

MONEY TRANSMISSION SERVICES ACT (EXCERPT)
Act 250 of 2006

487.1013 Financial statements; net worth; qualification to do business; application fee; surety bond; aggregate liability of surety; limitation.

Sec. 13.

(1) At the time of filing an application for a license under this act, an applicant shall provide the commissioner with copies of the applicant's financial statements for the most recent fiscal year and, if available, for the 2-year period preceding the submission of the application. The financial statements shall meet all of the following:

(a) If subdivision (b) does not apply, show that the applicant's net worth exceeds \$100,000.00.

(b) If the applicant intends to engage in providing money transmission services in this state at more than 1 location or through authorized delegates, show that the applicant has a net worth that equals or exceeds either the sum of \$100,000.00 plus an additional \$25,000.00 for each location or authorized delegate, as applicable, or \$1,000,000.00, whichever is less.

(c) Are in the form prescribed by the commissioner, except that financial statements prepared by or reviewed by an independent certified public accountant may be in the form prescribed by that accountant.

(d) Are prepared in accordance with generally accepted accounting principles.

(2) A licensee shall at all times maintain a net worth that meets the amounts described in subsection (1) for its money transmission services business.

(3) At the time of the filing of an application and at all times after a license is issued, an applicant shall be registered, if required, or otherwise qualified to do business in this state.

(4) An applicant shall include with an application for a license under this act a nonrefundable application fee established by the commissioner under section 15.

(5) An applicant shall include with an application for a license under this act a surety bond that meets all of the following:

(a) Is issued by a bonding company or insurance company authorized to do business in this state and expires no earlier than the date the license expires.

(b) Is in a principal amount of at least \$500,000.00 and not more than \$1,500,000.00. The commissioner shall determine the principal amount of this bond based on the number of locations and authorized delegates of the applicant in this state.

(c) Is in a form satisfactory to the commissioner, is payable to the commissioner for the benefit of any individuals who are Michigan residents and who are creditors or claimants of the applicant and its authorized delegates through purchase of a payment instrument from the applicant or an authorized delegate located in this state, and secures the faithful performance of the obligations of the applicant and its authorized delegates with respect to the receipt of money in connection with the conduct of its money transmission services business.

(6) The aggregate liability of a surety under a bond issued for purposes of subsection (5) shall not exceed the principal amount of the bond.

History: 2006, Act 250, Imd. Eff. July 3, 2006