superintendent determines in his discretion that the bond constitutes

adequate security for all past, present or future obligations of the licensee. After that determination, the cash alternative may be immediately released.

2. The surrender of the license.

3. The revocation of the license.

4. The expiration of the license.

E. Notwithstanding subsections A through D of this section, if the required amount of the bond is reduced, whether by change in the number of authorized delegates or locations or by legislative action, a cash deposit in lieu of that bond shall not be correspondingly reduced but shall be maintained at the higher amount until the expiration of three years from the effective date of the reduction in the required amount of that bond unless the superintendent in his discretion determines otherwise.

#### 6-1205.01. Net worth requirements

A. Each applicant for a license shall have and each licensee shall maintain at all times a net worth of at least one hundred thousand dollars, calculated according to generally accepted accounting principles.

B. Any licensee who is engaged in the business regulated under this chapter at more than one location pursuant to section 6-1207 or through authorized delegates pursuant to section 6-1208 shall have an additional net worth of fifty thousand dollars for each location or authorized delegate located in this state, as applicable, to a maximum of five hundred thousand dollars.

C. A licensee whose business conducts a total of more than five hundred thousand dollars in transactions that involve transmitting money in an amount of one thousand dollars or more during the preceding year shall maintain net worth in addition to the amounts required by subsections A and B of this section. The additional net worth shall be not less than ten per cent of the total of such transactions conducted in this state, calculated according to generally accepted accounting principles to a maximum of five hundred thousand dollars.

#### 6-1206. Issuance of license; renewal

A. On the filing of a complete application, the superintendent shall investigate the financial condition and responsibility, financial and business experience, character and general fitness of the applicant. In his discretion, the superintendent may conduct an on-site investigation of the applicant, the reasonable cost of which shall be borne by the applicant. The superintendent shall issue a license to an applicant if the superintendent finds that all of the following conditions are met:

1. The applicant has complied with sections 6-1204, 6-1205 and 6-1205.01.

2. The competence, experience and integrity of the officers, directors and controlling persons and any proposed management personnel indicate that it would be in the interest of the public to permit such person to participate in the affairs of a licensee.

3. The applicant has paid the required license fee.

B. The superintendent shall approve or deny every application for an original license within one hundred twenty days after the date an application is complete, which period may be extended by the written consent of the applicant. The superintendent shall notify the applicant of the date on which the application is determined to be complete. In the absence of approval or denial of the application or consent to the extension of the one hundred twenty day period, the application is deemed approved and the superintendent shall issue the license effective as of the first business day after that one hundred twenty day period or any extended period.

C. A licensee shall pay a renewal fee as prescribed in section 6-126 on or before November 1 of each year. The renewal fee shall be accompanied by a renewal application in the form prescribed by the superintendent. A license for which no renewal fee and application have been received by November 1 shall be suspended. A licensee may renew a suspended license no later than December 1 of the year of expiration by paying the renewal fee plus one hundred dollars for each day the

renewal fee and application were not received by the superintendent. A license expires on December 1 of each year, unless earlier renewed, surrendered or revoked. A license shall not be granted to the holder of an expired license or to an incorporator, director or officer of the holder of an expired license except on compliance with the requirements provided in this article for an original license.

#### 6-1207. Principal and branch offices; notices

A. A licensee shall designate and maintain a principal place of business for the transaction of business regulated by this chapter. If a licensee maintains one or more places of business in this state, the licensee shall designate a place of business in this state as its principal place of business for purposes of this section. The license shall specify the address of the principal place of business and shall designate a responsible individual for its principal place of business.

B. If a licensee maintains one or more locations in this state in addition to a principal place of business, and those locations are to be under the control of the licensee and not under the control of authorized delegates as prescribed in section 6-1208, the licensee shall obtain a branch office license from the superintendent for each additional location by filing an application as required by the superintendent at the time the licensee files its license application. If branch offices are added by the licensee, the licensee shall file with the superintendent an application for a branch office license with the licensee's next quarterly fiscal report prescribed by section 6-1211. The superintendent shall issue a branch office license if the superintendent determines that the licensee has complied with the provisions of this subsection. The license shall indicate on its face the address of the branch office and shall designate a manager for each branch office to oversee that office. The superintendent may disapprove the designated manager then or at any later time if the superintendent finds that the competence, experience and integrity of the branch manager warrants disapproval. A person may be designated as the manager for more than one branch. The licensee shall submit a fee as prescribed in section 6-126 for each branch office license.

C. A licensee shall prominently display the money transmitter license in its principal place of business and the branch office license in each branch office. Each authorized delegate shall prominently display at each location a notice in a form prescribed by the superintendent that indicates that the authorized delegate is an authorized delegate of a licensee under this chapter.

D. If the address of the principal place of business or any branch office is changed, the licensee shall immediately notify the superintendent of the change. The superintendent shall endorse the change of address on the license for a fee as prescribed in section 6-126.

#### 6-1208. Authorized delegates of licensee; reports

A. A licensee may conduct the business regulated under this chapter at one or more locations in this state through authorized delegates designated by the licensee.

B. Each contract between a licensee and an authorized delegate shall require the authorized delegate to operate in full compliance with the law and shall contain as an appendix a current copy of this chapter. The licensee shall provide each authorized delegate with operating policies and procedures sufficient to permit compliance by the delegate with the provisions of title 13, chapter 23 and this chapter and rules adopted pursuant to this chapter. The licensee shall promptly update the policies and procedures to permit compliance with those laws and rules.

C. An authorized delegate is not liable for any obligation imposed on its licensee by this chapter with respect to the business for which it is a delegate. On suspension or revocation of a license or the failure of a licensee to renew its license, the superintendent shall notify all delegates of the licensee who are on record with the department of the department's action. On receipt of this notice, an authorized delegate shall immediately cease to operate as a delegate of that licensee.

#### 6-1209. Cease and desist orders; examinations

A. In addition to his authority under section 6-137, the superintendent may issue an order to cease and desist against a licensee, requiring the licensee to cease conducting its business through an authorized delegate and to take appropriate affirmative action, pursuant to section 6-137, if the superintendent finds that:

1. The authorized delegate has violated, is violating or is about to violate any applicable law or rule or order of the superintendent.
2. The authorized delegate has failed to cooperate with an examination or investigation by the superintendent or the attorney general authorized by this title.
3. The competence, experience, integrity or overall moral character of the authorized delegate or any controlling person of the authorized delegate indicates that it would not be in the interest of the public to permit that person to participate in the business regulated under this chapter.
4. The financial condition of the authorized delegate is such that it might prejudice the interests of the public in the conduct of the business regulated under this chapter.
5. The authorized delegate has engaged, is engaging or is about to engage in any unsafe or unsound act, practice or transaction or an act, practice or transaction that constitutes a violation of this title or of any rule or order of the superintendent.

B. Any business for which a license is required by this chapter conducted by an authorized delegate outside the scope of authority conferred in the contract between the authorized delegate and the licensee is unlicensed activity. An authorized delegate of a licensee holds in trust for the benefit of the licensee all monies received from the sale or delivery of the licensee's payment instruments or monies received for transmission. If an authorized delegate commingles any such monies with any monies or other property owned or controlled by the authorized delegate, a trust against all commingled proceeds and other monies or property owned or controlled by the authorized delegate is imposed in favor of the licensee in an amount equal to the amount of the proceeds due the licensee.

C. An authorized delegate is subject to examination by the superintendent at the discretion of the superintendent. The licensee is responsible for the payment of an assessment for the examination of its authorized delegates to the extent that the examination relates to the activities conducted by the authorized delegate on behalf of the licensee. That assessment shall be made at the rate set by the superintendent for examination of an enterprise pursuant to section 6-125, subsection B, and payment of that assessment shall be made as prescribed by section 6-125.

#### 6-1210. Suspension or revocation of licenses

The superintendent may suspend or revoke a license if the superintendent finds any of the following:

1. The licensee has made a material misstatement or suppressed or withheld information on an application for a license or any document required to be filed with the superintendent.
2. A fact or condition exists that, if it had existed or had been known at the time the licensee applied for its license, would have been grounds for denying the application.
3. The licensee is insolvent as defined in section 47-1201.
4. The licensee has violated any provision of title 13, chapter 23, this chapter or rules adopted pursuant to this chapter or any order of the superintendent.
5. An authorized delegate of the licensee has violated any provision of title 13, chapter 23, this chapter or rules adopted thereunder or any order of the superintendent as a result of a course of negligent failure to supervise or as a result of the wilful misconduct of the licensee.
6. The licensee refuses to permit the superintendent or the attorney general to make any examination authorized by this title.
7. The licensee knowingly fails to make any report required by this chapter.
8. The licensee fails to pay a judgment entered in favor of a claimant, plaintiff or creditor in an action arising out of the licensee's business regulated under this article within thirty days after the judgment

becomes final or within thirty days after expiration or termination of a stay of execution or other stay of proceedings, whichever is later. If execution on the judgment is stayed by court order, operation of law or otherwise, proceedings to suspend or revoke the license for failure of the licensee to comply with that judgment may not be commenced by the superintendent under this subsection until thirty days after that stay.

9. The licensee has been convicted in any state of a felony or of any crime involving a breach of trust or dishonesty.

#### 6-1211. Reports

Each licensee shall file with the superintendent within forty-five days after the end of each fiscal quarter a consolidated financial statement including a balance sheet, income and expense statements and a list of all authorized delegates, branch managers, responsible individuals and locations within this state that have been added or terminated by the licensee within the fiscal quarter. Information regarding branch managers and responsible individuals shall include the information prescribed in section 6-1204, subsection A, paragraph 4. For locations and authorized delegates, the licensee shall include the name and street address of each location and authorized delegate.

#### 6-1212. Permissible investments

A. Every licensee shall maintain at all times permissible investments that comply with either of the following:

1. A market value computed in accordance with generally accepted accounting principles of not less than the aggregate amount of all of its outstanding payment instruments.

2. A net carrying value computed in accordance with generally accepted accounting principles of not less than the aggregate amount of all of its outstanding payment instruments, provided the market value of these permissible investments is at least ninety-five per cent of the net carrying value.

B. Notwithstanding any other provision of this chapter, the superintendent, with respect to any particular licensee or all licensees, may limit the extent to which any class of permissible investments as defined in section 6-1201 may be considered a permissible investment, except for money and certificates of deposit. The superintendent may by rule prescribe or by order allow other types of investments which the superintendent determines to have substantially equivalent safety as other permissible investments to be considered a permissible investment under this chapter.

#### 6-1213. Records

A. Each licensee shall keep and use in its business books, accounts and records in accordance with generally accepted accounting principles that will enable the superintendent to determine whether that licensee is complying with the provisions of this chapter. Each licensee and authorized delegate shall preserve its records for at least five years after making the final entry on any transaction. Each authorized delegate shall keep records as required by the superintendent.

B. For each authorized delegate, the licensee shall maintain records that demonstrate that the licensee conducted a reasonable background investigation of each authorized delegate. A licensee shall preserve those records for at least five years after the authorized delegate's most recent designation by the licensee. For an authorized delegate designated after November 1, 1991, the records shall be available at all times, and for an authorized delegate designated on or before November 1, 1991, the records shall be available at all times after November 1, 1992.

C. The records of the licensee regarding the business regulated under this chapter shall be maintained at its principal place of business or, with notice to the superintendent, at another location designated by the licensee. If the records are maintained outside this state, the superintendent may require that the licensee make those records available to the superintendent at his office not more than five business days after demand. The superintendent may further require that those records be accompanied by an individual who is available to answer questions regarding those records and the business regulated under this chapter. The superintendent may require the

appearance of a specific individual or may request the licensee to designate an individual knowledgeable with regard to the records and the business. The individual appearing with the records shall be available to the superintendent for up to three business days.

D. On-site examinations of records prescribed by this chapter may be conducted in conjunction with representatives of other state agencies or agencies of another state or of the federal government as determined by the superintendent. In lieu of an on-site examination, the superintendent may accept the examination report of an agency of this state or of another state or of the federal government or a report prepared by an independent licensed certified public accountant. Joint examination or acceptance of an examination report shall not be deemed a waiver of examination assessments provided by law, and joint reports and reports accepted under this subsection are considered an official report of the department for all purposes. Information obtained by examinations prescribed by this article shall be disclosed only as provided in section 6-129.

#### 6-1214. Liability of licensees

Each licensee is liable for the payment of all moneys covered by payment instruments that it sells or issues in any form in this state whether directly or through an authorized delegate and whether as a maker or drawer or as money received for obligors or for transmission by any means whether or not that instrument is a negotiable instrument under the laws of this state.

#### 6-1215. Notice of source of instrument; transaction records

A. Every payment instrument sold by a licensee directly or through an authorized delegate shall bear the name of the licensee and a unique consecutive number clearly stamped or imprinted on it.

B. For every transaction involving the receipt of money from a customer, the licensee or authorized delegate who receives the money shall maintain written records of the transaction. The records may be reduced to computer or other electronic medium. The records collectively shall contain the name of the licensee, the street address of the location where the money was received, the name and street address of the customer if reported to the licensee or authorized delegate, the approximate date of the transaction, the name or other information from which, together with other contemporaneous records, the superintendent can determine the identity of those employees of the licensee or authorized delegate who may have conducted the transaction and the amount of the transaction. The information required by this section shall be available through the licensee or authorized delegate who received the money for at least five years from the date of the transaction.

#### 6-1216. Acquisition of control

A. A person shall not directly or indirectly acquire control of a licensee or controlling person without the prior written approval of the superintendent, except as otherwise provided by this section.

B. An application for approval to acquire control of a licensee shall be in writing in a form prescribed by the superintendent and shall be accompanied by information as the superintendent may require. The application shall be accompanied by the fee prescribed in section 6-126. The superintendent shall act on the application within one hundred twenty days after the date on which the application is complete, unless the applicant consents in writing to an extended period. An application that is not denied or approved within that period shall be deemed approved as of the first business day after the expiration of that period.

C. The superintendent shall deny the application to acquire control of a licensee if he finds that the acquisition of control is contrary to law or determines that disapproval is reasonably necessary to protect the interest of the public. In making that determination, the superintendent shall consider both of the following:

1. Whether the financial condition of the person that seeks to control the licensee might jeopardize the financial condition of the licensee or

prejudice the interests of the public in the conduct of the business regulated under this chapter.

2. Whether the competence, experience, integrity and overall moral character of the person that seeks to control the licensee, or the officers, directors and controlling persons of the person that seeks to control the licensee, indicate that it would not be in the interest of the public to permit that person to control the licensee.

D. Nothing in this section prohibits a person from negotiating or entering into agreements subject to the condition that the acquisition of control will not be effective until approval of the superintendent is obtained.

E. This section does not apply to any of the following persons or transactions:

1. A registered dealer who acts as an underwriter or member of a selling group in a public offering of the voting securities of a licensee or controlling person of a licensee.

2. A person who acts as proxy for the sole purpose of voting at a designated meeting of the security holders of a licensee or controlling person of a licensee.

3. A person who acquires control of a licensee or controlling person of a licensee by devise or descent.

4. A person who acquires control of a licensee or controlling person as a personal representative, custodian, guardian, conservator, trustee or any other officer appointed by a court of competent jurisdiction or by operation of law.

5. A pledgee of a voting security of a licensee or controlling person who does not have the right, as pledgee, to vote that security.

6. A person or transaction that the superintendent by rule or order exempts in the public interest.

F. Before filing an application for approval to acquire control, a person may request in writing a determination from the superintendent as to whether that person will be deemed in control on consummation of a proposed transaction. If the superintendent determines in response to that request that the person will not be in control within the meaning of this chapter, the superintendent shall enter an order to that effect and the proposed transaction is not subject to the requirements of this section.

#### 6-1217. Appointment of superintendent as agent for service of process; forwarding of process; consent to jurisdiction

A. A licensee, an authorized delegate or a person who knowingly engages in business activities that are regulated under this chapter with or without filing an application is deemed to have done both of the following:

1. Consented to the jurisdiction of the courts of this state for all actions arising under this chapter.

2. Appointed the superintendent as his lawful agent for the purpose of accepting service of process in any action, suit or proceeding that may arise under this chapter.

B. Within three business days after service of process upon the superintendent, the superintendent shall transmit by certified mail copies of all lawful process accepted by the superintendent as an agent to that person at its last known address. Service of process shall be considered complete three business days after the superintendent deposits the copies of the documents in the United States mail.

#### 6-1218. Prohibited transactions

A person shall not engage in conduct requiring a license under this chapter as an authorized delegate of a principal if that principal is not licensed under this chapter. A person who does so shall be deemed to be the principal seller, issuer or actor, and not merely an authorized delegate, and is liable to the holder, remitter or customer as the principal.

### Article 2

#### 6-1241. Reports to the attorney general; investigation; violation; classification

A. Within thirty days after any transaction or series or pattern of transactions that is conducted or attempted by, at or through the business and that involves or aggregates five thousand dollars or more in funds or

other assets, each licensee and authorized delegate of a licensee and each money transmitter shall file with the attorney general's office in a form prescribed by the attorney general a report of the transaction or series or pattern of transactions if the licensee, authorized delegate or money transmitter knows, suspects or has reason to suspect that the activity either:

1. Involves funds that are derived from illegal activities, is intended or conducted in order to hide or disguise funds or other assets that are derived from illegal activities, including, without limitation, the ownership, nature, source, location or control of the funds or other assets, as part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirement under this chapter or may constitute a possible money laundering violation under section 13-2317 or another racketeering violation as defined in section 13-2301.

2. Has no business or apparent lawful purpose or is not the sort of activity in which the particular customer would normally be expected to engage and the licensee, authorized delegate or money transmitter knows of no reasonable explanation for the activity after examining the available facts, including the background and possible purpose of the activity.

B. A licensee, authorized delegate or money transmitter that is required to file a report regarding business conducted in this state pursuant to the currency and foreign transactions reporting act (31 United States Code sections 5311 through 5326, including any special measures that are established under 31 United States Code section 5318A, and 31 Code of Federal Regulations part 103 or 12 Code of Federal Regulations section 21.11) shall file a duplicate of that report with the attorney general.

C. All persons who are engaged in a trade or business and who receive more than ten thousand dollars in money in one transaction or who receive more than ten thousand dollars in money through two or more related transactions shall complete and file with the attorney general the information required by 31 United States Code section 5331 and the federal regulations relating to this section concerning reports relating to cash received in trade or business.

D. A licensee, authorized delegate or money transmitter that is regulated under the currency and foreign transactions reporting act (31 United States Code section 5325 and 31 Code of Federal Regulations part 103) and that is required to make available prescribed records to the secretary of the United States department of treasury on request at any time shall follow the same prescribed procedures and create and maintain the same prescribed records relating to each transaction.

E. In addition to the requirements under subsection D of this section and in connection with each transaction that involves transmitting money in an amount of one thousand dollars or more, whether sending or receiving, a licensee or, for transactions conducted through an authorized delegate, an authorized delegate shall retain a record of each of the following:

1. The name and social security or taxpayer identification number, if any, of the individual presenting the transaction and the person and the entity on whose behalf the transaction is to be effected.

2. The type and number of the customer's verified photographic identification, as described in 31 Code of Federal Regulations section 103.28.

3. The customer's current occupation.

4. The customer's current residential address.

5. The customer's signature.

F. Subsection E of this section does not apply to transactions by which the licensee's customer is making a bill payment either to a commercial creditor pursuant to a contract between the licensee and the commercial creditor or to a utility company.

G. Each licensee shall create records that reflect the provision of updated operating policies and procedures pursuant to section 6-1208, subsection B and of instruction that promotes compliance with this chapter, title 13, chapter 23 and 31 United States Code section 5318, including the identification of the provider and the material and instruction that were provided.

H. On request of the attorney general, a county attorney or the superintendent, a licensee, authorized delegate or money transmitter shall make any records that are created pursuant to this section available to the attorney general, a county attorney or the superintendent at any time.

I. A licensee or, for transactions conducted through an authorized delegate, an authorized delegate shall maintain any customer identification records that are created pursuant to subsection E of this section for three years. After three years, the licensee or, for transactions conducted through an authorized delegate, the authorized delegate shall deliver the customer identification records to the attorney general. The attorney general shall make the records available on request to the superintendent or a county attorney but shall not otherwise distribute the customer identification records without a court order. The customer identification records shall not be used for any purpose other than for criminal and civil prosecution and the prevention and detection of fraud and other criminal conduct.

J. If the superintendent or the attorney general finds that reasonable grounds exist for requiring additional record keeping and reporting in order to carry out the purposes of this chapter and to prevent the evasion of this chapter, the superintendent or the attorney general may:

1. Issue an order requiring any group of licensees, authorized delegates or money transmitters in a geographic area to do any of the following:

(a) Obtain information regarding transactions that involve total dollar amounts or denominations of five hundred dollars or more, including the names of any persons participating in those transactions and any persons or entities on whose behalf they are to be effected.

(b) Maintain records of that information for at least five years and make those records available to the attorney general and the superintendent.

(c) File a report with the attorney general and the superintendent regarding any transaction in the manner prescribed in the order.

2. Issue an order exempting any group of licensees or authorized delegates from the requirements of subsection E of this section based on the geographic area, the volume of business conducted, the record of compliance with the reporting requirements of this chapter and other objective criteria.

K. An order issued pursuant to subsection J of this section is not effective for more than one hundred eighty days unless renewed after finding that reasonable grounds exist for continuation of the order.

L. The timely filing of a report required by this section with the appropriate federal agency shall be deemed compliance with the reporting requirements of this section, unless the attorney general has notified the superintendent that reports of that type are not regularly and comprehensively transmitted by that federal agency to the attorney general.

M. This chapter does not preclude a licensee, authorized delegate, money transmitter, financial institution or person engaged in a trade or business from instituting contact with and disclosing customer financial records to appropriate state or local law enforcement agencies if the licensee, authorized delegate, money transmitter, financial institution or person has information that may be relevant to a possible violation of any criminal statute or to the evasion or attempted evasion of any reporting requirement of this chapter.

N. A licensee, authorized delegate, money transmitter, financial institution, person engaged in a trade or business or director, officer, employee, agent or authorized delegate of any of them that keeps or files a record as prescribed by this section, that communicates or discloses information or records under subsection M of this section or that requires another to make any such disclosure is not liable to any person under any law or rule of this state or any political subdivision of this state or under any contract or other legally enforceable agreement, including any arbitration agreement, for the disclosure or for the failure to provide notice of the disclosure to the person who is the subject of the disclosure or to any other person who is identified in the disclosure. This subsection shall be construed to be consistent with 31 United States Code section 5318(g)(3).

O. The attorney general may report any possible violations indicated by analysis of the reports required by this chapter to any appropriate law enforcement agency for use in the proper discharge of its official duties. If an officer or employee of this state or any political subdivision of this state receives a report pursuant to 31 United States Code section 5318(g), the report shall be disclosed only as provided in 31 United States Code section 5318(g). A person who releases information received pursuant to this subsection except in the proper discharge of official duties is guilty of a class 2 misdemeanor.

P. The requirements of this section shall be construed to be consistent with the requirements of the currency and foreign transactions reporting act (31 United States Code sections 5311 through 5326 and federal regulations prescribed under those sections) unless the context otherwise requires.

Q. A person who refuses to permit any lawful investigation by the superintendent, a county attorney or the attorney general or who refuses to make records available to the superintendent, a county attorney or the attorney general pursuant to subsection H of this section is guilty of a class 6 felony.

#### 6-1242. Investigations

A. The attorney general may conduct investigations within or outside this state to determine if a licensee, authorized delegate, money transmitter, financial institution or person engaged in a trade or business has failed to file a report required by this article or has engaged or is engaging in an act, practice or transaction that constitutes a money laundering violation as provided in section 13-2317.

B. On request of the attorney general, all licensees, authorized delegates, money transmitters and financial institutions shall make their books and records available to the attorney general during normal business hours for inspection and examination in connection with an investigation pursuant to this section.

#### 32-1028. Fees

Every original or renewal application shall be accompanied by the fees prescribed in section 6-126.

### Article 3

#### 32-1051. Duties of licensees

An individual, firm, partnership, association or corporation to whom a license is to be issued under this chapter shall:

1. Meet the financial responsibility and bonding requirements of this chapter.

2. Not have been a former licensee under the provisions of this chapter whose license was suspended or revoked and not subsequently reinstated.

3. Deal openly, fairly and honestly in the conduct of the collection agency business.

4. Except for attorneys licensed to practice law, not attempt to collect any collection fee, attorney's fee, court cost or expenses unless the fees, charges or expenses are justly due from and legally chargeable against the debtor, or have been judicially determined, nor shall any licensee engage in any unfair or misleading practices or resort to any oppressive, vindictive or illegal means or methods of collection.

5. Except for attorneys licensed to practice law, not give or send to any debtor, or cause to be given or sent to any debtor, any notice, letter, message or form which:

(a) Simulates any legal process.

(b) Is ambiguous as to or misrepresents the character, extent or amount of the obligation of the debtor.

(c) Represents or infers that the existing obligation of the debtor may be increased by the addition of attorneys' fees, investigation fees, service fees, or any other fees or charges when in fact these fees or charges may not legally be added to the existing obligation of the debtor.

(d) Threatens to sell the obligation of the debtor to any person, firm or group.

(e) Uses or sets forth the name of or purports to be from any attorney at law or legal firm.

6. Except for attorneys licensed to practice law, not use any letterhead, or literature bearing any heading, slogan or statement representing or inferring that the licensee practices law, renders legal services or advice, or maintains a legal department.

7. Not by the use of any letterhead, advertisement, agreement, form, circular or other printed matter, or otherwise, convey the impression that the individual, firm, partnership, association or corporation is vouched for or is an instrumentality of the state, a political subdivision of the state, or the department.

#### 32-1053. Denial, revocation or suspension of license

A. The superintendent may deny a license to a person or suspend or revoke a license pursuant to title 41, chapter 6, article 10 if the superintendent finds that an applicant or licensee:

1. Is insolvent as defined in section 47-1201.
  2. Has shown that the applicant or licensee is not a person of honesty, truthfulness or good character.
  3. Has violated any applicable law, rule or order.
  4. Has been convicted in any state of any felony or other crime involving breach of trust or dishonesty.
  5. Has had an order entered against the applicant or licensee by an administrative agency of this state, the federal government or any other state of the United States and that order is based on conduct involving fraud, deceit or misrepresentation by the licensee or applicant.
  6. Has made a material misstatement or omission on the application for a license or on any document required to be filed with the superintendent.
- B. It is sufficient cause for the denial, suspension or revocation of a license if an officer, director, partner, employee or controlling person of the collection agency has acted or failed to act in a manner that would be cause for denial, suspension or revocation of a license. For purposes of this subsection, "controlling person" means a person who owns more than a twenty per cent equity interest in the collection agency and has the power to actively participate in the conduct of the collection agency.

#### 32-1055. Unlawful acts

A. It is unlawful for a person to conduct a collection agency in this state without having first applied for and obtained a license under this chapter.

B. A collection agency licensed under this chapter shall not directly or indirectly aid, abet or receive compensation from an unlicensed person. Nothing in this chapter shall prevent a licensed agency from accepting, as forwarder, claims for collection from a collection agency or attorney whose place of business is outside this state.

C. A licensee shall not advertise a claim for sale or threaten to so advertise a claim as a means of endeavoring to enforce payment, nor shall a licensee agree to do so for the purpose of soliciting claims. This subsection shall not be deemed to affect a licensee acting as assignee for the benefit of a creditor or acting under a court order.

D. It is unlawful for a person conducting a collection agency in this state to:

1. Fail to render an account of and pay to the client for whom collection has been made the proceeds collected, less collection charges as agreed to by the person and the client, within thirty days from the last day of the month in which the proceeds were collected. If the amount due the client is less than five dollars, payment may be deferred for an additional thirty days.
2. Fail to deposit with a local depository all monies collected by the person and due to the person's clients, and to fail to keep these monies deposited until these monies or equivalent amounts are remitted to the person's clients. Notwithstanding this paragraph, if a person conducting a collection agency does not maintain an office in this state, the person may deposit and keep these monies in a depository in a state where the person maintains the person's principal office.
3. Fail to keep a record of monies collected and the remittance of these monies.

4. Fail to notify the department within ten days of any change of name under which the person does business as a collection agency or address at which the person conducts business.

5. Aid or abet, directly or indirectly, any person, persons or organizations in evading or violating any of the provisions of this chapter.

#### 32-1056. Violation; classification

A. A person operating a collection agency without a license shall be guilty of a class 1 misdemeanor.

B. A licensee violating the provisions of section 32-1055 or the rules and regulations adopted pursuant to this chapter shall be subject to revocation of license and shall be guilty of a class 1 misdemeanor.

#### 32-1057. Prosecution of violations; individual liability

A. The prosecuting officer of a county or city shall prosecute all violations of this chapter occurring within his jurisdiction.

B. An officer or agent of a corporation or association participating in a violation of this chapter by such corporation or association shall be subject to the penalties prescribed by section 32-1056 for an individual.

### REGULATORY BULLETINS

#### MT-12-01

A.R.S. § 6-1241(I) requires money transmitter licensees and their authorized delegates to maintain customer identification records that are created pursuant to A.R.S. § 6-1241(E) for three years. After three years, A.R. S. § 6-1241(I) requires the licensee or its authorized delegate to deliver the customer identification records to the Attorney General. We have been advised that the Attorney General is not accepting these records and that licensees must retain these records pursuant to the Bank Secrecy Act. The Attorney General will deem the records in your possession as "delivered" once the money transmitter provides a retention letter to the Attorney General. The letter should state that the money transmitter will retain these records for the time period applicable to other Bank Secrecy Act records as custodian for the Attorney General and will make them available to the Attorney General on request during that time period. The letter should be sent to Chief Counsel, Financial Remedies Section, Arizona Attorney General's Office, 1275 West Washington, Phoenix, AZ 85007, and copied to Robert Charlton, Assistant Superintendent, Department of Financial Institutions, 2910 North 44<sup>th</sup> Street, #310, Phoenix, AZ 85018. If and when the need arises for some particular record or group of records, the Attorney General will request them from the licensee or authorized delegate. It is the money transmitter's responsibility to advise its authorized delegates of this procedure for retaining records. Only the money transmitter is required to provide the acknowledgement letter of this procedure to the Attorney General.

#### Regulatory Actions To Remove, Suspend or Prohibit Individual Employees.

Pursuant to A.R.S. § 6-161, the Superintendent has the authority to initiate an administrative action to remove, suspend or prohibit from participating in the affairs of a licensed money transmitter any director, officer, employee, agent, or other person who is found to have engaged in any of the following: 1) Any act, omission or practice in any business transaction which demonstrates personal dishonesty or unfitness to continue in office or participate in the conduct of the affairs of the financial institution or enterprise; 2) A willful violation of an order of the superintendent; 3) Refusal to testify or produce records in response to a subpoena issued by the superintendent; 4) A conviction of a crime, an essential element of which is fraud, misrepresentation or deceit; 5) Any activity described in 12 United States Code § 1818(e)(1). For the purposes of this paragraph, all references to the appropriate federal banking agency are to the superintendent; 6) Any violation of this title relative to the financial institution or enterprise.

MT-09-01

Pursuant to A.R.S. § 6-1241 (A):

Within thirty days after any transaction or series or pattern of transactions that is conducted or attempted by, at or through the business and that involves or aggregates five thousand dollars or more in funds or other assets, each licensee and authorized delegate of a licensee and each money transmitter shall file with the attorney general's office in a form prescribed by the attorney general a report of the transaction or series or pattern of transactions if the licensee, authorized delegate or money transmitter knows, suspects or has reason to suspect that the activity either:

1. Involves funds that are derived from illegal activities, is intended or conducted in order to hide or disguise funds or other assets that are derived from illegal activities, including, without limitation, the ownership, nature, source, location or control of the funds or other assets, as part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirements under this chapter or many constitute a possible money laundering violation under section 13-2317 or another racketeering violation as defined in section 13-2301.
2. Has no business or apparent lawful purpose or is not the sort of activity in which the particular customer would normally be expected to engage and the licensee, authorized delegate or money transmitter knows of no reasonable explanation for the activity after examining the available facts, including the background and possible purpose of the activity.

FinCEN has recently completed changes that have given access to SARs by law enforcement and the Arizona Attorney General's Office. As a result duplicate Arizona SARs no longer need to be filed.

#### **ARKANSAS**

1. Operate in full compliance with the Arkansas Uniform Money Services Act and any policies and procedures provided to Agent by NetSpend in connection with same. *A.C.A. § 23-55-501(b)*.
2. Remit all money owing to NetSpend under the terms of the contract between NetSpend and Agent. *A.C.A. § 23-55-501(c)*.
3. Cease to provide money services as an authorized delegate of NetSpend upon notice that the money service license is suspended or revoked. *A.C.A. § 23-55-501(d)*.
4. Not provide money services outside the scope of activity permissible under the contract between Agent and NetSpend. *A.C.A. § 23-55-501(e)*.
5. Hold in trust for the benefit of NetSpend all money, net of fees, received from money transmission. *A.C.A. § 23-55-501(e)*.
6. Not use a sub-delegate to conduct money services on behalf of NetSpend. *A.C.A. § 23-55-501(e)*.
7. Submit to an on-site examination by the Arkansas Securities Commissioner. *A.C.A. § 23-55-601(a)*.
8. File with the securities Arkansas Securities Commissioner all reports required by federal currency reporting, record keeping, and suspicious transaction reporting requirements as set out in *31 U.S.C. 5311, 31 C.F.R. 103*, and other federal and state laws pertaining to money laundering. *A.C.A. § 23-55-606(a)*.
9. Ensure that the name and mailing address or telephone number of NetSpend is provided to the consumer in connection with each money transmission or currency exchange transaction. *A.C.A. § 23-55-608(a)*.
10. Display prominently in a form and in a medium prescribed by the Arkansas Securities Commissioner a notice that states or contains the

following information: (i) the name, mailing address, and telephone number of Agent, (ii) a statement that Agent is an agent conducting business on behalf of NetSpend under Title 23, Subtitle 2, Chapter 55 of the Arkansas Code, (iii) the name, mailing address, and telephone number of NetSpend, (iv) a statement directing consumers with complaints to contact the Arkansas State Securities Department, and (v) the current mailing address and telephone number of the Arkansas State Securities Department. *A.C.A. § 23-55-608(a)-(b)*.

#### **CALIFORNIA**

1. Comply with California Money Transmission Act. *Cal. Fin. Code § 2060(b)*.
2. Make and keep accounts, correspondence, memoranda, papers, books, and other records as the California Commissioner of Business Oversight by regulation or order requires and preserve the records for the time specified by the regulation or order. *Cal. Fin. Code § 2060(c)(2)*.
3. Hold all money or monetary value, less fees due to Agent provided for and expressly set forth in the contract, received by Agent for money transmission on behalf of NetSpend, in trust owned by and belonging to NetSpend until the time when the money or an equivalent amount are remitted by Agent to NetSpend. *Cal. Fin. Code § 2060(c)(3) and (f)*.
4. Remit all money in accordance with the California Money Transmission Act. *Cal. Fin. Code § 2060(c)(4)*.
5. Comply with any other provisions that the California Commissioner of Business Oversight may by regulation or order find to be necessary to carry out the provisions and purposes of the California Money Transmission Act, Chapter 4. *Cal. Fin. Code § 2060(c)(5)*.
6. Remit all money owing to NetSpend in accordance with the terms of contract with NetSpend. *Cal. Fin. Code § 2060 (d)*.
7. Remit all money, less any fees, received on behalf of NetSpend for money transmission as follows: (i) within three business days of receipt, (ii) in case the aggregate face amount of the money, less fees, does not in any calendar week exceed ten thousand dollars (\$10,000), within 10 business days of receipt, (iii) within a period longer than three business days of receipt, if Agent has previously deposited with, and during such period maintains on deposit with, an office of an insured bank or of an insured savings and loan association located in the United States in an account that is in the sole and exclusive name of NetSpend an amount that, for each day by which such period exceeds three business days, is not less than the aggregate face amount of money received on behalf of NetSpend for money transmission that Agent usually sells per day, and (iv) within such shorter period as NetSpend may provide. *Cal. Fin. Code § 2060(e)*.
8. Not provide money transmission outside the scope of activity permissible under the contract with NetSpend. *Cal. Fin. Code § 2060(f)*.
9. Not appoint a sub-agent to conduct money transmissions on behalf of NetSpend. *Cal. Fin. Code § 2060(g)*.
10. Not conduct money transmission on behalf of NetSpend without concurrently receiving money, monetary value or its equivalent, credit card, or payment instrument, or a combination of same believed to be valid in an amount not less than the amount of the money transmission being provided. In the case of a sale of payment instruments or stored value to an insured bank, an insured savings and loan association, or an insured credit union, Agent may receive such amounts the next business day after the sale. *Cal. Fin. Code § 2060(i)*.
11. If Agent commingles any money or monetary value, less fees, received on behalf of NetSpend for money transmission with any other

property owned or controlled by Agent, all such property shall be impressed with a trust in favor of NetSpend in an amount equal to the aggregate amount of such money so commingled. No money or monetary value, less fees, received by Agent on behalf of NetSpend for money transmission, while held by Agent, nor any property impressed with a trust pursuant to this subdivision, shall be subject to attachment, levy of execution, or sequestration by order of any court, except for the benefit of NetSpend. *Cal. Fin. Code § 2060(j)*.

12. Submit, at any time and from time to time, to examination conducted by the California Commissioner of Business Oversight in order to ascertain whether Agent's business is being conducted in a lawful manner and whether all money transmission is properly accounted for. Directors, officers, and employees of Agent shall exhibit to the California Commissioner of Business Oversight, on request, any or all of Agent's accounts, books, correspondence, memoranda, papers, and other records and shall otherwise facilitate the examination so far as it may be in their power to do so. *Cal. Fin. Code § 2120(a)-(b)*.

13. Not use any receipt, a certified copy of which has not been filed with the California Commissioner of Financial Institutions, or use a receipt that the California Commissioner of Business Oversight has deemed to be noncompliant. *Cal. Fin. Code § 2100(a)(1)*.

14. Forward all money received for transmission or give instructions committing equivalent money to the person designated by the customer within 10 days after receiving that money, unless otherwise ordered by the customer. *Cal. Fin. Code § 2101*.

15. Refund the customer within 10 days of receipt of the customer's written request for a refund any and all money received for transmission unless any of the following occurs: (1) the money has been forwarded within 10 days of the date of receipt, (2) instructions have been given committing an equivalent amount of money to the person designated by the customer within 10 days of the date of the receipt of the money from the customer, (3) the customer instructs Agent to transmit the money at a time beyond 10 days. If the customer gives instructions as to when the money shall be forwarded or transmitted and the moneys have not yet been forwarded or transmitted, Agent shall refund the customer's money within 10 days of receipt of the customer's written request for a refund, or (4) the refund would violate law. *Cal. Fin. Code § 2102(a)*.

16. In the case of money received for transmission, Agent shall give the customer a receipt at the time of the transaction. As applicable, ensure receipt contains (a) the name of the sender, (b) the name of the designated recipient, (c) the date of the transaction, which is the day the customer funds the money transmission, (d) NetSpend's name, (e) the amount to be transferred to the designated recipient, in the currency in which the money transmission is funded, using the term "Transfer Amount" or a substantially similar term, (f) any fees and taxes imposed on the money transmission by Agent which are payable or have been paid by the sender, in the currency in which the money transmission is funded, using terms "transfer fees" for fees and "transfer taxes" for taxes or substantially similar term, (g) the total amount of the transaction, which is the sum of (e) and (f), in the currency in which the money transmission is funded, using the term "total" or a substantially similar term, (h) the exchange rate, if any, used by Agent for the money transmission, rounded consistently for each currency to no fewer than two decimal places and no more than four decimal places, using the term "exchange rate" or a substantially similar term, and (i) for all transmissions, other than transmissions related to e-commerce transactions, the amount that will be received by the designated recipient, in the currency in which the funds will be received, using the term "total to recipient" or a substantially similar term. *Cal. Fin. Code § 2103(a)(1)*.

17. Include in or with the receipt a conspicuous statement in English and in the language principally used by Agent to advertise, solicit, or

negotiate, either orally or in writing at that office if other than English, in a minimum 8-point font, as follows:

#### **RIGHT TO REFUND**

"You, the customer, are entitled to a refund of the money to be transmitted as the result of this agreement if NetSpend does not forward the money received from you within 10 days of the date of its receipt, or does not give instructions committing an equivalent amount of money to the person designated by you within 10 days of the date of the receipt of the funds from you unless otherwise instructed by you.

If your instructions as to when the moneys shall be forwarded or transmitted are not complied with and the money has not yet been forwarded or transmitted you have a right to a refund of your money.

If you want a refund, you must mail or deliver your written request to NetSpend at [mailing address of NetSpend]. If you do not receive your refund, you may be entitled to your money back plus a penalty of up to \$1,000 and attorney's fees pursuant to Section 2102 of the California Financial Code." *Cal. Fin. Code § 2103(a)(2)*.

18. Disclose the exchange rates, fees and commissions charged in English and in the same language principally used by Agent to advertise, solicit, or negotiate, either orally or in writing, with respect to money received for transmission at that office. If the customer does not specify at the time the money is presented to Agent the country to which the money is to be transmitted, the rate of exchange for the transaction is not required to be set forth on the receipt. If the customer does specify at the time the money is presented to Agent the country to which the money is to be transmitted but the specified country's laws require the rate of exchange for the transaction to be determined at the time the transaction is paid out to the intended recipient, the rate of exchange for the transaction is not required to be set forth on the receipt. *Cal. Fin. Code § 2103(c) and (d)*.

19. Maintain records of receipts provided to customers for six months or a longer period of time specified in the Agreement with NetSpend. *Cal. Fin. Code § 2124(b)*.

20. Ensure that all window and exterior signs concerning the rates of exchange for money received for transmission clearly state in English and in the same language principally used by Agent to advertise, solicit, or negotiate, either orally or in writing, at that office if other than English, the rate of exchange for exchanging the currency of the United States for foreign currency. *Cal. Fin. Code § 2103(b)*.

21. Ensure that all interior signs and all advertising, on which exchange rates are quoted, shall clearly state in English and in the same language principally used by Agent to advertise, solicit, or negotiate, either orally or in writing, at that office if other than English, the rates of exchange for exchanging the currency of the United States for foreign currency and all commissions and fees charged on all transactions. *Cal. Fin. Code § 2103(b)*.

22. Display signage clearly identifying the name of NetSpend as well as any trade names used by NetSpend at that office. *Cal. Fin. Code § 2103(c)*.

23. Prominently post on the premises of each branch office that conducts money transmission a notice, in English and in the same language principally used by Agent to advertise, solicit, or negotiate either orally or in writing and in a form provided by NetSpend, stating the following:



If you have complaints with respect to any aspect of the money transmission activities conducted at this location, you may contact the California Department of Business Oversight at its toll-free telephone number, 1-800-622- 0620, by e-mail at [consumer.services@dbo.ca.gov](mailto:consumer.services@dbo.ca.gov), or by mail at Department of Business Oversight, Consumer Services, 1515 K Street, Suite 200, Sacramento, CA 95814. The information required in this notice must be clear, legible, and in letters not less than one-half inch in height and posted in a conspicuous location in the unobstructed view of the public within the premises. *Cal. Fin. Code § 2105(a)-(b)*.

24. Prominently post on the premises of each office that issues or sells payment instruments, and at machines located in the state of California and operated by Agent that issues or sells payment instruments, a notice, printed in English and in the same language principally used by Agent to advertise, solicit, or negotiate, either orally or in writing, and in a form provided by NetSpend, clearly stating that payment instruments are not insured by the federal government, the state government, or any other public or private entity. The notice shall be clear, legible, and in letters not less than one-half inch in height and shall be posted in a conspicuous location in the unobstructed view of the public within the premises. *Cal. Fin. Code § 2104*.

25. Not sell any payment instrument containing Agent's name which does not identify NetSpend at least as conspicuously as it does the Agent. *Cal. Fin. Code § 2106(c)*.

26. Upon notice that NetSpend's license has been suspended or revoked or that the Commissioner has issued an order taking possession of the property and business of NetSpend, not conduct money transmission on behalf of NetSpend. *Cal. Fin. Code § 2063(a)*.

27. Not engage in fraud, intentional misrepresentation, or gross negligence or any unsafe or unsound practice. *Cal. Fin. Code § 2150(a)(3) and (a)(6)*.

28. Comply with California and federal anti-money laundering statutes. *Cal. Fin. Code § 2150(a)(4)*.

29. Comply with regulations for money services businesses adopted pursuant to the United States Bank Secrecy Act (31 C.F.R. Part 103). *Cal. Fin. Code § 2123*.

30. Not make or cause to be made in any application or report filed with the California Commissioner of Business Oversight or in any proceeding before the California Commissioner of Business Oversight, any statement that was at the time and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any of those applications, reports, or proceedings any material fact which is required to be stated therein. *Cal. Fin. Code § 2150(a)(7)*.

## **COLORADO**

1. Require each of its employees who perform money transmission services to either (i) understand and sign a form, promulgated by the Colorado Banking Board and containing a notice of the contents of Colo. Rev. Stat. 18-5-309 and other state and federal laws regarding money laundering, affirming knowledge of the money laundering laws prior to the employee performing such services or (ii) receive training that covers the money laundering laws within thirty days before the employee performs such services. *Colo. Rev. Stat. 12-52-203(2)(a)*.

2. Maintain a record of each employee along with the signed notice or evidence of training on money laundering laws so long as the employee provides such money transmission services. The records may be maintained in an electronic or digital format that reproduces the signature on the documents by the Agent. *Colo. Rev. Stat. 12-52-203(2)(b)*.

3. Not knowingly employ a person to perform money transmission services who has been convicted of or plead guilty or nolo contendere to the offenses in Article 5 of Title 18 of the Colorado Revised Statutes or in Colo. Rev. Stat. 18-5-309; a felony in the selling or issuing of exchange or in money transmission; a felony involving a financial institution; or an equivalent crime outside Colorado. *Colo. Rev. Stat. 12-52-205(2)*.

## **CONNECTICUT**

1. Submit to examination by the Connecticut Banking Commissioner. *Conn. Gen. Stat. § 36a-605*

2. From the moment of receipt, hold the proceeds of a sale or delivery of NetSpend's Connecticut payment instruments in trust for the benefit of NetSpend on behalf of NetSpend. *Conn. Gen. Stat. § 36a-607(3)*.

## **DELAWARE**

1. Ensure that every check, defined to include any instrument for the transmission or payment of money, bears the name of NetSpend clearly imprinted thereon. *5 Del. C. § 2313(a)*.

## **DISTRICT OF COLUMBIA**

1. Submit to and pay all reasonable costs for an on-site examination of Agent by the Commissioner of the Department of Insurance, Securities, and Banking. *D.C. Code § 26-1013(b)*.

2. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Commissioner of the Department of Insurance, Securities, and Banking. *D.C. Code § 26-1017(a)*.

3. Engage in money transmission strictly in accordance with the written procedures provided to Agent by NetSpend. *D.C. Code § 26-1017(b)*.

4. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent, but not to exceed a remittance time of 30 calendar days, as doing so may result in liability by Agent or NetSpend for treble damages. *D.C. Code § 26-1017(c) and CDCR 26A-2212.1*.

5. Consent to inspection by the Commissioner of the Department of Insurance, Securities, and Banking, with or without prior notice to Agent, of the books and records of Agent when the Commissioner of the Department of Insurance, Securities, and Banking has a reasonable basis to believe that Agent is not in compliance with this Title 26, Chapter 10 of the District of Columbia Code. *D.C. Code § 26-1017(d)*.

6. Act only as authorized under the contract with NetSpend as failure to do so may result in cancellation of such contract and further disciplinary action by the Commissioner of the Department of Insurance, Securities, and Banking. *D.C. Code § 26-1017(e)*.

7. Ensure all funds, less fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or for transmission, from the time such funds are received by Agent until such time when the funds or an equivalent amount are remitted by Agent to NetSpend, constitute trust funds owned by and belonging to NetSpend. *D.C. Code § 26-1017(f)*.

8. Report to NetSpend the theft or loss of payment instruments within 24 hours from the time Agent knew or should have known of the theft or loss. *D.C. Code § 26-1017(g)*.

## **FLORIDA**

1. Report to NetSpend, immediately upon discovery, the theft or loss of currency received for a transmission or payment instrument. *Fla. Stat. § 560.2085(2)(b)1*.

2. Display a notice to the public that Agent is the authorized vendor of NetSpend. *Fla. Stat. § 560.2085(2)(b)2.*

3. Remit all amounts owed to NetSpend for all transmissions accepted and all payment instruments sold in accordance with the Agreement between Agent and NetSpend. *Fla. Stat. § 560.2085(2)(b)3.*

4. Hold in trust all currency or payment instruments received for transmissions or for the purchase of payment instruments from the time of receipt by Agent until the time the transmission obligation is completed. *Fla. Stat. § 560.2085(2)(b)4.*

5. Not commingle the money received for transmissions accepted or payment instruments sold on behalf of NetSpend with the money or property of Agent, except for making change in the ordinary course of Agent's business, and ensure that the money is accounted for at the end of the business day. *Fla. Stat. § 560.2085(2)(b)5.*

6. Consent to examination or investigation by the Florida Office of Financial Regulation. *Fla. Stat. § 560.2085(2)(b)6.*

7. Adhere to the applicable state and federal laws and rules pertaining to a money services business. *Fla. Stat. § 560.2085(2)(b)7.*

8. Provide such other information or disclosure as may be required by Applicable Law. *Fla. Stat. § 560.2085(2)(b)8.*

9. Maintain all books, accounts, documents, files, and information necessary for determining compliance with Title 33, Chapter 560 of the Florida Regulation of Trade, Commerce, Investments, and Solicitations Code and related rules for five (5) years unless a longer period is required by other state or federal law. *Fla. Stat. § 560.1105.*

10. Not receive or possess any property, except in payment of a just demand, and, with intent to deceive or defraud, to omit to make or to cause to be made a full and true entry thereof in its books and accounts, or to concur in omitting to make any material entry thereof. *Fla. Stat. § 560.111(1)(a).*

11. Not embezzle, abstract, or misapply any money, property, or thing of value belonging to the money services business or consumer with intent to deceive or defraud. *Fla. Stat. § 560.111(1)(b).*

12. Not make any false entry in its books, accounts, reports, files, or documents with intent to deceive or defraud another person, or with intent to deceive the Florida Office of Financial Regulation, any appropriate regulator, or any authorized third party appointed by the Florida Office of Financial Regulation to examine or investigate the affairs of the money services business or Agent. *Fla. Stat. § 560.111(1)(c).*

13. Not engage in an act that violates 18 U.S.C. 1956, 18 U.S.C. 1957, 18 U.S.C. 1960, 31 U.S.C. 5324, or any other law, rule, or regulation of another state or the United States relating to a money services business which may cause the denial or revocation of a money services business license or the equivalent in that jurisdiction. *Fla. Stat. § 560.111(1)(d).*

14. Not file with the Florida Office of Financial Regulation, sign as a duly authorized representative, or deliver or disclose, by any means, to the Florida Office of Financial Regulation or any of its employees any examination report, report of condition, report of income and dividends, audit, account, statement, file, or document known by it to be fraudulent or false as to any material matter. *Fla. Stat. § 560.111(1)(e).*

15. Not place among the assets of a money services business or Agent any note, obligation, or security that the money services business or Agent does not own or is known to be fraudulent or otherwise worthless, or to represent to the Florida Office of Financial Regulation that any note, obligation, or security is the property of the money services business or

Agent and is genuine if it is known to be fraudulent or otherwise worthless. *Fla. Stat. § 560.111(1)(f).*

16. Comply with all state and federal laws and rules relating to the detection and prevention of money laundering, including, as applicable, Fla. Stat. § 560.123, and 31 C.F.R. 103.20, 103.22, 103.23, 103.27, 103.28, 103.29, 103.33, 103.37, and 103.41. *Fla. Stat. § 560.1235(1).*

17. Maintain an anti-money laundering program in accordance with 31 C.F.R. 103.125. The program must be reviewed and updated as necessary to ensure that the program continues to be effective in detecting and deterring money laundering activities. *Fla. Stat. § 560.1235(2).*

18. Provide each consumer with a toll-free telephone number for the purpose of contacting NetSpend or Agent or, in lieu of a toll-free telephone number, provide the address and telephone number of the Florida Office of Financial Regulation. *Fla. Stat. § 560.128(1).*

## **GEORGIA**

1. Display prominently in the premises where checks, money orders, or other instruments are issued and sold a certificate in prescribed form indicating that such sales or transmissions are licensed under the Georgia Sale of Check Act or in lieu of the foregoing, have all window decals and other advertising material relative to the sale of checks or money services available within Georgia bear the legend "LICENSED BY THE GEORGIA DEPARTMENT OF BANKING AND FINANCE" in letters at least one-quarter inch high. *Ga. Comp. R. & Regs. r. 80-3-1-.01(3).*

2. Transmit proceeds received from the sale of checks or money transmission, net of fees charged and retained by the Agent, by such means as NetSpend shall require within five (5) business days from the date of sale or issuance unless more frequent remittance is required by the Georgia Department of Banking and Finance or NetSpend. *Ga. Comp. R. & Regs. r. 80-3-1-.01(6).*

3. Be subject to the filing requirements for large currency transactions as prescribed in O.C.G.A. Article 11 of Title 7. *Ga. Comp. R. & Regs. r. 80-3-1-.04(1).*

## **HAWAII**

1. File with the Hawaii Commissioner of Financial Institutions all reports relating to transactions in Hawaii, as required by federal recordkeeping and reporting requirements in Title 31 United States Code Section 5311 et seq., 31 Code of Federal Regulations Part 103, Section 125, and other federal and state laws pertaining to money laundering. *HRS § 489D-16(a).*

2. Submit to and pay all reasonable costs for an on-site examination of Agent by the commissioner. *HRS § 489D-17 and HRS § 489D-17(b).*

3. Upon receipt of money or monetary value for transmission, transmit the money or its monetary equivalent received from a consumer for transmission, net of any fees, or issue instructions committing the money or its monetary equivalent, to the person designated by the consumer within ten business days after receiving the money or equivalent value, unless otherwise ordered by the consumer or unless Agent has reason to believe that a crime has occurred, is occurring, or may occur as a result of transmitting the money. *HRS § 489D-20(a).*

4. Provide a receipt to the consumer that clearly states the amount of money or equivalent value presented for transmission and the total of the fees charged by NetSpend. If the rate of exchange for a money transmission to be paid in the currency of another country is fixed by NetSpend for that transaction at the time the money transmission is initiated, the receipt provided to the consumer shall disclose the rate of

exchange for that transaction, and the duration, if any, for the payment to be made at that fixed rate of exchange. If the rate of exchange for a money transmission to be paid in the currency of another country is not fixed at the time the money transmission is sent, the receipt provided to the consumer shall disclose that the rate of exchange for that transaction will be set at the time the recipient of the money transmission picks up the funds in the foreign country. *HRS § 489D-20(b)*.

5. Provide a refund of all moneys received for transmittal within ten days of receipt of a written request for a refund unless any of the following occurs: (i) the moneys have been transmitted and delivered to the person designated by the consumer prior to receipt of the written request for a refund, (ii) instructions have been given committing an equivalent amount of money to the person designated by the consumer prior to receipt of a written request for a refund, (iii) Agent has reason to believe that a crime has occurred, is occurring, or may occur as a result of transmitting the money as requested by the consumer or refunding the money as requested by the consumer, or (iv) NetSpend is otherwise barred by law from making a refund. *HRS § 489D-20(d)*.

6. Not authorize sub-delegates without the written consent of the Hawaii Commissioner of Financial Institutions. *HRS § 489D-21(2)*.

7. Certify that Agent is in compliance with the recordkeeping and reporting requirements under Title 31 United States Code Section 5311 et seq., 31 Code of Federal Regulations Part 103, Section 125, and other federal and state laws pertaining to money laundering. *HRS § 489D-21(4)*.

8. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Hawaii Commissioner of Financial Institutions. *HRS § 489D-22(a)*.

9. Ensure that all money transmissions conducted by Agent are in accordance with NetSpend's written procedures provided to Agent. *HRS § 489D-22(b)*.

10. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent. *HRS § 489D-22(c)*.

11. Consent to inspection by the Hawaii Commissioner of Financial Institutions, with or without prior notice, of the books and records Agent when the commissioner has a reasonable basis to believe that Agent is not in compliance with the Hawaii Money Transmitter's Act. *HRS § 489D-22(d)*.

12. Act only as authorized under the contract with NetSpend as failure to do so may result in the cancellation of such contract and further disciplinary action by the Hawaii Commissioner of Financial Institutions. *HRS § 489D-22(e)*

13. Ensure all funds, except fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or received by Agent for transmission, from the time the funds are received by Agent until the time when the funds or an equivalent amount are remitted by Agent to NetSpend, constitute trust funds owned by and belonging to NetSpend. *HRS § 489D-22(f)*.

14. Report to NetSpend the theft or loss of payment instruments within twenty-four hours from the time Agent knew or should have known of the theft or loss. *HRS § 489D-22(g)*.

## **IDAHO**

1. Not authorize sub-representatives without the written consent of the Idaho Director of the Department of Finance. *Idaho Code § 26-2918(2)*.

2. Be subject to supervision and regulation by the Idaho Director of the Department of Finance. *Idaho Code § 26-2918(3)*.

3. Consent to inspection by the Idaho Director of the Department of Finance, with or without prior notice, of the books and records of Agent when the director has a reasonable basis to believe that the Agent is in violation of the provisions of Title 26, Chapter 29 of the Idaho Code. *Idaho Code § 26-2918(4)* and *Idaho Code § 26-2914(1)*.

4. Act only as authorized under the contract with NetSpend as failure to do so may result in cancellation of such contract and further disciplinary action by the Idaho Director of the Department of Finance. *Idaho Code § 26-2918(5)*.

5. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Idaho Director of the Department of Finance. *Idaho Code § 26-2919(1)*.

6. Transmit money strictly in accordance with NetSpend's written procedures provided to Agent. *Idaho Code § 26-2919(2)*.

7. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent. *Idaho Code § 26-2919(3)*.

8. Ensure all funds, less fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or received by Agent for transmission, from the time the funds are received by Agent until the time when the funds or an equivalent amount are remitted by Agent to NetSpend, constitute trust funds owned by and belonging to NetSpend. *Idaho Code § 26-2919(4)*.

9. Report to NetSpend the theft or loss of payment instruments within twenty-four (24) hours from the time Agent knew or should have known of such theft or loss. *Idaho Code § 26-2919(5)*.

## **ILLINOIS**

1. Conspicuously display a disclosure notice supplied by NetSpend providing the following information: (i) name of NetSpend, (ii) a toll-free telephone number for the Illinois Department of Financial Institutions which will provide customer support for suspected violations of the Illinois Transmitters of Money Act, and (iii) a statement that the authorization for Agent to conduct money transmission may be revoked at any time by NetSpend. *205 ILCS 657/37(b)(1)-(3)*.

2. Upon termination as authorized seller, remove the disclosure notice from the premises within 10 business days after such termination. *205 ILCS 657/37(c)*.

3. Pay an examination fee established by rule and the actual expenses of the examination, should one be conducted by the Illinois Director of Financial Institutions. *205 ILCS 657/55(g)*.

4. Preserve for at least 5 years all documents relating to money transmission activities, unless the data embodied in such documents has been transmitted for recordation by NetSpend. *205 ILCS 657/60(b)*.

5. Ensure that every payment instrument sold through Agent except for a stored value card shall bear the name of NetSpend and a unique consecutive number clearly stamped or imprinted on it. When an order for the transmission of money results in the issuance of a payment instrument, both the order and the payment instrument may bear the same unique number. *205 ILCS 657/65*.

6. Create a record, which may be reduced to computer or other electronic medium, upon receiving any money from a customer. *205 ILCS 657/65(b)*.

7. For each payment instrument other than a stored value card sold, record the face amount of the payment instrument and the serial number of the payment instrument. *205 ILCS 657/65(c)*.

8. For each transmission of money, record the date the money was received, the face amount of the payment instrument, the name of the

consumer, the manner of transmission, including the identity and location of any bank or other financial institution receiving or otherwise involved in accomplishing the transmission, the location to which the money is transmitted if different from the bank or other financial institution required to be recorded, the name of the intended recipient, and the date the transmission was accomplished or the money was refunded to the consumer due to an inability to transmit or failure of the intended recipient to receive or obtain the money transmitted. 205 ILCS 657/65(d).

9. Ensure that transmission is made within three business days after the receipt of the money to be transmitted. 205 ILCS 657/65(d).

10. Issue a receipt to each person delivering or depositing money with Agent indicating the date of the transaction, the face amount of the payment instrument, to whom the money is to be transmitted, the service charge, and the name and address of NetSpend or Agent. The receipt or a separate disclosure at the time of the money transmission shall also include a statement of NetSpend's refund procedures as well as a toll-free telephone number for customer assistance. 205 ILCS 657/65(d).

11. Keep a copy of every receipt in a permanent record book or maintain the data embodied in the receipt using photographic, electronic, or other means. 205 ILCS 657/65(d).

12. For each exchange of money of the United States government or a foreign government to or from money of another government, record the date of the transaction, the amount of the transaction, the amount of funds stated in currency received by the recipient, and the rate of exchange at the time of the transaction. 205 ILCS 657/65(e).

13. For each exchange of money of the United States government or a foreign government to or from money of another government, issue a receipt to each person delivering or depositing money with Agent indicating the date of the transaction, the amount of the transaction, the service charge, and the name and address of NetSpend or Agent making the transaction. 205 ILCS 657/65(e).

14. Preserve records required to be kept by Agent under the Illinois Money Transmitter Act for at least five years or as required to comply with any other Act the administration of which is vested in the Illinois Director of Financial Institutions and make such records available for examination upon request of Illinois Director of Financial Institutions. 205 ILCS 657/65(f).

15. Not commit fraud or misrepresentation and/or submit fraudulent statements to NetSpend. 205 ILCS 657/75(e).

16. Hold in trust for NetSpend, from the moment of receipt, the proceeds of any business transacted under this the Illinois Money Transmitter Act in an amount equal to the amount of proceeds due NetSpend less the amount due Agent. 205 ILCS 657/75(f).

17. Remit funds to NetSpend in accordance with the time specified in its contract with NetSpend as failure to do so may result in a civil action against Agent for three times the actual damages. 205 ILCS 657/75(f).

18. Not act outside its scope of authority as defined by the Illinois Money Transmitter Act and by Agent's contract with NetSpend with regard to any transaction regulated by the Illinois Money Transmitter Act. 205 ILCS 657/7(j).

## INDIANA

1. Comply with all state and federal money laundering statutes and regulations, including the following: (1) the Bank Secrecy Act (31 U.S.C. § 5311), (2) The USA Patriot Act of 2001 (P.L. 107-56), (3) any regulations, policies, or reporting requirements established by the Financial Crimes Enforcement Network of the United States Department of the Treasury, (4) any other state or federal money laundering statutes or regulations that apply to Agent. *Ind. Code Ann. § 28-8-4-46(a)(1)-(4)*.

2. Not authorize a sub-delegate without the written consent of the Director of the Indiana Department of Financial Institutions. *Ind. Code Ann. § 28-8-4-49(a)(2)*.

3. Acknowledge that licensees are subject to supervision and regulation by the Director of the Indiana Department of Financial Institutions. *Ind. Code Ann. § 28-8-4-49(a)(3)*.

4. Consent to inspection by the Director of the Indiana Department of Financial Institutions, with or without prior notice to Agent, of the books, records, and accounts of Agent when the Director of the Indiana Department of Financial Institutions has a reasonable basis to believe that NetSpend or Agent is in violation of Title 28, Article 8, Chapter 4 of the Indiana Code. *Ind. Code Ann. § 28-8-4-49(a)(4)*.

5. Act only as authorized under the contract with NetSpend as failure to do so may result in cancellation of such contract and further disciplinary action by the Director of the Indiana Department of Financial Institutions. *Ind. Code Ann. § 28-8-4-49(a)(5)*.

6. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Director of the Indiana Department of Financial Institutions. *Ind. Code Ann. § 28-8-4-50(a)*.

7. Ensure that all money transmission or sale or issuance of payment instrument activities conducted by Agent are strictly in accordance with NetSpend's written procedures provided to Agent. *Ind. Code Ann. § 28-8-4-50(b)(1)*.

8. Remit funds to NetSpend in accordance with the time specified in its contract with NetSpend as failure to do so may result in a civil action against Agent for three times the actual damages. *Ind. Code Ann. § 28-8-4-50(b)(2)*.

9. Ensure that all funds, less fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or received by Agent for transmission, from the time the funds are received by Agent until the time when the funds or an equivalent amount are remitted by Agent to NetSpend, constitute trust funds owned by and belonging to NetSpend. *Ind. Code Ann. § 28-8-4-50(b)(3)*.

10. Report to NetSpend the theft or loss of payment instruments not more than twenty-four (24) hours after the time Agent knew or should have known of the theft or loss. *Ind. Code Ann. § 28-8-4-50(b)(4)*.

## IOWA

8. Operate in full compliance with Title XIII, Subtitle 2, Chapter 533C, Article 4 of the Iowa Code and any policies and procedures provided to Agent by NetSpend in connection with same. *Iowa Code § 533C.401(2)*.

9. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent. *Iowa Code § 533C.401(3)*.

10. Upon notice of suspension or revocation NetSpend's money transmitter license, immediately cease to provide money services as a delegate of NetSpend. *Iowa Code § 533C.401(4)*.

11. Not provide money services outside the scope of activity permissible under the contract between Agent and NetSpend, except activity in which the Agent is licensed to engage under Title XIII, Subtitle 2, Chapter 533C, Article 2 or 3. *Iowa Code § 533C.401(5)*.

12. Hold in trust for the benefit of NetSpend all money, net of fees, received from money transmission. *Iowa Code § 533C.401(5)*.

13. Consent to examination by the Superintendent of Banking for the State of Iowa at any time, without notice, if the Superintendent of Banking for the State of Iowa has reason to believe that the Agent is engaging in an unsafe or unsound practice or has violated or is violating

Title XIII, Subtitle 2, Chapter 533C or a rule adopted or an order issued under same. *Iowa Code § 533C.501(2)*.

14. File all reports required by federal currency reporting, recordkeeping, and suspicious activity reporting requirements as set forth in *31 U.S.C. § 5311--5330, and 31 C.F.R. § 103.11--103.170. Iowa Code § 533C.506*.

#### **KANSAS**

1. Comply with the Kansas Money Transmitter Act. *K.S.A. 9-510*.
2. Not use subagents or conduct money transmission business from locations that have not been approved by NetSpend. *K.S.A. 9-510*.

#### **KENTUCKY**

1. Consent to examination or investigation by the Executive Director of the Kentucky Department of Financial Institutions, whether or not prior notice is given to Agent, of the books, records, and business operations of Agent. *KRS § 286.11-027(4)*.
2. File with the Executive Director of the Kentucky Department of Financial Institutions all reports by federal currency reporting, recordkeeping, and suspicious transaction reporting requirements as set forth in the Bank Secrecy Act, 31 U.S.C. secs. 5311 to 5332, 31 C.F.R. pt. 103, and other federal and state laws pertaining to money laundering, for every transaction in this state and maintain a copy of such reports in compliance with KRS 286.11-029. *KRS § 286.11-031(1)*.
3. Operate in full compliance with Title XXV, Chapter 286, Subtitle 11 of the Kentucky Code, rules promulgated thereunder, and any order issued by the Executive Director of the Kentucky Department of Financial Institutions pursuant to same. *KRS § 286.11-035(2)*.
4. Not authorize sub-Agents. *KRS § 286.11-035(3)*.
5. Remit all money legally due to NetSpend in accordance with the terms of the written contract between NetSpend and Agent. *KRS § 286.11-035(4) and KRS § 286.11-037(3)*.
6. Be subject to regulation by the Executive Director of the Kentucky Department of Financial Institutions. *KRS § 286.11-035(5)*.
7. Not make any fraudulent statements or misrepresentations to NetSpend or to the Executive Director of the Kentucky Department of Financial Institutions. *KRS § 286.11-037(1)*.
8. Conduct all money transmissions, or sale, or issuance of payment instrument activities strictly in accordance with NetSpend's written procedures provided to Agent. *KRS § 286.11-037(2)*.
9. Act only as authorized under the contract with NetSpend. *KRS § 286.11-037(4)*.
10. Ensure all funds, less fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or received by Agent for transmission, from the time the funds are received by Agent until such time when the funds or an equivalent amount are remitted by Agent to NetSpend, constitute trust funds owned by and belonging to NetSpend. *KRS § 286.11-037(5)*.
11. Report to NetSpend the theft, forgery, or loss of payment instruments within twenty-four (24) hours from the time Agent knew of the theft, forgery, or loss. *KRS § 286.11-037(6)*.

#### **LOUISIANA**

1. Hold in trust from the moment of receipt the proceeds of a sale or delivery of NetSpend's checks or money collected for transmittal. *La. R.S. 6:1048*.
2. Not commingle the proceeds of a sale or delivery of NetSpend's checks or money collected for transmittal with customer's own property

or funds, except to use the funds in the ordinary course of its business for the purpose of making change. *La. R.S. 6:1048*.

#### **MAINE**

1. Not authorize sub-delegates without the written consent of the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation. *32 M.R.S. § 6117(2)*.
2. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation. *32 M.R.S. § 6118(1)*.
3. Conduct all money transmission or sale or issuance of payment instrument activities strictly in accordance with NetSpend's written procedures provided to Agent. *32 M.R.S. § 6118(2)*.
4. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and the Agent as failure to do so may result in liability of Agent to NetSpend for three times NetSpend's actual damages. *32 M.R.S. § 6118(3)*.
5. Consent to inspection by the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation, with or without prior notice, of the books and records of Agent when the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation has a reasonable basis to believe that Agent is in noncompliance with this Title 2, Chapter 80, Subchapter 1 of the Maine Code. *32 M.R.S. § 6118(4)*.
6. Act only as authorized under the contract with NetSpend and Agent as failure to do so may result in cancelation of such contract and further disciplinary action by the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation. *32 M.R.S. § 6118(5)*.
7. Ensure that all funds, less fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or received by Agent for transmission, from the time the funds are received by Agent until the funds or an equivalent amount are remitted by Agent to NetSpend, constitute trust funds owned by and belonging to NetSpend. *32 M.R.S. § 6118(6)*.
8. Report to NetSpend the theft or loss of payment instruments within 24 hours from the time NetSpend knew or should have known of the theft or loss. *32 M.R.S. § 6118(7)*.

#### **MARYLAND**

1. Display prominently at each location open to the public a notice in at least 48-point type that states the following:  

“The Commissioner of Financial Regulation for the State of Maryland will accept all questions or complaints regarding authorized delegate of NetSpend at [insert address of Commissioner], phone [insert toll-free phone number of the Commissioner].” *Md. Financial Institutions Code Ann. § 12-410(E)(2)*.
2. Not authorize sub-agents or sub-delegates without written consent of the Commissioner of Financial Regulation for the State of Maryland. *Md. Financial Institutions Code Ann. § 12-413(2)*.
3. Be subject to supervision, examination, and regulation by the Commissioner of Financial Regulation for the State of Maryland. *Md. Financial Institutions Code Ann. § 12-413(3)*.
4. Operate in full compliance with the policies and procedures provided to Agent by NetSpend. *Md. Financial Institutions Code Ann. § 12-413(c)*.

5. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Commissioner of Financial Regulation for the State of Maryland. *Md. Financial Institutions Code Ann. § 12-414(a)*.
6. Conduct all money transmission or sale or issuance of payment instrument activities strictly in accordance with NetSpend's operating procedures provided to Agent. *Md. Financial Institutions Code Ann. § 12-414(b)*.
7. Remit all funds owed to NetSpend in accordance with the terms of the contract between NetSpend and Agent, but not later than 48 hours after the next regular business day after Agent receives the proceeds from a money transmission. *Md. Financial Institutions Code Ann. § 12-414(c) and §12-418(b)*.
8. Ensure that all funds received by Agent from the sale of a payment instrument, less fees, shall constitute trust funds belonging to NetSpend from the time the funds are received by Agent until the time when the funds are remitted to NetSpend. *Md. Financial Institutions Code Ann. § 12-414(d)(1)*.
9. Report to NetSpend the theft or loss of a payment instrument within 24 hours after the theft or loss. *Md. Financial Institutions Code Ann. § 12-414(e)*.

#### **MICHIGAN**

1. Operate in compliance with the Michigan Money Transmission Services Act and any policies and procedures provided by NetSpend to Agent with respect to same. *MCL § 487.1033(1)*.
2. Remit all money owing to NetSpend in accordance with the terms of the agreement between NetSpend and Agent. *MCL § 487.1033(2)*.
3. Upon receipt of notice from NetSpend or Commissioner of the Michigan Office of Financial and Insurance Services that NetSpend's money transmitter license has been suspended or revoked, immediately cease providing money transmission services as an authorized delegate of NetSpend. *MCL § 487.1033(3)*.
4. Not provide money transmission services outside the scope of activity permissible under the agreement between Agent and NetSpend, except activity in which Agent is otherwise authorized to engage. *MCL § 487.1033(4)*.
5. Hold all money received from providing money transmission services, reduced by any fees owed to Agent by NetSpend, in escrow for the benefit of NetSpend. *MCL § 487.1033(4)*.
6. Not make any fraudulent or false statement or misrepresentation to a consumer or NetSpend or to the Commissioner of the Michigan Office of Financial and Insurance. *MCL § 487.1034(1)*.
7. Perform money transmission services lawfully and in accordance with NetSpend's operating policies and procedures provided to Agent. *MCL § 487.1034(2)*.
8. Hold all funds received by Agent from the sale of a payment instrument, less fees, in trust for NetSpend from the time the funds are received by Agent until the time the funds are remitted to NetSpend. *MCL § 487.1034(3)*.
9. Report to NetSpend the theft or loss of a payment instrument within 24 hours after the theft or loss. *MCL § 487.1034(5)*.

#### **MINNESOTA**

1. Not authorize sub-delegates without the written consent of the Minnesota Commissioner of Commerce. *Minn. Stat. § 53B.20(2)*.
2. Acknowledge that NetSpend is subject to supervision and regulation by the Minnesota Commissioner of Commerce and that as a part of that supervision and regulation, the Minnesota Commissioner of Commerce

may require NetSpend to cancel its contract with Agent. *Minn. Stat. § 53B.20(3)*.

3. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Minnesota Commissioner of Commerce. *Minn. Stat. § 53B.219(a)*.
4. Conduct its money transmission activities in a safe and sound manner. *Minn. Stat. § 53B.21(b)*.
5. Cooperate with an investigation conducted by the Minnesota Commissioner of Commerce under Chapter 538.20 of the Minnesota Banking Code by providing any relevant information in its possession that the Minnesota Commissioner of Commerce cannot reasonably obtain from another source. *Minn. Stat. § 53B.21(c)*.
6. Act only as authorized under the contract with NetSpend as failure to do so may result in cancellation of such contract. *Minn. Stat. § 53B.21(d)*.
7. Ensure that all funds, less fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or received by Agent for transmission, constitute trust funds owned by and belonging to NetSpend from the time the funds are received by Agent until the time when the funds or an equivalent amount are remitted by Agent to NetSpend. *Minn. Stat. § 53B.21(e)*.

#### **MISSISSIPPI**

1. Display prominently on the Agent's premises, where same may be readily viewed by prospective clients or purchasers, a printed certificate signed by an authorized official of NetSpend setting forth in bold letters the names of NetSpend and Agent and stating that NetSpend holds a valid and existing license issued by the Commissioner of Banking and Consumer Finance of the State of Mississippi under Title 75, Chapter 15 of the Mississippi Sale of Checks Law and that Agent is a duly authorized Agent of NetSpend. *Miss. Code Ann. § 75-15-17*.
2. Not appoint a sub-agent to conduct money transmission. *Miss. Code Ann. § 75-15-17*.
3. At the point Agent ceases to be an agent of a NetSpend, immediately cease displaying its Agent's appointment certificate and immediately surrender same to NetSpend. *Miss. Code Ann. § 75-15-23*.
4. Ensure that any check, which includes stored value cards, sold by Agent on behalf of NetSpend shall bear the name of NetSpend. *Miss. Code Ann. § 75-15-23*.
5. Not directly or indirectly conduct its own money transmission business and shall not be, continue to be, or become an officer, director, stockholder, employee, or agent of any other NetSpend, licensed under the Mississippi Money Transmitters Act. *Miss. Code Ann. § 75-15-23*.

#### **MISSOURI**

1. Upon demand, transfer and deliver to NetSpend the proceeds of the sale of NetSpend's checks less the fees, if any, due Agent. *§ 361.720 R.S.Mo.*

#### **NEBRASKA**

1. Ensure that every check sold by Agent, on behalf of NetSpend, bears the name of NetSpend clearly imprinted thereon. *R.R.S. Neb. § 8-1011*.
2. Not authorize subdelegates without the written consent of the Director of the Nebraska Department of Banking and Finance; and *R.R.S. Neb. § 8-2739*.
3. NetSpend hereby acknowledges that it is subject to supervision and regulation by the Director of the Nebraska Department of Banking and Finance. *R.R.S. Neb. § 8-2739*.

## **NEVADA**

1. Consent to examination by the Nevada Commissioner of Financial Institutions. *Nev. Rev. Stat. Ann. § 671.120(2)*.
2. Remit to NetSpend or deposit with a bank or credit union authorized to do business in Nevada for credit to an account of NetSpend, all money or credits received by Agent from the sale and issuance of checks or for the purpose of transmission, no later than the third business day following the receipt of such money and/or credits. *Nev. Rev. Stat. Ann. § 671.150(1)*.
3. Not commingle money received from the sale or issuance of checks or for the purpose of transmission with the other assets of NetSpend or Agent. *Nev. Rev. Stat. Ann. § 671.150(2)*.

## **NEW HAMPSHIRE**

1. Conspicuously post an authorized delegate registration notice, issued by the New Hampshire Banking Department for each location where the business of money transmission is to be conducted other than NetSpend's principal place of business, at each of Agent's offices within New Hampshire. *RSA 399-G:7*.
2. Consent to examination by the New Hampshire banking department. *RSA 399-G:13(I)*.
3. Comply with NetSpend's requirements pertaining to education, training, monitoring, and periodic inspection designed to inform Agent of its responsibilities, consistent with the Bank Secrecy Act and the requirements to file reports required by federal law. *RSA 399-G:15*.

## **NEW JERSEY**

1. Pay for the costs of examination or investigation by New Jersey Commissioner of Banking and Insurance of Agent's operations unless stated otherwise in the Appointment Agreement. *N.J. Stat. § 17:15C-11(c)*.
2. Provide any reports required by the New Jersey Commissioner of Banking and Insurance, under penalty of perjury or otherwise, concerning Agent's business conducted pursuant to the license issued to NetSpend under the New Jersey Money Transmitters Act. *N.J. Stat. § 17:15C-12*.
3. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the New Jersey Commissioner of Banking and Insurance. *N.J. Stat. § 17:15C-18(a)*.
4. Conduct all money transmission or sale or issuance of payment instrument activities strictly in accordance with NetSpend's written procedures provided to Agent. *N.J. Stat. § 17:15C-1(b)*.
5. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent as failure to remit within the time presented shall result in liability of Agent to NetSpend for three times NetSpend's actual damages. *N.J. Stat. § 17:15C-18(c)*.
6. Consent to inspection by New Jersey Commissioner of Banking and Insurance, with or without prior notice to Agent, of the books and records of Agent whenever the New Jersey Commissioner of Banking and Insurance has a reasonable basis to believe that the Agent is not in compliance with the New Jersey Money Transmitters Act. *N.J. Stat. § 17:15C-18(d)*.
7. Act only as authorized under the contract with NetSpend as failure to do so may result in cancellation of such contract and further disciplinary action by the New Jersey Commissioner of Banking and Insurance. *N.J. Stat. § 17:15C-18(e)*.
8. Ensure that all funds, less fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or received by Agent for transmission, from the time the funds are received by Agent until that time when the funds or an equivalent amount are remitted by Agent to

NetSpend, constitute trust funds owned by and belonging to NetSpend. *N.J. Stat. § 17:15C-18(f)*.

9. Report to NetSpend the theft or loss of payment instruments within 24 hours from the time Agent knew or should have known of that theft or loss. *N.J. Stat. § 17:15C-18(g)*.
10. Comply with the provisions of 31 C.F.R. s.103.11 et seq. and P.L.1994, c.121 (C.2C:21-23 et seq.). *N.J. Stat. § 17:15C-18(h)*.
11. Conduct all business governed by the New Jersey Money Transmitters Act in the name of NetSpend. *N.J. Stat. § 17:15C-18(i)*.

## **NEW MEXICO**

1. Operate in full compliance with the New Mexico Uniform Money Services Act. *N.M. Stat. Ann. § 58-32-501(B)*.
2. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent. *N.M. Stat. Ann. § 58-32-501(D)*.
3. Upon notice that NetSpend's license has been suspended, revoked, and/or not renewed, immediately cease to provide money services as an authorized delegate of NetSpend. *N.M. Stat. Ann. § 58-32-501(E)*.
4. Not provide money services outside the scope of activity permissible under the contract between Agent and NetSpend, except activity in which Agent is authorized to engage under Article 2, 3, or 4 of the New Mexico Uniform Money Services Act. *N.M. Stat. Ann. § 58-32-501(F)*.
5. Not use a sub-delegate to conduct money transmission services on behalf of NetSpend. *N.M. Stat. Ann. § 58-32-501(G)*.
6. Consent to examination by the Director of the Financial Institutions Division at any time. Such examination may occur without notice if the Director of the Financial Institutions Division has reason to believe that the Agent is engaging in an unsafe or unsound practice or has violated or is violating the New Mexico Uniform Money Services Act or a rule adopted or an order issued pursuant to that act. *N.M. Stat. Ann. § 58-32-601*.
7. File with the appropriate federal agency (or with the New Mexico Attorney General if so notified) all reports required by federal currency reporting, recordkeeping, and suspicious transaction reporting requirements as set forth in 31 U.S.C. §5311, *et seq.*, or any successor law; and any other federal and state laws pertaining to money laundering. *N.M. Stat. Ann. § 58-32-606(A) and (B)*.
8. In connection with each transaction that involves transmitting money in an amount of one thousand dollars (\$1,000) or more, whether sending or receiving, retain a record of each of the following: (i) the name and social security or taxpayer identification number, if any, of the individual presenting the transaction and of the person and entity on whose behalf the transaction is to be effected; (ii) the type and number of the customers' verified photographic identification as described in 31 C.F.R. § 1010.312 or any successor regulations; (iii) the customer's current occupation; (iv) the customer's current residential address; and (v) the customer's signature. *N.M. Stat. Ann. § 58-32-606(C)*.
9. In the event that Agent receives an emergency order, submit written certification to the Director of the Financial Institutions Division, signed by the Agent, and its principals and responsible individuals, as applicable, and each person named in the order, stating that each person has received a copy of and has read and understands the order. *N.M. Stat. Ann. § 58-32-805(B)*.

## **NEW YORK**

1. Report the sale of any New York instruments or New York traveler's checks issued by NetSpend to NetSpend and remit the face amount of

such instruments or checks to NetSpend within such period of time as NetSpend requires within the normal course of its business or as the Superintendent of the New York State Department of Financial Services, by rule or regulation, may prescribe. *NY CLS Bank § 651-a.*

2. Make and keep such accounts, correspondence, memoranda, papers, books and other records as the Superintendent of the New York State Department of Financial Services by regulation or order requires and preserve same for the time specified by the regulation or order of the Superintendent of the New York State Department of Financial Services. *NY CLS Bank § 651-b.*

3. Agent and any subagents may only engage in the category or categories of money transmission activity that NetSpend is authorized to lawfully engage in under its license. *3 NYCRR § 406.5(a)(1).*

4. Agent and any subagents are prohibited from acting on behalf of the consumer as a courier for the transmission of money which activity requires licensing as a money transmitter. *3 NYCRR § 406.5(a)(2).*

5. All money orders sold may not be retained by Agent and any subagents, but must be given to the purchasers of the instruments for their own delivery to the beneficiary. *3 NYCRR § 406.5(a)(2).*

6. Acknowledge that the Superintendent of the New York State Department of Financial Services reserves the right to inspect, with or without prior notice to NetSpend or Agent and any subagents, the books and records of Agent and any subagents of NetSpend and that the expenses incurred in any such inspection shall be borne by NetSpend. *3 NYCRR § 406.5(3).*

7. Agent and any subagents shall not sell any travelers check, money order or other money transmission instrument in New York unless the name of NetSpend clearly appears on the face of the instrument and NetSpend shall not condition its engagement as obligor under the payment instrument upon remittance of the proceeds of sale from Agent and any subagents. *3 NYCRR § 406.5(a)(4).*

8. Agent and any subagents shall not sell any travelers check, money order or other money transmission instrument in New York, unless Agent and subagent has provided the Superintendent of the New York State Department of Financial Services with a written and irrevocable consent to examine, have access to, and retain copies of all of its books and records, wherever maintained, relating to these activities. *3 NYCRR § 406.5(5).*

9. Agent and any subagents in New York are under a duty to act only as authorized under the agency contract and Agent and any subagent who exceeds its authority is subject to cancellation of such agency contract and may result in further disciplinary action against NetSpend by the Superintendent of the New York State Department of Financial Services. *3 NYCRR § 406.5(6).*

10. NetSpend, Agent, and any subagents shall not advertise its money transmission services without including the name of NetSpend and the legend that NetSpend is "Licensed as a Money Transmitter by the New York State Department of Financial Services". *3 NYCRR § 406.6(a).*

11. NetSpend, Agent, and any subagents shall maintain a complete file of its advertisements (including commercial scripts of all radio and television broadcasts) for examination by the Superintendent of the New York State Department of Financial Services for a period of at least two years from the date of publication. *3 NYCRR § 406.6(c).*

12. NetSpend, Agent, and any subagents shall make, keep and preserve its books and records in such form, in such manner and for such time as is in accordance with generally accepted accounting principles and in a condition which will allow the Superintendent of the New York State Department of Financial Services to determine whether NetSpend, Agent, and any subagents is complying with Article XIII-B of the Banking Law.

Preservation by photographic reproduction or in photographic form shall constitute compliance with this requirement. *3 NYCRR § 406.9(a).*

13. The books and records maintained by NetSpend and Agent shall include the following: (1) a daily record of instruments sold by date; (2) a general ledger containing all asset, liability, capital, income and expense accounts which general ledger shall be posted at least monthly; (3) remittance reports received from Agent and any subagents; (4) bank statements and bank reconciliation records which shall be kept for three years; (5) outstanding money transmission instruments by year of sale which shall be maintained for at least five years after the time which such instruments have been deemed, under the New York Abandoned Property Law, to be abandoned property; (6) each money transmission instrument paid for a period of three years after the date of payment; (7) a list of the names and addresses of Agent who sells or issues NetSpend's money transmission instruments and copies of agency agreements thereunder. *3 NYCRR § 406.9(b)(1)-(7).*

14. NetSpend, Agent, and any subagent shall comply with federal Bank Secrecy Act regulations as set forth in 31 CFR Part 103.28. *3 NYCRR § 406.9(d).*

#### **NORTH CAROLINA**

1. Consent to review, investigation, or examination by the Commissioner of Banks of the State of North Carolina of Agent's operations specific to NetSpend's business, without prior notice, and cooperate in producing books, accounts, records, files, reports, and any other documents as directed, subpoenaed, ordered, or otherwise requested. *N.C. Gen. Stat. § 53-208.55.*

2. Not authorize sub-delegates without the written consent of the Commissioner of Banks of the State of North Carolina. *N.C. Gen. Stat. § 53-208.44(c)(2).*

3. Acknowledge that, in its capacity as authorized delegate of NetSpend, Agent is subject to supervision and regulation by the Commissioner of Banks of the State of North Carolina notwithstanding exemption from licensure. *N.C. Gen. Stat. § 53-208.44(c)(3).*

4. Post a certificate in public view at each location and that states the following: "Money transmission on behalf of NetSpend Corporation is conducted at this location pursuant to the Money Transmitters Act." *N.C. Gen. Stat. § 53-208.44(c)(4).*

5. Maintain at its office a record of the disposition of all checks received from NetSpend. The record shall contain an accounting of all proceeds from those checks paid to NetSpend and all proceeds due to NetSpend. *4 N.C.A.C. 3F.0601(b).*

#### **NORTH DAKOTA**

1. Consent to an on-site examination by the Commissioner of the North Dakota Department of Financial Institutions without prior notice to Agent in the event that Commissioner of the North Dakota Department of Financial Institutions has a reasonable basis to believe that Agent is in noncompliance with Title 13, Chapter 13-09 of the North Dakota Century Code. *N.D. Cent. Code, § 13-09-13(2).*

2. Pay all reasonably incurred costs of an on-site examination by the Commissioner of the North Dakota Department of Financial Institutions. *N.D. Cent. Code, § 13-09-13(2).*

3. Not authorize sub-delegates without the written consent of the Commissioner of the North Dakota Department of Financial Institutions. *N.D. Cent. Code, § 13-09-15(2).*

4. Not make a fraudulent or false statement or misrepresentation to NetSpend or to the Commissioner of the North Dakota Department of Financial Institutions. *N.D. Cent. Code, § 13-09-16(1).*



5. Conduct all money transmission or sale or issuance of payment instrument activities strictly in accordance with NetSpend's written procedures provided to Agent. *N.D. Cent. Code, § 13-09-16(2)*.
6. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent. *N.D. Cent. Code, § 13-09-16(3)*.
7. Consent to inspection by the Commissioner of the North Dakota Department of Financial Institutions, with or without prior notice to Agent. *N.D. Cent. Code, § 13-09-16(4)*.
8. Act only as authorized under the contract with NetSpend and Title 13, Chapter 13-09 of the North Dakota Code as failure to do so may result in cancellation of such contract and further disciplinary action by the Commissioner of the North Dakota Department of Financial Institutions. *N.D. Cent. Code, § 13-09-16(5)*.
9. Ensure all funds, less fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or received by Agent for transmission, from the time such funds are received by Agent until such time when the funds or an equivalent amount are remitted by Agent to NetSpend, constitute trust funds owned by and belonging to NetSpend. *N.D. Cent. Code, § 13-09-16(6)*.

### **OHIO**

1. Not perform accounting, verification, or reconciliation of transmissions completed or bank statements for NetSpend. *ORC Ann. 1315.02(B)*.
2. Satisfy its duties and responsibilities, as described in this Agreement, regarding money or its equivalent received from persons located in Ohio for transmission by NetSpend. *ORC Ann. 1315.11(1)*.
3. Satisfy its duties and responsibilities, as described in this Agreement, regarding instruments, devices, or processes used by NetSpend to transmit money. *ORC Ann. 1315.11(2)*.
4. Satisfy its duties and responsibilities, as described in this Agreement, with regard to compliance with laws regulating money transmission activities. *ORC Ann. 1315.11(3)*.
5. Keep separate money or its equivalent received for transmission by NetSpend and not commingle same with other money or receipts. *ORC Ann. 1315.11(D)(1)*.
6. Ensure that all money or its equivalent, less fees, that is received by Agent for transmission by NetSpend, from the time received until remitted to NetSpend, constitutes funds owned by and belonging to NetSpend and is impressed with a trust for the benefit of the person from which the money or its equivalent is received. *ORC Ann. 1315.11(D)(1)*.

### **OKLAHOMA**

1. Prominently display at each location of Agent a license certificate issued by the Oklahoma State Bank Commissioner. *6 Okl. St. § 2107(B)*.
2. Ensure that all funds collected or received from the sale of checks by Agent are impressed with a trust in favor of NetSpend in an amount equal to the amount of the proceeds due NetSpend and are not commingled with other funds of Agent. *6 Okl. St. § 2123(a)*.
3. Acknowledge that no proceeds received by Agent from the sale of any check issued by NetSpend, while held by Agent, nor any property impressed with a trust pursuant to Title 6, Chapter 6, Section 2123 of the Oklahoma Code 15 subject to attachment, levy of execution, or sequestration by order of any court, except for the benefit of NetSpend. *6 Okl. St. § 2123(b)*.

4. Operate in full compliance with the Oklahoma Sales of Checks Act and any policies and procedures provided by NetSpend with respect to same. *Okla. Admin. Code 85:15-5-1(b)*.
5. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent. *Okla. Admin. Code 85:15-5-1(c)*.
6. Upon notice that NetSpend's license has been revoked and/or suspended, cease to provide money transmission services as a delegate of NetSpend. *Okla. Admin. Code 85:15-5-1(d)*.
7. Not provide money transmission services outside the scope of activity permissible under the contract between Agent and NetSpend. *Okla. Admin. Code 85:15-5-1(e)*.
8. Hold in trust for the benefit of NetSpend all money, net of fees, received from money transmission. *Okla. Admin. Code 85:15-5-1(e)*.
9. Not use a sub-delegate to conduct money transmission services on behalf of NetSpend. *Okla. Admin. Code 85:15-5-1(f)*.

### **OREGON**

1. Consent to an on-site examination by the Oregon Director of the Department of Consumer and Business Services of the principal place of business of Agent, without prior notice to Agent, if the Oregon Director of the Department of Consumer and Business Services has a reasonable basis to believe that Agent is in violation of any provision of ORS 717.200 to 717.320, 717.900 and 717.905. *ORS § 717.255(2)*.
2. Operate pursuant to an express written contract between Agent and NetSpend. *ORS § 717.270*.
3. Not authorize sub-delegates without the written consent of the Director of the Department of Consumer and Business Services. *ORS § 717.270(2)*.
4. Be subject to supervision and regulation by the Oregon Director of the Department of Consumer and Business Services. *ORS § 717.270(3)*.
5. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Director of the Department of Consumer and Business Services. *ORS § 717.275(1)*.
6. Conduct all money transmission activities strictly in accordance with NetSpend's written procedures provided to Agent. *ORS § 717.275(2)*.
7. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent as failure to remit within the time prescribed shall result in liability of Agent to NetSpend for three times NetSpend's actual damages. *ORS § 717.275(3)*.
8. Consent to the inspection by Oregon Director of the Department of Consumer and Business Services, with or without prior notice to Agent, of the books and records of Agent when the Oregon Director of the Department of Consumer and Business Services has a reasonable basis to believe that Agent is not in compliance with ORS §§ 717.200 to 717.320, 717.900 and 717.905. *ORS § 717.275(4)*.
9. Act only as authorized under the contract with NetSpend as failure to do so may result in cancellation of such contract and further disciplinary action by the Oregon Director of the Department of Consumer and Business Services. *ORS § 717.275(5)*.
10. Ensure all funds, not including fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend, or received by Agent for transmission, shall constitute trust funds owned by and belonging to NetSpend during the period beginning when the funds are received by Agent and ending when the funds or an equivalent amount are remitted by Agent to NetSpend. *ORS § 717.275(6)*.

11. Report to NetSpend the theft or loss of payment instruments within 24 hours from the time Agent first knows of the theft or loss. *ORS § 717.275(6)*.

#### **PENNSYLVANIA**

1. Ensure that every transmittal instrument sold by Agent bears the name of NetSpend clearly imprinted thereon. *7 P.S. § 6111(b)*.
2. Clearly indicate the name of NetSpend in a sign publicly displayed in the Agent's place of business issuing and selling transmittal instruments. *10 Pa. Code § 19.6(b)*.
3. Agree to be subject to the control of NetSpend, meaning that NetSpend takes complete financial responsibility, with respect to the customer, for the money being transmitted from the moment a customer initiates the transmission of money until the intended recipient receives the transmitted money. *2016 Pa. Laws 129 § 12(c)(3)*.
4. Agree there is no risk of loss to the customer initiating a transaction if the Agent fails to remit the funds to NetSpend. *2016 Pa. Laws 129 § 12(c)(4)*.
5. Acknowledge that receipt of customer funds by Agent is deemed receipt of funds by NetSpend. *2016 Pa. Laws 129 § 12(c)(5)*.
6. Not provide money transmission outside the scope of activity permissible under the contract between Agent and NetSpend, except to the extent the Agent is licensed itself or operating as an agent for another licensee. *2016 Pa. Laws 129 § 12(c)(6)*.
7. Provide notice to customers doing business with Agent that Agent is working on behalf of NetSpend. *2016 Pa. Laws 129 § 12(c)(7)*.

#### **RHODE ISLAND**

1. Consent to investigation by Director of the Rhode Island Department of Business Regulation or its designee(s), at any time, of the Agent's business, books, accounts, records and files used therein. *R.I. Gen. Laws § 19-14-23(a)*.
2. Ensure that every check or electronic money transfer sold by Agent on behalf of NetSpend bears the name of NetSpend clearly imprinted on it. *R.I. Gen. Laws § 19-14.3-3*

#### **SOUTH DAKOTA**

1. Consent to an on-site examination by the Director of the South Dakota Division of Banking, without prior notice, if the Director of the South Dakota Division of Banking has a reasonable basis to believe that Agent is in not in compliance with Title 51A, Chapter 51A-17-28. *S.D. Codified Laws § 51A-17-28*.
2. Consent to pay all reasonably incurred costs of an on-site examination by the Director of the South Dakota Division of Banking. *S.D. Codified Laws § 51A-17-28*.
3. Not authorize sub-delegates without the written consent of the Director of the South Dakota Division of Banking. *S.D. Codified Laws § 51A-17-31(2)*.
4. Be subject to supervision and regulation by the Director of the South Dakota Division of Banking. *S.D. Codified Laws § 51A-17-31(3)*.
5. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Director of the South Dakota Division of Banking. *S.D. Codified Laws § 51A-17-32(1)*.
6. Conduct all money transmission or sale or issuance of payment instrument activities strictly in accordance with NetSpend's written procedures provided to Agent. *S.D. Codified Laws § 51A-17-32(2)*.
7. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent as failure to remit all money owing to NetSpend within the time presented will result in liability of

Agent to NetSpend for NetSpend's actual damages. *S.D. Codified Laws § 51A-17-32(3)*.

8. Consent to inspection by the Director of the South Dakota Division of Banking, with or without prior notice, of the books and records of Agent if the Director of the South Dakota Division of Banking has a reasonable basis to believe that Agent is not in compliance with Title 51A, Chapter 51A-17-28. *S.D. Codified Laws § 51A-17-32(4)*.
9. Act only as authorized under the contract with NetSpend as failure to do so may result in cancellation of such contract and further disciplinary action by the Director of the South Dakota Division of Banking. *S.D. Codified Laws § 51A-17-32(5)*.
10. Ensure any funds, less fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or received by Agent for transmission, from the time such funds are received by Agent until such time when the funds or an equivalent amount are remitted by Agent to NetSpend, constitute trust funds owned by and belonging to NetSpend. *S.D. Codified Laws § 51A-17-33*.

11. Report to NetSpend the theft or loss of payment instruments and stored value within twenty-four hours from the time Agent knew or should have known of such theft or loss. *S.D. Codified Laws § 51A-17-34*.

#### **TENNESSEE**

1. Report to NetSpend the theft or loss of payment instruments valued at five thousand dollars (\$5,000) or more within twenty-four (24) hours from the time Agent knew or should have known of the theft or loss. *Tenn. Code Ann. § 45-7-212(b)*.
2. Consent to on-site examinations by the Tennessee Commissioner of Financial Institutions or the Tennessee Commissioner of Financial Institutions staff of all the books, papers and records of Agent. *Tenn. Code Ann. § 45-7-214(a)*.
3. Not authorize sub-agents without the written consent of the Tennessee Commissioner of Financial Institutions. *Tenn. Code Ann. § 45-7-218(2)*.
4. Be subject to supervision and regulation by the Tennessee Commissioner of Financial Institutions. *Tenn. Code Ann. § 45-7-218(3)*.
5. Consent to inspection by the Tennessee Commissioner of Financial Institutions, with or without prior notice to Agent, of the books and records of Agent. *Tenn. Code Ann. § 45-7-218(4)*.
6. Act only as authorized under the contract with NetSpend as failure to do so may result in cancellation of such contract by NetSpend and further disciplinary action by the Tennessee Commissioner of Financial Institutions. *Tenn. Code Ann. § 45-7-218(5)*.
7. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Tennessee Commissioner of Financial Institutions. *Tenn. Code Ann. § 45-7-219(a)*.
8. Conduct all money transmission or sale or issuance of payment instrument activities strictly in accordance with NetSpend's written procedures provided to Agent. *Tenn. Code Ann. § 45-7-219(b)*.
9. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent as failure to remit all money owing to NetSpend within the contractual time period shall result in liability of Agent to NetSpend for three times NetSpend's actual damages. *Tenn. Code Ann. § 45-7-219(c)*.
10. Ensure all funds, less fees, received by Agent from the sale or delivery of a payment instrument issued by NetSpend or received by Agent for transmission, from the time the funds are received by Agent until the time when the funds or an equivalent amount are remitted by

Agent to NetSpend, constitute trust funds owned by and belonging to NetSpend. *Tenn. Code Ann. § 45-7-219(d)*.

## **TEXAS**

1. Consent to the jurisdiction of the courts of Texas for all actions arising under Title 3, Subtitle E, Chapter 151 of the Texas Finance Code. *Tex. Finance Code § 151.106*.

2. Comply with the policies and procedures in place by NetSpend to ensure that Agent is in compliance with applicable federal and state law. *Tex. Finance Code § 151.402(b)(1)*.

3. Consent to a reasonable risk-based background investigation by NetSpend to determine whether Agent has complied with applicable state and federal law. *Tex. Finance Code § 151.402(b)(3)*.

4. Certify that it is familiar with and agrees to fully comply with all applicable state and federal laws, rules, and regulations pertaining to money transmission, including Title 3, Subtitle E, Chapter 151 of the Texas Finance Code and rules adopted thereunder, relevant provisions of the Bank Secrecy Act and the USA PATRIOT ACT, and Title 3, Subtitle Z, Chapter 271 of the Texas Finance Code. *Tex. Finance Code § 151.402(c)(3)*.

5. Remit and handle money and monetary value in accordance with Title 3, Subtitle E, Chapter 151, Sections 151.403(b) and (c) of the Texas Finance Code. *Tex. Finance Code § 151.402(c)(4)*.

6. Impose a trust on money and monetary value received in accordance with Title 3, Subtitle E, Chapter 151, Section 151.404 of the Texas Finance Code. *Tex. Finance Code § 151.402(c)(5)*.

7. Prepare and maintain records as required by Title 3, Subtitle E, Chapter 151 or a rule adopted thereunder, including but not limited to 7 TACT 33.35, or as reasonably requested by the Banking Commissioner of Texas. *Tex. Finance Code § 151.402(c)(6)*.

8. Consent to examination or investigation by the Banking Commissioner of Texas. *Tex. Finance Code § 151.402(c)(7)*.

9. Acknowledge that NetSpend is subject to regulation by the Banking Commissioner of Texas and that, as part of that regulation, the Banking Commissioner of Texas may suspend or revoke an authorized delegate designation or require NetSpend to terminate an authorized delegate designation. *Tex. Finance Code § 151.402(c)(8)*.

10. Acknowledge receipt of the written policies and procedures required under Title 3, Subtitle E, Chapter 151, Section 151.402(b)(1). *Tex. Finance Code § 151.402(c)(9)*.

11. Acknowledge that Agent has been provided the following regulatory website addresses through which Agent can access Title 3, Subtitle E, Chapter 151 and rules adopted thereunder and the Bank Secrecy Act, the USA PATRIOT ACT, and Title 3, Subtitle Z, Chapter 271: [http://www.banking.state.tx.us/sa/msb\\_home.htm](http://www.banking.state.tx.us/sa/msb_home.htm), [http://www.fincen.gov/statutes\\_regs/bsa/](http://www.fincen.gov/statutes_regs/bsa/), [http://www.fincen.gov/statutes\\_regs/patriot/](http://www.fincen.gov/statutes_regs/patriot/), and [http://policy.ctspublish.com/txdob/lpext.dll/Infobase/division00060/sd100061.htm?fn=frame\\_default.htm&f=templates](http://policy.ctspublish.com/txdob/lpext.dll/Infobase/division00060/sd100061.htm?fn=frame_default.htm&f=templates). *Tex. Finance Code § 151.402(c)(10)*.

12. Assist NetSpend in reporting to the Banking Commissioner of Texas the theft or loss of payment instruments or stored value from the Agent in Texas if the total value of the instruments or stored value exceeds \$10,000. *Tex. Finance Code § 151.402(d)*.

13. Act only as authorized under the contract with NetSpend and in strict compliance with NetSpend's written policies and procedures. *Tex. Finance Code § 151.403(a)(1)*.

14. Not commit fraud or misrepresentation or make any fraudulent or false statement or misrepresentation to NetSpend or the Banking Commissioner of Texas. *Tex. Finance Code § 151.403(a)(2)*.

15. Cooperate with an investigation or examination conducted by the Banking Commissioner of Texas and consent to the Banking Commissioner of Texas's examination of Agent's books and records. *Tex. Finance Code § 151.403(a)(3)*.

16. Not commit an unsafe or unsound act or practice or conduct business in an unsafe and unsound manner. *Tex. Finance Code § 151.403(a)(4)*.

17. Immediately upon discovery, report to NetSpend the theft or loss of payment instruments or stored value. *Tex. Finance Code § 151.403(a)(5)*.

18. Display on the form prescribed by the Banking Commissioner of Texas, a notice that indicates that Agent is an authorized delegate of NetSpend. *Tex. Finance Code § 151.403(a)(6)*.

19. Cease to provide money services as an authorized delegate of NetSpend or take other required action immediately on receipt of notice from the Banking Commissioner of Texas or NetSpend as provided by Title 3, Subtitle Z, Chapter 151, Section 151.402(e). *Tex. Finance Code § 151.403(a)(7)*.

20. Remit all money owed to NetSpend not later than the 10th business day after the date Agent receives the money, in accordance with the contract between NetSpend and Agent, or as directed by the Banking Commissioner of Texas. *Tex. Finance Code § 151.403(b)(1)-(3)*.

21. Remit all money owed to NetSpend later than the 10th business day after the date Agent receives the money only if Agent maintains on deposit with an office of a federally insured financial institution located in the United States an amount that (1) is in an account solely in the name of NetSpend; and (2) for each day by which the period before the remittance exceeds 10 business days, is not less than the outstanding obligations of NetSpend routinely incurred by the Agent on a daily basis. *Tex. Finance Code § 151.403(c)(1)-(2)*.

22. Hold in trust in favor of NetSpend, all money received for transmission by or for NetSpend from the time of receipt until the time the money is remitted by the Agent to NetSpend. *Tex. Finance Code § 151.404(b)*.

23. Not commingle the money received for transmission by or for NetSpend with the Agent's own money or other property, except to use in the ordinary course of the Agent's business for the purpose of making change, if the money is accounted for at the end of each business day. *Tex. Finance Code § 151.404(c)*.

24. In the event that the Banking Commissioner of Texas revokes NetSpend's license under Section Title 3, Subtitle E, Chapter 151, Section 151.703, assign to the Banking Commissioner of Texas all money held in trust by Agent for the benefit of the persons to whom the related money transmission obligations are owed. *Tex. Finance Code § 151.404(e)*.

25. Provide NetSpend's name and mailing address or telephone number to the consumer in connection with each money transmission transaction conducted through Agent. *Tex. Finance Code § 151.405(a)*.

26. Prepare, maintain, and preserve the records required by rule issued by the Banking Commissioner of Texas or reasonably requested by the Banking Commissioner of Texas. *Tex. Finance Code § 151.602(c)*.

27. In the event that Agent receives an emergency order, submit written certification to the Banking Commissioner of Texas, signed by the Agent, and its principals and responsible individuals, as applicable, and each person named in the order, stating that each person has received a

copy of and has read and understands the order. *Tex. Finance Code § 151.710(f)*.

28. Issue a receipt for each transaction that contains: (i) the name of NetSpend and the business address or telephone number; (ii) the unique transaction or identification number; (iii) the date of the transaction; (iv) the amount of the transaction in United States dollars; and (v) the amount of any fee charged for the transaction. *7 TAC § 33.37(b)(2)(B)(i)-(v)*.

29. Provide notice to consumers, in a method prescribed by NetSpend, of how to file complaints concerning the money transmission business. *7 TAC § 33.51(f)(1)*.

30. Display a notice that indicates Agent is an authorized delegate of NetSpend on any Agent website that advertises the money transmission services it provides on behalf of NetSpend. *7 TAC § 33.52(b)*.

### **VIRGINIA**

1. Consent to examination by the Virginia Commissioner of Financial Institutions of the books and records of Agent as often as it is deemed to be in the public interest. *Va. Code Ann. § 6.2-1910(A)*.

2. Comply with the provisions of Title 6.2, Chapter 19 of the Virginia Code and all other applicable state and federal laws and regulations. *Va. Code Ann. § 6.2-1911(A)(i)*.

3. Remit all sums owing to NetSpend in accordance with the terms of this Agreement. *Va. Code Ann. § 6.2-1911(A)(ii)*.

4. Permit the Virginia Commissioner of Financial Institutions to investigate or examine its business pursuant to Va. Code Ann. § 6.2-1910(A). *Va. Code Ann. § 6.2-1911(A)(iii)*.

5. Not use a sub-delegate, or otherwise designate or appoint another person to sell money orders or engage in the money transmission business on behalf of NetSpend. *Va. Code Ann. § 6.2-1911(A)(iv)*.

6. Ensure that every money order sold by Agent bears the name of NetSpend clearly imprinted thereon as it appears on NetSpend's license. *Va. Code Ann. § 6.2-1912*.

### **WASHINGTON**

1. Operate in full compliance with Title 19, Chapter 19.230 of the Washington Uniform Money Services Act and the rules adopted thereunder. *Rev. Code Wash. (ARCW) § 19.230.120(2)*.

2. Not authorize sub-delegates. *Rev. Code Wash. (ARCW) § 19.230.120(3)*.

3. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent. *Rev. Code Wash. (ARCW) § 19.230.120(4)*.

4. Upon notice that NetSpend's license has been suspended, revoked, and/or surrendered, immediately cease to provide money services as a delegate of NetSpend. *Rev. Code Wash. (ARCW) § 19.230.120(5)*.

5. Not provide money services other than those allowed NetSpend under its license. *Rev. Code Wash. (ARCW) § 19.230.120(6)*.

6. Not provide money services outside the scope of activity permissible under the contract between Agent and NetSpend, except activity in which Agent is authorized to engage under RCW 19.230.030 or 19.230.080. *Rev. Code Wash. (ARCW) § 19.230.120(6)*.

7. Consent to an investigation or examination by Washington Director of Financial Institutions of the business, books, accounts, records, papers, documents, files, and other information used in the business of Agent. *Rev. Code Wash. (ARCW) § 19.230.130(1)*.

8. File with the appropriate federal agency all reports required by federal currency reporting, recordkeeping, and suspicious transaction

reporting requirements as set forth in 31 U.S.C. Sec. 5311, 31 C.F.R. Sec. 103 (2000), and other federal and state laws pertaining to money laundering and maintain copies of such reports in its records in compliance with RCW 19.230.170. *Rev. Code Wash. (ARCW) § 19.230.180(1)*.

9. Transmit the monetary equivalent of all money or equivalent value received from a consumer for transmission, net of any fees, or issue instructions committing the money or its monetary equivalent, to the person designated by the consumer within ten business days after receiving the money or equivalent value, unless otherwise ordered by the consumer or unless Agent has reason to believe that a crime has occurred, is occurring, or may occur as a result of transmitting the money. *Rev. Code Wash. (ARCW) § 19.230.330(1)*.

10. Provide a receipt to the consumer that clearly states the amount of money presented for transmission and the total of any fees charged by NetSpend. If the rate of exchange for a money transmission to be paid in the currency of another country is fixed by NetSpend for that transaction at the time the money transmission is initiated, then the receipt provided to the consumer shall disclose the rate of exchange for that transaction, and the duration, if any, for the payment to be made at the fixed rate of exchange so specified. If the rate of exchange for a money transmission to be paid in the currency of another country is not fixed at the time the money transmission is sent, the receipt provided to the consumer shall disclose that the rate of exchange for that transaction will be set at the time the recipient of the money transmission picks up the funds in the foreign country. *Rev. Code Wash. (ARCW) § 19.230.330(2)*.

11. Refund to the consumer all moneys received for transmittal within ten days of receipt of a written request for a refund unless any of the following occurs: (a) the moneys have been transmitted and delivered to the person designated by the consumer prior to receipt of the written request for a refund; (b) instructions have been given committing an equivalent amount of money to the person designated by the consumer prior to receipt of a written request for a refund; (c) Agent has reason to believe that a crime has occurred, is occurring, or may potentially occur as a result of transmitting the money as requested by the customer or refunding the money as requested by the customer; or (d) NetSpend is otherwise barred by law from making a refund. *Rev. Code Wash. (ARCW) § 19.230.330(3)(a)-(d)*.

### **WEST VIRGINIA**

1. Upon reasonable notice from Commissioner of Banking of West Virginia, consent to an on-site examination by the Commissioner of Banking of West Virginia of all books, records, papers, or other objects that the Commissioner of Banking of West Virginia determines are necessary for conducting a complete examination. *W. Va. Code § 32A-2-11(a)*.

2. Upon reasonable notice from Commissioner of Banking of West Virginia, consent to an examination under oath of any person officer, director, or employee of Agent. *W. Va. Code § 32A-2-11(a)*.

3. Consent to inspection by Commissioner of Banking of West Virginia, with or without prior notice, of the books and records of Agent when the Commissioner of Banking of West Virginia has a reasonable basis to believe Agent is not in compliance with Chapter 32A, Article 2, of the West Virginia Code. *W. Va. Code § 32A-2-12(a)*.

4. Unless the documents or data therefrom has been transmitted to NetSpend for recordation, preserve records relating to licensed activities for the period of time as required in Chapter 31-A, Article 4, Section 31A-4-35 of the West Virginia Code. *W. Va. Code § 32A-2-14*.

5. Ensure that every check sold by Agent bears the name of NetSpend and a unique number clearly stamped or imprinted thereon.

When an order for the transmission of money results in the issuance of a check, both the order and the check may bear the same number. *W. Va. Code § 32A-2-15(a)*.

6. Record the date on which money was received for transmission, the amount transmitted, the name of the consumer and the intended recipient, and the location to which the money was transmitted if specified by the consumer. *W. Va. Code § 32A-2-15(c)*.

7. Unless otherwise directed by the consumer, transmit money within three business days after the receipt of payment. *W. Va. Code § 32A-2-15(c)*.

8. Provide consumer with a written receipt sufficient to identify the transaction, NetSpend, and the amount. *W. Va. Code § 32A-2-15(c)*.

9. Maintain records required by Chapter 32A, Article 2, Section 32A-2-15 of the West Virginia Code as set forth in Section 32A-2-14, and ensure such records are available for examination by the Commissioner of Banking of West Virginia. *W. Va. Code § 32A-2-15(e)*.

### **WISCONSIN**

1. Conspicuously display, in Agent's place of business, an authorization to do business as an authorized agent of NetSpend, in the form approved by the Wisconsin Division of Banking. *Wis. Stat. § 217.03*.

2. Consent to an investigation or examination by the Wisconsin Division of Banking of the Agent's business, and the books, accounts, records, and files used therein. *Wis. Stat. § 217.10*.

3. Ensure that each customer is furnished with a receipt or other acknowledgment upon receiving funds from such customer. Such receipt or other acknowledgement should be numbered serially. *Wis. Stat. § 217.11(3)*.

4. Ensure that no business is conducted by the Agent as an authorized agent of NetSpend on the same premises with a business whose chief source of revenue is derived from the sale of alcoholic beverages to be consumed on the premises. *Wis. Stat. § 217.12(3)*.

5. Not use a name which indicates that Agent is a branch, unit, or agency of the state or federal government. *Wis. Stat. § 217.12(4)*.

### **WYOMING**

1. Comply with the Bank Secrecy Act, 12 U.S.C. §1951 et seq. *Wyo. Stat. § 40-22-103(d)*.

2. Not authorize sub-delegates without the written consent of the Wyoming Banking Commissioner. *Wyo. Stat. § 40-22-118(a)(ii)*.

3. Be subject to supervision and regulation by the Wyoming Banking Commissioner. *Wyo. Stat. § 40-22-118(a)(iii)*.

4. Not make any fraudulent or false statement or misrepresentation to NetSpend or to the Wyoming Banking Commissioner. *Wyo. Stat. § 40-22-119(a)*.

5. Conduct all money transmission activities in strict accord with NetSpend's written procedures provided to Agent. *Wyo. Stat. § 40-22-119(b)*.

6. Remit all money owing to NetSpend in accordance with the terms of the contract between NetSpend and Agent. *Wyo. Stat. § 40-22-119(c)*.

7. Consent to inspection by the Wyoming Banking Commissioner, with or without prior notice, pursuant to Wyo. Stat. § 40-22-115. *Wyo. Stat. § 40-22-119(d)*