

PRECASH[®] RETAIL MERCHANT AGREEMENT



1800 West Loop South, Suite 1400, Houston, TX 77027
 Phone: 866-961-1524 ▪ Fax: 713-600-2218 ▪ www.precash.com

NEW LOCATION ADDITIONAL LOCATION

Distributor Code / Selling Point ID:

1. MERCHANT INFORMATION		1A. CORPORATE HEADQUARTER INFORMATION (IF APPLICABLE)	
Business Name (Doing Business As)		Legal Business Name	
Business Address		Corporate Address (If different from business)	
City, State, Zip		City, State, Zip	
Location Phone	Location Fax #	Corporate Phone #	Corporate Fax #
Federal Tax ID# or SS#		Number of Locations	

******* PLEASE ATTACH VOIDED CHECK *******

2. BANK INFORMATION	
Name of Merchant Bank	Bank Representative
Branch Address	Routing/ABA # (Always 9 Digits)
	Account # (Must be checking)
City, State, Zip	Branch Phone #

3. SECURITY INFORMATION (REQUIRED) Please select **one (1) question** and supply your answer. This question will be used as part of the identification process when you or your merchant location calls PreCash Merchant Services for assistance.

- What is your city of birth? What is the name of your first school? What was your favorite place to visit as a child?
- What street did you grow up on? What is your father's middle name?

ANSWER: _____

4. SECURITY CONTACT INFORMATION (USER ID, PASSWORD & SECURITY BREACH NOTIFICATIONS WILL BE SENT TO THIS CONTACT)

Contact Name: _____ Contact Email Address: _____

5. PRIMARY CONTACT INFORMATION (Check Box Below)

Contact Name: _____ Phone #: _____ Email Address: _____ Owner Security Contact Store Contact

6. ADDITIONAL CONTACT INFORMATION (IF APPLICABLE) (Check Box Below)

Contact Name:	Phone #:	Email Address:	Owner	Security Contact	Store Contact
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. SETTLEMENT CONTACT INFORMATION

Email Address: _____ Same As (Check Box): Owner Security Contact Primary Contact

8. MERCHANT SIGNATURE (REQUIRED)

BY SIGNING BELOW, I CERTIFY THAT I HAVE READ AND DO UNDERSTAND THE TERMS AND CONDITIONS AS SET FORTH ON THE FOLLOWING PAGES, AND I ACCEPT THE TERMS AS STATED:

Owner's Name (please print): _____ Owner's Email Address: _____ Owner's Cell Phone #: _____

Owner's Signature (Required): _____ Date: _____

9. PRECASH SIGNATURE (FOR PRECASH USE ONLY)

PreCash Employee: _____ PreCash Signature: _____ Date: _____



PRE CASH[®] RETAIL MERCHANT AGREEMENT

1. PreCash Services.

1.1 **In General.** Merchant shall provide PreCash Services during its normal business hours and without discrimination, to all PreCash Customers of authorized Providers. PreCash will inform Merchant from time to time of all current authorized Providers. "PreCash Services" means, generally: (a) for Card-based PreCash Transactions, providing the Card to the consumer by (i) submitting an electronic request for the Card to be mailed to the consumer, (ii) stocking card inventory and any accompanying Cardholder agreement or (iii) complying with "hold card" or other instructions from PreCash (b) obtaining payment from a Customer in the amount consistent with the applicable Provider program requirements ("Payment Amount"), (c) swiping the PreCash Card or otherwise entering the transaction information through a point-of-sale terminal or system ("POS System") and providing any information required as part of the activation or compliance functions of the system, (d) generating and sending an electronic message as directed by PreCash to allow validation and recording of the payment, and (e) providing a receipt to the Customer, and, when applicable, an ePIN (also referred to collectively as a "PreCash Transaction"). PreCash may charge Merchant a fee for every approved PreCash Transaction and PreCash Account Number issued ("Processing Fees") as well as collect from Merchant the applicable transaction fee levied on the cardholder ("Consumer Fees"), both as specified in [Exhibit A](#) and [Exhibit B](#), and will initiate a daily ACH debit to the Merchant Account for such fees. PreCash will also initiate an ACH debit on a monthly basis for the monthly service fee as referenced in [Exhibit A](#). For purposes of this Agreement, "Provider" means a person or entity, including PreCash, that accepts payments for wireless payments, prepaid debit card, subscription services payments, prepaid services or other products or services through the PreCash network. "Card" means the plastic phone, cash, or other card issued by Providers or PreCash as part of the PreCash Services. "ePIN" means obtaining a personal-identification number (PIN) through electronic means for use with various prepaid products and services.

1.2 **Taxable Sales.** Certain PreCash Transactions are classified as Taxable Sales in the detailed instructions for processing PreCash Transactions that are provided to the Merchant by PreCash (such instructions is referred to hereafter as, "Training Materials"). The Training Materials are provided to Merchant as needed and may be amended from time to time by PreCash in its sole discretion, and are incorporated herein and made a part of this Agreement by this reference. The portion of the Training Materials relating to Taxable Sales is attached hereto as [Exhibit C](#), which Exhibit shall be deemed to be automatically amended and superseded concurrently with any amendment to the Training Materials. Before providing PreCash Services for Taxable Sales, Merchant shall comply with the requirements described in Section 22, below. Merchant shall treat each Taxable Sale as a wholesale purchase by Merchant from the applicable Provider in exchange for the Payment Amount, immediately followed by a retail sale by Merchant to the Customer. With respect to each PreCash Transaction which is a Taxable Sale, Merchant shall provide the following additional PreCash Services, all in accordance with applicable law: (a) computing the state and local sales, use, excise and other similar transaction taxes which Merchant is required or permitted to collect from the Customer with respect to the Taxable Sale (collectively, the "Tax"), (b) collecting the Tax from the Customer, (c) reporting and remitting the Tax to the applicable taxing authorities, and (d) providing the Customer with a receipt for the Tax. Merchant shall be solely responsible for reporting all Taxes due and owing by it to the proper taxing authorities and shall be responsible for, and shall pay, such Taxes in accordance with applicable law as further detailed in Section 22.

2. Authorization; Transaction Record. When processing a PreCash Transaction, Merchant shall:

- A. Submit an authorization request to PreCash through the POS System, or as otherwise directed by PreCash, and complete a transaction only upon receipt of an authorization code or transaction ID.;
- B. Deliver a true and complete copy of a PreCash Transaction acknowledgment to the Customer containing the following information:
 - (i) the Customer's account number (n/a to ePIN transactions);
 - (ii) an authorization code or transaction i.d.;
 - (iii) Merchant's name (n/a to ePIN transactions);
 - (iv) Merchant's location (including store number, if any, and address) (n/a to ePIN transactions);
 - (v) the amount of the transaction;
 - (vi) the local date and time of the transaction (n/a to ePIN transactions); and
 - (vii) a PreCash identifier; and
 - (viii) if the PreCash Transaction is a Taxable Sale, Merchant shall deliver to the Customer a true and complete copy of a receipt for the Tax;
- C. Comply with the Training Materials.

Merchant shall not permit stand-in or delayed processing. Merchant shall not process PreCash Transactions through voice or other non-face-to-face authorizations without prior approval from PreCash. Merchant shall not process a PreCash Transaction on behalf of other merchants or otherwise process a PreCash Transaction that does not represent a bona fide transaction between Merchant and the Customer. PreCash reserves the right to disable Merchant's ability to process PreCash Transactions for certain Providers at PreCash's discretion.

3. Merchant Compensation. Merchant shall be compensated as set forth in [Exhibit A](#) and [Exhibit B](#).

4. Transfer of Funds from Merchant to PreCash.

4.1 **Transfer to Merchant Deposit Account.** Transfer to Merchant Deposit Account. Each Payment Amount received by Merchant from Customers for PreCash Transactions shall be the property of PreCash or its designee, and shall be held by Merchant in trust for the same. Each Banking Business Day, Merchant shall transfer all Payment Amounts, Processing Fees and Consumer Fees (collectively, the "Settlement Funds") into the bank account identified above (the "Merchant Deposit Account"). Before Merchant begins processing PreCash Transactions, PreCash will initiate an ACH debit to the Merchant Deposit Account to verify account information. If the PreCash Transaction is a Taxable Sale, the Tax shall not be the property of PreCash and shall not be transferred to the Merchant Deposit Account; rather the Tax shall be handled in accordance with subsection 1.2 above.

4.2 **Debit from Merchant Accounts.** Merchant authorizes PreCash to debit all Settlement Funds and other amounts owed to PreCash from the Merchant Account set forth above or other Merchant accounts. PreCash shall calculate the Settlement Funds to be debited based on PreCash's record of PreCash Transactions. PreCash is authorized to and may initiate a debit request through the Automated Clearing House ("ACH"), on each business day that ACH is operational, to debit the Merchant Account for Settlement Funds collected on such day or previous days. Other amounts owed to PreCash shall be debited on the due date, if applicable, or when the fee or cost is incurred. This authorization shall survive for so long as any amounts are owed by Merchant to PreCash. For the payment of commissions, which may result from this agreement between PreCash and Merchant or separate agreement between Merchant and Provider(s), PreCash, has created a commission settlement process, whereby PreCash credits Merchant commissions to the Merchant Account, on the same day that PreCash initiates a debit for daily settlement funds and fees. PreCash will provide periodic reports detailing the commission payments. The Providers participating in PreCash's commission settlement process are listed in the Training Materials. If Merchant has a commission agreement with a participating Provider, that Provider will instruct PreCash as to the commission amount to be retained by Merchant.

4.3 **Fees for Returned ACH Items.** If the Merchant Account has insufficient funds to permit PreCash to debit all amounts due to PreCash, including, without limitation, Payment Amounts, Processing Fees, Consumer Fees, Monthly Fees, Equipment Fees and Supply Fees, PreCash may immediately suspend, without prior notice, Merchant's ability to process PreCash Transactions and charge Merchant a \$15.00 administrative fee for each PreCash Transaction for which amounts are due PreCash, with a minimum daily fee of \$50.00. As an example, if Merchant processed ten (10) PreCash Transactions totaling \$1,700.00, and then PreCash's \$1,700.00 ACH debit was returned by the Merchant's bank, PreCash would charge Merchant a \$150.00 NSF Fee (\$15.00 multiplied by 10 transactions). To reinstate PreCash Transaction processing, Merchant shall remit funds owed to PreCash within three (3) business days of suspension, including fees owing as a result of insufficient funds, via wire transfer. After PreCash receives the amounts owed to it, PreCash may, in its sole discretion, reinstate Merchant's ability to accept PreCash Transactions, in accordance with Section 4.4 below. If Merchant fails to remit the funds pursuant to this Section 4, PreCash may terminate this Agreement immediately. These fees apply to all returned items, regardless of the return reason code (i.e., NSF, Account Frozen, etc.). Items returned due to bank errors will still incur fees and any reimbursement of these fees should be addressed by the Merchant with their bank.

4.4 **Security Deposit.** PreCash may require Merchant to provide a non-interest bearing security deposit or other security mechanism acceptable to PreCash, in its sole discretion. Merchant grants PreCash a security interest in such an account and the funds in it. The security deposit, or other mechanism to ensure payment, shall contain an amount of funds reasonably specified by PreCash. PreCash may withdraw funds from such deposit at anytime without prior notice to Merchant in the amount of any obligation of Merchant to PreCash hereunder. Upon termination of this Agreement, the security deposit or other mechanism shall remain in effect for three months unless otherwise specified by PreCash, at the end of which all remaining funds will be returned.

4.5 **Debit Verification Process: Notice.** Merchant shall provide PreCash oral notice, with confirmation by written notice, of any discrepancies in the amount that PreCash withdraws from the Merchant Deposit Account within three business days of PreCash's debit through the ACH network. Merchant shall provide acceptable supporting documentation to PreCash within five business days after notice of a discrepancy is received. If Merchant fails to provide the required notices, Merchant irrevocably waives all claims against PreCash for any disputed withdrawal and is precluded from asserting them against PreCash. If PreCash determines the discrepancy to be a processing error by PreCash, PreCash will submit reimbursements the next business day for posting to the Merchant's account.

5. **Merchant Fees.** See [Exhibit A](#), addressing general fees applicable to all transaction types, as well as fees relating to Card-based PreCash Transactions, and [Exhibit B](#), addressing ePIN transactions – Merchant Fees.

6. **WebConnect POS System.** PreCash has developed PreCash WebConnect Payment Services, a web interface that allows merchants to process PreCash Transactions through a PreCash application accessible on the Internet using a personal computer. PreCash may require that Merchant obtain and run a digital certificate on Merchant's computer workstation for authentication of PreCash WebConnect secure transactions, at Merchant's own expense. Merchant may also be issued a unique user name and password. Merchant agrees that the user IDs and passwords used to access its account through PreCash WebConnect will be kept confidential. Merchant further understands and agrees that it shall have sole responsibility for maintaining the security of user IDs and passwords, and shall immediately notify PreCash of the loss or theft of a user ID or password. PreCash shall have no liability for any losses, actions, claims, costs, damages, or expenses arising from a lost or stolen user ID or password. At all times, Merchant is responsible for ensuring that it has an adequate POS terminal solution for meeting its obligations to process PreCash Transactions in accordance with this Agreement.

7. Obtaining and Distributing Cards.

- A. **Obtaining Cards:** Merchant may obtain PreCash Cards for distribution to its customers from PreCash or, at the Provider's option, directly from Provider. Merchant may be charged a "per card" or "per order" fee for obtaining PreCash Cards. For Cards obtained from PreCash:
 - (i) once a card order is submitted by Merchant it is considered final and cannot be cancelled;
 - (ii) Merchant is responsible for PreCash Cards that are lost or damaged in shipment.
- B. **Distributing Cards:** For certain Providers, Merchant shall have the option of passing through the cost of obtaining PreCash Cards to Customers. The suggested maximum retail price for the PreCash Cards is described in [Exhibit A](#).

8. **E-Mail Address:** During the term of this Agreement, Merchant will provide PreCash with Merchant's e-mail address. Merchant authorizes PreCash to use the e-mail address to communicate with Merchant, market PreCash products to Merchant or provide other PreCash related information to Merchant. PreCash agrees to not disclose Merchant's e-mail address to any third party unless specifically authorized by Merchant.

9. **Accuracy of PreCash Transactions.** Merchant shall indemnify, defend, and hold PreCash harmless for any inaccurate, invalid or fraudulent transactions or errors, fraud or other misuse committed by Merchant's employees or others within Merchant's control. PreCash Transactions may only be reversed within the ten (10) minute window following the time at which PreCash issued the authorization code. PreCash shall have no obligation to reverse or refund PreCash Transactions following the close of the ten (10) minute window and PreCash shall incur no liability to Merchant or otherwise for its refusal to reverse or refund any such PreCash Transactions.

10. Use of PreCash Name and Logo. PreCash shall provide Merchant with window, door and terminal decals and additional materials bearing the PreCash logo (the "Point of Purchase Materials"), which Merchant shall display alongside the marks of other credit cards or payment processing mechanisms that Merchant accepts. Merchant shall not create or display any other decal, sticker or other material bearing the PreCash name or logo without prior written approval from PreCash.

11. Representations and Warranties. Merchant hereby represents and warrants to PreCash that: (a) all information contained in this Agreement is true and complete and properly reflects Merchant's business, financial condition and principal partners, owners or officers; (b) Merchant has the power to execute, deliver and perform this Agreement, and this Agreement is duly authorized, and will not violate any provisions of law, or conflict with any other agreement to which Merchant is subject; (c) Merchant has all licenses, if any, required to conduct its business (including the sale of Cards) and is qualified to do business in every jurisdiction where it is required to do so; and (d) there is no action, suit or proceeding at law or in equity now pending or to Merchant's knowledge, threatened by or against or affecting Merchant which would substantially impair its right to carry on its business as now conducted or adversely affect its financial condition or operations.

12. Confidentiality. Merchant shall not, directly or indirectly, disclose, use, disseminate or otherwise reveal PreCash's Confidential Information, except only internally on a need-to-know basis after informing Merchant's employees that the information is confidential and directing them to comply with this Agreement. Unless excluded in writing by PreCash, any and all information disclosed by PreCash is Confidential Information, whether in oral form, machine-readable form, written or other tangible form, and whether designated as confidential or unmarked. Merchant agrees that PreCash may disclose Merchant's PreCash activity data to Merchant's Distributor (as identified on page 1 of this Agreement, if applicable). Customer information, including without limitation, personally-identifiable information shall be considered Confidential Information and shall not be used or disclosed except as strictly necessary to provide services pursuant to this Agreement. Merchant agrees to comply with the PreCash privacy policy located at www.precash.com, as the same may be modified from time and time.

13. Exclusivity. Merchant agrees that during the term of this Agreement, PreCash Services shall be the exclusive method accepted by Merchant for processing Provider transactions. This provision is not intended to prohibit Merchant's sale of pre-denominated prepaid cards or other prepaid technologies that do not include a value-loading function. Moreover, without limiting the foregoing, during the term of this Agreement, Merchant shall not, without the prior written consent of PreCash, solicit the sale of, promote the sale of, sell, exhibit for sale, distribute, manufacture or load value to any product of any like nature to the Vision Card, defined as a stored-value product branded with the MasterCard, Visa, Discover, or American Express name or logo or other similar commercial symbols of any of the foregoing.

14. ACH Account Modification; New Location, Notification Requirements. Merchant shall notify PreCash in the event that:

- A. Merchant changes its Merchant Deposit Account. Merchant shall notify PreCash in writing, at least ten (10) days prior to the effective date of such change which shall be subject to an administrative charge as specified in [Exhibit A](#).
- B. Merchant desires to establish an additional PreCash Merchant location, move or close an existing PreCash Merchant location. Merchant must notify PreCash in writing at least ten (10) days prior to any such change.

Merchant's failure to notify PreCash in accordance with this Section 14 shall constitute "Cause" as set forth in Section 16.

15. Other Modifications and Amendments. PreCash may modify the terms of the Agreement and of the PreCash Services, including, but not limited to, sections 1-10 and [Exhibit A](#) and [Exhibit B](#), upon ten (10) days' prior written or electronic notice to Merchant; provided, however, that changes outside PreCash's control, such as changes to a Service Provider's terms, shall be subject to the actual notice received by PreCash, which may be less than ten (10) days. Merchant's continued processing of PreCash Transactions shall constitute acceptance of the new term(s).

16. Term and Termination.

- A. This Agreement will commence on its Effective Date and will continue for three (3) years. Thereafter, it will automatically renew for successive one-year terms, unless either party gives written notice of nonrenewal not less than sixty (60) days prior to the end of the then-existing term.
- B. Except for such shorter notice as may be permitted by Section 4, either party may terminate this Agreement, with Cause, upon thirty (30) days' written notice to the other. For purposes of this Agreement, "Cause" shall mean a party's failure to comply with any material provision of this Agreement or any other negligent or willful act or omission relating to this Agreement, which the party fails to cure within the thirty (30) day written notice period referred to in the previous sentence.
- C. All of Merchant's payment and other obligations (including indemnity) to PreCash and each Provider under this Agreement will survive any termination or expiration of this Agreement, as will all of its obligations with respect to Taxes. Upon any termination hereof, Merchant shall (a) immediately cease use and return any inventory of Point of Purchase Material to PreCash, (b) allow PreCash to remove PreCash's software application from Merchant's POS Systems, and (c) if applicable, inform its processor that it no longer processes PreCash transactions.
- D. The parties agree that the pricing under this Agreement was determined by mutual agreement based upon allocation or risk in the event of default, loss or damages. The parties further agree that it would be difficult or impossible to ascertain Merchant's actual damages for PreCash's breach, but that a reasonable estimation of the actual damages Merchant would suffer if Merchant did not receive the expected benefits of this Agreement owing to PreCash's breach of this Agreement would be the lesser of (i) five times the monthly average of the previous six months' worth of Merchant convenience fees and/or commissions and (ii) \$10,000.00. Moreover, the parties agree that it would be difficult or impossible to ascertain PreCash's actual damages for Merchant's breach or early termination, but that a reasonable estimation of the actual damages PreCash would suffer if it did not receive the expected benefits of this Agreement owing to Merchant's breach of this Agreement or cessation of performance without Cause would be an amount equal to the average monthly revenue over the prior ninety (90) days, applied to the remaining number of months of the contract life. Merchant authorizes PreCash to collect any such liquidated damages via ACH.

17. Requests for Assistance. If, in order to satisfy legal or regulatory obligations or otherwise to respond to questions concerning Customer accounts or Taxes, PreCash or any Provider requests from Merchant paper transaction records and/or any other information or documentary evidence available to Merchant, Merchant shall provide the requested records within five (5) calendar days of receipt of PreCash's or such Provider's request. Merchant will in good faith assist PreCash in connection with any reasonable request by PreCash for assistance in connection with any law, rule or regulation applicable to PreCash, Merchant or any PreCash Transaction occurring at or through Merchant.

18. Compliance with Laws. Merchant shall comply with each of the following, to the extent applicable to Merchant, Merchant's business and/or any PreCash Card Transaction occurring at or through Merchant: (a) all state and federal laws, rules and regulations (including those dealing with licensing or registration of money services businesses); (b) all rules or regulations of VISA, MasterCard, STAR or any other Provider; (c) sanctions laws administered by the federal Office of Foreign Assets Controls; and (d) other consumer credit and consumer protection statutes and regulations. Without limiting the foregoing, the parties shall comply with the provisions of [Exhibit D](#) applicable to them, as the same may be amended or supplemented from time to time; provided however that no provision of [Exhibit D](#) shall excuse Merchant's failure to comply with applicable law, rule or regulation.

19. Limitation of Liability. IN NO EVENT SHALL PRECASH OR ANY PROVIDER, OR THEIR EMPLOYEES, AGENTS OR SUBCONTRACTORS, BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND EVEN IF PRECASH OR ANY PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

20. Indemnification. Merchant agrees to hold PreCash harmless from, and indemnify PreCash against, all claims, losses, damages and liabilities, including attorney's fees and other costs of defense that relate to or result from any alleged violation by Merchant of any applicable law or regulation or any action of Merchant in connection with a transaction subject to this Agreement. With respect to Taxable Sales, Merchant further agrees to hold PreCash and each Provider harmless from, and indemnify PreCash and each Provider against, all claims, losses, damages and liabilities, including Tax, interest, penalties, additions to Tax, attorney's fees and other costs of defense, that relate to or result from any alleged violation by Merchant of any applicable law or regulation or provision of this Agreement with respect to any Tax, Taxable Sales or Resale Exemption Evidence. With respect to commission payments pursuant to Section 4.2 herein, Merchant agrees that PreCash shall have no liability to Merchant for miscalculation or improper payment of commissions due to Merchant from a Provider so long as PreCash has complied with the instructions given by Provider. This Section shall survive termination of this Agreement.

21. Credit Checks. Merchant authorizes PreCash to conduct credit checks and to collect other information to verify the Merchant's creditworthiness during the term of this Agreement. If found uncreditworthy, Merchant will be required to establish a security deposit or acceptable letter of credit. Failure to do so will give rise to an immediate termination right by PreCash.

22. Taxable Sales. Before performing any PreCash Services for Taxable Sales with respect to a Provider, Merchant shall deliver to such Provider the resale certificate, direct-pay number, or other evidence, if any ("Resale Exemption Evidence"), which is required by applicable law to permit the Provider to effect Taxable Sales to Cardholders through Merchant without collecting Tax from Merchant. Merchant shall renew any Resale Exemption Evidence as required by law from time to time and deliver the renewed evidence to each applicable Provider. If Merchant fails to deliver Resale Exemption Evidence to any Provider, or to timely deliver renewed Resale Exemption Evidence, then PreCash shall suspend the authority of Merchant to process Taxable Sales with respect to such Provider.

23. Miscellaneous.

Independent Contractor. Neither party hereto will be deemed the agent or legal representative of the other for any purpose whatsoever. Nothing herein will authorize either party to create any obligation or responsibility whatsoever, express or implied, on behalf of the other or to bind the other in any manner, or to make any representation, commitment or warranty on behalf of the other.

Governing Law. This Agreement is governed by and will be construed in accordance with the laws of the State of Texas, exclusive of its choice of law provisions.

Time of Performance. Time is of the essence in the performance of this Agreement.

Assignment; Change of Control. Merchant shall not transfer or assign this Agreement, in whole or in part, without the prior written approval of PreCash. Any Change of Control in Merchant's business shall require PreCash's prior written approval. "Change of Control" means a change in ownership of 50% or more of Merchant's stock or, if unincorporated, 50% or more of the ownership interest.

Dispute Resolution. Merchant and PreCash shall make a good faith effort to settle any disputes that may arise with respect to the terms and conditions or any subject matter referred to in or governed by this Agreement within thirty (30) days from the date the dispute is first discussed between the parties. If such dispute cannot be so settled through each party's respective escalation procedures, then the parties shall submit the matter to binding arbitration. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration, in Houston administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All arbitration costs, including reasonable attorneys' fees, shall be paid by the non-prevailing party.

Intellectual Property. The PreCash applications and web interface are and shall remain the sole property of PreCash. Merchant shall not attempt to copy, reverse engineer, download or otherwise duplicate or modify the PreCash applications supporting the PreCash WebConnect Payment Services. No intellectual property rights are granted or transferred by this Agreement.

Entire Agreement. The parties intend that the terms of this Agreement, including any attached exhibits and addenda, shall be the complete and final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement.

Third-Party Beneficiary. Each of PreCash and Merchant agrees that each Provider is an intended third-party beneficiary of this Agreement, and shall be entitled to directly enforce the rights granted to such Provider under this Agreement.



Exhibit A - Bill Pay

Bill Payments (Select Appropriate Services)	Type of Account Supported	Recommended Consumer Convenience Fee	PreCash Merchant Processing Fee	Merchant Payment Processing Commission
AT&T Mobility	(All Accounts)	\$5.00	\$2.00	\$3.00
DirecTV	(All Accounts)	\$3.00	\$1.50	\$1.50
DISH Network	(All Accounts)	\$5.00	\$2.00	\$3.00
Sprint - Nextel	(All Accounts)	\$5.00	\$2.50	\$2.50
T-Mobile	(Bill Pay)	\$5.00	\$3.00	\$2.00
Vision Prepaid - Select/Preferred or Premier Loads***	(Vision Prepaid)	\$5.00	\$2.00	\$3.00
Vision Premier Sales****	(Vision Prepaid)	\$9.95	\$0.95	\$9.00*****
Expanded Bill Pay (Verizon Wireless, US Cellular)	(All Accounts)	\$1.50	\$0.00	\$1.50
Expanded Bill Pay (Utilities, Cable and more!)*****	(All Accounts)	\$1.50	\$0.50	\$1.00

***Merchants in New Mexico, North Dakota and Vermont cannot load any Vision cards.
 ****Merchants in New Mexico, North Dakota, Vermont, Puerto Rico and U.S. Virgin Islands cannot sell any Vision cards.
 *****The net commission is \$8 due to the In-Store Merchandised Card Fee applies (see below).
 *****Through its "Expanded Bill Pay" service, PreCash offers consumers the ability to make payments to additional service providers not listed above. The service providers available through Expanded Bill Pay services are listed on www.precash.com and change frequently.

Bill Payment Cards (Card Distribution)		Recommended Consumer Card Fee	Merchant Card Fee*	Merchant Commission per Card
AT&T Mobility	NO CARD	\$0.00	\$0.00	\$0.00
DirecTV	Mailed Personalized Card	\$2.00	\$1.00	\$1.00
DISH Network	Mailed Personalized Card	\$2.00	\$1.00	\$1.00
Expanded Bill Pay	NO CARD	\$0.00	\$0.00	\$0.00
Sprint - Nextel	Mailed Personalized Card	\$2.00	\$1.00	\$1.00
T-Mobile	NO CARD	\$0.00	\$0.00	\$0.00
Vision Prepaid - Premier Sales	In-store Merchandised Card	NA	\$1.00	NA

*Mailed Personalized Card Fee applies anytime a PreCash Account Number is requested via WebConnect regardless if card is mailed.
 *In-Store Merchandised Card Fee applies upon placement of an order for card inventory.
 Merchant will receive notice and may be charged Merchandising Setup Kit fees for each new Service Provider launch performed by PreCash unless merchant opts out of program.

Bill Pay Monthly Service Fee - Per retail location enabled for bill payment processing (collected on or about the 5th day of the month). \$40.00
 Vision Premier One Time Setup fee - Per retail location - Includes initial supply of cards and marketing materials \$95.00

Exhibit B - Prepaid Refill

Prepaid Refill - PreCash ePINs & Direct Prepaid Replenishment	Type of Account Supported	PreCash Merchant Processing Fee	Suggested Maximum Convenience Fee	PreCash Merchant Commission Opportunity
Airlink Mobile	(Prepaid Wireless)	None	None	16.0%
AirVoice Wireless	(Prepaid Wireless)	None	None	11.0%
AirVoice Unlimited (GSM)	(Prepaid Wireless)	None	None	9.0%
Alltel	(Prepaid Wireless)	None	None	9.0%
AT&T (Go Phone)	(Prepaid Wireless)	None	None	17.0%
Boost - PayGo/Unlimited >\$20	(Prepaid Wireless)	None	None	8.0%
Boost - PayGo/Unlimited <\$20	(Prepaid Wireless)	None	None	8.0%
Boost (ePIN)	(Prepaid Wireless)	None	None	3.0%
Cricket PayGo	(Prepaid Wireless)	None	None	11.0%
H2O Wireless (CDMA)	(Prepaid Wireless)	None	None	15.0%
H2O Pure (GSM)	(Prepaid Wireless)	None	None	8.0%
H2O Unlimited (GSM)	(Prepaid Wireless)	None	None	8.0%
i-wireless	(Prepaid Wireless)	None	None	8.0%
Movida	(Prepaid Wireless)	None	None	11.0%
Net10	(Prepaid Wireless)	None	None	12.0%
Net10 Unlimited	(Prepaid Wireless)	None	None	7.0%
O2	(Prepaid Wireless)	None	None	15.0%
PaySafe Card	(Gaming)	None	None	4.0%
Page Plus	(Prepaid Wireless)	None	None	11.0%
PlatinumTel	(Prepaid Wireless)	None	None	8.0%
Powerlink	(Prepaid Wireless)	None	None	12.0%
Pure Prepaid	(Prepaid Wireless)	None	None	12.0%
Pure Prepaid Unlimited	(Prepaid Wireless)	None	None	14.0%
Simple Mobile	(Prepaid Wireless)	None	None	8.0%
STI Mobile	(Prepaid Wireless)	None	None	14.0%
T-Mobile (PINs & RTR)	(Prepaid Wireless)	None	None	7.0%
Total Call Mobile	(Prepaid Wireless)	None	None	13.0%
Tracfone	(Prepaid Wireless)	None	None	12.0%
Tuyo	(Prepaid Wireless)	None	None	15.0%
Verizon (PINs & RTR)	(Prepaid Wireless)	None	None	9.0%
Virgin Mobile	(Prepaid Wireless)	None	None	7.0%

Prepaid Refill Monthly Service Fee - Per location enabled for ePIN processing (collected on or about the 5th day of the month) \$40.00

Program Details

PreCash WebConnect - Virtual POS terminal
One Time Setup Fee \$295.00
 # Use of the PreCash WebConnect service at unauthorized locations is strictly prohibited and may result in additional charges and/or the termination of Merchant's PreCash transaction processing capability at all locations. \$1.00

Administrative Fees
NSF/Overdraft Administrative Fee \$15.00
 Applicable to each PreCash transaction for which amounts are due PreCash. \$50 daily minimum
Bank Account Change \$35.00
 Applies to each change of merchant deposit bank account

Merchant Supplies and Marketing Collateral See Merchant Supply Order form on www.precash.com.

Settlement Schedule
 PreCash shall calculate the amount to be debited based on PreCash's record of PreCash Transactions completed during the previous 24 hour period ending at 12:00 AM Pacific time.
 The debit will be submitted the following business day for collection on the second business banking day following the recording period. The Merchant's commission (the Consumer Fee less all applicable fees due to PreCash from Merchant) shall be transferred to the Merchant Deposit Account via ACH credit by PreCash on a daily basis. See following example.

Transaction Day	Deposit Day	Debit Day
Saturday, Sunday, Monday	Tuesday	Wednesday
Tuesday	Wednesday	Thursday
Wednesday	Thursday	Friday
Thursday	Friday	Monday
Friday	Monday	Tuesday

BY SIGNING BELOW, I CERTIFY THAT I HAVE CHECKED THE PROGRAMS I WISH TO TAKE AND I UNDERSTAND THE ASSOCIATED TERMS AS STATED:

Signature: _____ Print Name: _____ Date: _____
 (Merchant)

UNIFORM SALES & USE TAX CERTIFICATE—MULTIJURISDICTION

The below-listed states have indicated that this form of certificate is acceptable, subject to the notes on pages 2 - 4. The issuer and the recipient have the responsibility of determining the proper use of this certificate under applicable laws in each state, as these may change from time to time.

Issued to Seller: _____

Address: _____

I certify that: _____ is engaged as a registered

Name of Firm (Buyer): _____	Wholesaler _____
	Retailer _____
Address _____	Manufacturer _____
	Seller (California) _____
	Lessor (see notes on pages 2 - 4) _____
	Other (Specify) _____

and is registered with the below listed states and cities within which your firm would deliver purchases to us and that any such purchases are for wholesale, resale, ingredients or components of a new product or service¹ to be resold, leased, or rented in the normal course of business. We are in the business of wholesaling, retailing, manufacturing, leasing (renting) the following:

Description of Business: _____

General description of tangible property or taxable services to be purchased from the seller: _____

State	State Registration, Seller's Permit, or ID Number of Purchaser	State	State Registration, Seller's Permit, or ID Number of Purchaser
AL ²	_____	MO ¹³	_____
AR	_____	NE ¹⁴	_____
AZ ²²	_____	NV	_____
CA ³	_____	NJ	_____
CO ¹	_____	NM ^{1,15}	_____
CT ⁴	_____	NC ²⁵	_____
DC ⁵	_____	ND	_____
FL ²³	_____	OH ²⁶	_____
GA ⁶	_____	OK ¹⁶	_____
HI ^{1,7}	_____	PA ²⁷	_____
ID	_____	RI ¹⁷	_____
IL ^{1,8}	_____	SC	_____
IA	_____	SD ¹⁸	_____
KS	_____	TN	_____
KY ²⁴	_____	TX ¹⁹	_____
ME ⁹	_____	UT	_____
MD	_____	VT	_____
MI ¹¹	_____	WA ²⁰	_____
MN ¹²	_____	WI ²¹	_____

I further certify that if any property or service so purchased tax free is used or consumed by the firm as to make it subject to a Sales or Use Tax we will pay the tax due directly to the proper taxing authority when state law so provides or inform the seller for added tax billing. This certificate shall be a part of each order which we may hereafter give to you, unless otherwise specified, and shall be valid until canceled by us in writing or revoked by the city or state.

Under penalties of perjury, I swear or affirm that the information on this form is true and correct as to every material matter.

Authorized Signature: _____
(Owner, Partner or Corporate Officer)

Title: _____

Date: _____

WEBCONNECT PAYMENTS ADDENDUM

THIS ADDITIONAL LOCATION FORM MUST BE COMPLETED FOR MERCHANTS WITH MORE THAN ONE DOOR



Corporation Name: _____ Corp ID _____

Loc #	Physical Address	City	State	Zip
Store Contact Name		Store Contact Email		Store Telephone #
Store Fax #				
Bank Name		Branch Address		
Bank Representative/Phone #		Routing/ABA # (Always 9 Digits)		Account # (Must be Checking)

Loc #	Physical Address	City	State	Zip
Store Contact Name		Store Contact Email		Store Telephone #
Store Fax #				
Bank Name		Branch Address		
Bank Representative/Phone #		Routing/ABA # (Always 9 Digits)		Account # (Must be Checking)

Loc #	Physical Address	City	State	Zip
Store Contact Name		Store Contact Email		Store Telephone #
Store Fax #				
Bank Name		Branch Address		
Bank Representative/Phone #		Routing/ABA # (Always 9 Digits)		Account # (Must be Checking)

Loc #	Physical Address	City	State	Zip
Store Contact Name		Store Contact Email		Store Telephone #
Store Fax #				
Bank Name		Branch Address		
Bank Representative/Phone #		Routing/ABA # (Always 9 Digits)		Account # (Must be Checking)

BY SIGNING BELOW, I CERTIFY THAT I HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS AS SET FORTH IN THE RETAIL MERCHANT AGREEMENT. I ACCEPT THE TERMS AS STATED:

Owner's Name (Please Print): _____ Owner's Email Address: _____ Owner's Cell Phone # _____

Owner's Signature (Required): _____ Date: _____

EXHIBIT D



**PreCash® Retail Merchant Agreement
State-Specific Money Transmitter Provisions**

Notwithstanding Section 23 of the PreCash® Retail Merchant Agreement ("Agreement"), the following provisions and limited appointment applies solely for the purpose of engaging in money transmission activities for those states identified below.

Alaska.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized delegate shall operate in full compliance with AS. Code Ann., Title 6, Chapter 55, or otherwise known as the Alaska Uniform Money Services Act.

Termination of Merchant. If a license is suspended or revoked or a licensee does not renew its license, the Department shall notify all authorized delegates of the licensee whose names are in a record filed with the Department of the suspension, revocation, or non-renewal. After notice is sent or publication is made, an authorized delegate shall immediately cease to provide money services as an authorized delegate of the licensee.

Sub-Delegates. Authorized delegate may not use a sub-delegate to conduct money services on behalf of licensee.

Arkansas.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized delegate shall operate in full compliance with Ark. Code Ann., Title 23, Chapter 55, or otherwise known as the Arkansas Uniform Money Services Act.

Termination of Merchant. If a license is suspended or revoked or a licensee does not renew its license, the Commissioner shall notify all authorized delegates of the licensee whose names are in a record filed with the Commissioner of the suspension, revocation, or non-renewal. After notice is sent or publication is made, an authorized delegate shall immediately cease to provide money services as an authorized delegate of the licensee.

Sub-Delegates. Authorized delegate may not use a sub-delegate to conduct money services on behalf of licensee.

Arizona.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized delegate shall operate in full compliance with applicable law; a copy of Ariz. Rev. Stat. Title 6, Chapter 12 is attached hereto as Appendix 1. On suspension or revocation of license or the failure of 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 licensee.

District of Columbia.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Hawaii.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Sub-Delegates. Neither licensee nor delegate may authorize the appointment of sub-delegates without the written consent of the Commissioner.

Regulation. Licensee shall be subject to the supervision and rules of the Commissioner.

Certification. Authorized delegate certifies that it 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.

Idaho.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized representative") with the authority to engage in money transmission on behalf of licensee.

Sub-Representatives Neither licensee nor authorized representative may authorize the appointment of sub-representatives without the written consent of the Director.

Regulation. Licensee shall be subject to the supervision and regulation of the Director.

Requirements. Authorized representative acknowledges that it consents to the Director's inspection, with or without prior notice to licensee or authorized representative, of the books and records of authorized representative when the Director has a reasonable basis to believe that licensee or authorized representative is in violation of the provisions of the Id. Rev. Code, Title 26, Chapter 29.

Duty. Authorized representative is under a duty to act only as authorized under this Agreement with licensee and where authorized representative exceeds its authority, it is subject to cancellation of this Agreement and disciplinary action by the Director.

Illinois.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized seller") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized seller shall operate in full compliance with applicable law of the State of Illinois and of the United States.

Indiana.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to sell payment instruments and accept funds to be transmitted by or on behalf of licensee.

Sub-Delegates. Neither licensee nor authorized delegate may authorize the appointment of sub-delegates without the written consent of the Director.

Regulation. Licensee shall be subject to the supervision and regulation of the Director.

Requirement. Authorized delegate acknowledges that it consents to the Director's inspection, with or without prior notice to licensee or authorized delegate, of the books and records of authorized delegate when the Director has a reasonable basis to believe that licensee or authorized delegate is in violation of the provisions of the Ind. Rev. Code, Title 28, Chapter 8.

Duty. Authorized delegate shall be under a duty to act only as authorized under the contract with the licensee and that authorized delegate who exceeds its authority is subject to cancellation of the authorized delegate's contract and disciplinary action by the Director.

Iowa.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized delegate shall operate in full compliance with Iowa Code, Chapter 533C or otherwise known as the Iowa Uniform Money Services Act.

Termination of Merchant. If a license is suspended or revoked or a licensee does not renew its license, the Superintendent shall notify all authorized delegates of the licensee whose names are in a record filed with the Superintendent of the suspension, revocation, or non-renewal. After notice is sent or publication is made, an authorized delegate shall immediately cease to provide money services as an authorized delegate of the licensee.

Kentucky.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized agent") with the authority to engage in money transmission on behalf of licensee.

Sub-Agents. Neither licensee nor authorized agent may authorize the appointment of sub-agents.

Regulation. Licensee and authorized agent shall operate in full compliance with KRS Chapter 286, and rules promulgated under this chapter, and any order issued by the Executive Director pursuant to this chapter. Licensee and authorized agent shall be subject to regulation of the executive director. Licensee and authorized agent shall further comply with applicable federal and state law.

Remittance. Authorized agent shall timely remit all money legally due to licensee in accordance with the terms of this Agreement.

Maine.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Sub-Delegates. Neither licensee nor authorized delegate may authorize the appointment of sub-delegates without the written consent of the Administrator.

Regulation. Licensee shall be subject to the supervision and regulation of the Administrator.

Maryland.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Sub-Delegates. Neither the licensee nor authorized delegate may authorize sub-agents or sub-delegates without written consent of the Commissioner.

Regulation. Licensee shall be subject to the supervision, examination, and regulation of the Commissioner. Authorized delegate shall operate in full compliance with all applicable laws and regulations.

Michigan.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized delegate shall operate in compliance with the Michigan Money Transmission Services Act (the "Act") and other applicable law.

Termination of Merchant. If a license is suspended or revoked, the Commissioner shall notify licensee and order licensee to send a notice to authorized delegate directing it to cease providing money transmission services on behalf of licensee, and authorized delegate shall immediately cease providing money transmission services as an authorized delegate of the licensee.

Duty. Authorized delegate is under a duty to act only as authorized under this Agreement with licensee and where authorized delegate exceeds its authority, it is subject to cancellation of this Agreement and further disciplinary action by the Commissioner.

Handling Funds. Authorized delegate shall remit and handle money and monetary value in accordance with this Act. Authorized delegate shall hold in trust all money and monetary value received for transmission by or for licensee from the time of receipt until the time the money is remitted to licensee.

Minnesota.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Sub-Delegates. Neither the licensee nor authorized delegate may authorize sub-agents or sub-delegates without the written consent of the Commissioner.

Regulation. Licensees shall be subject to the supervision and regulation by the Commissioner and that as a part of that supervision and regulation, the Commissioner may require licensee to cancel this Agreement as a result of a violation of section 53B.21 of the Minnesota Money Transmitter Act.

Mississippi.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized agent") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized agent shall operate in full compliance with the Mississippi Money Transmitters Act.

Sub-agents. Authorized agent may not use a sub-agent to conduct money transmission services on behalf of licensee.

Nevada.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized agent") with the authority to engage in money transmission on behalf of licensee.

Non-commingling of Funds. Money received from the sale or issuance of checks or for the purpose of transmission must not be commingled with the other assets of the licensee or his authorized agents.

Consumer Fee Posting at Merchant Location. There shall be conspicuously posted at all times a schedule of the rates charged for the sale or issuance of checks and the receipt for transmission or transmission of money or credits. No fees may be charged or collected in excess of the posted rates.

New Jersey.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized delegate is deemed to consent to the Commissioner's inspection by the Commissioner and any appropriate representative of any State or federal law enforcement agency, with or without prior notice to licensee or authorized delegate, of the books and records of authorized delegate whenever the Commissioner has a reasonable basis to believe that licensee or authorized delegate is not in compliance with the New Jersey Money Transmitters Act.

New York.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized agent") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized agent and/or subagent shall operate in full compliance with 3 NY ADC III B 406; and all other applicable laws, rules and regulations.

Handling Funds. Authorized agent and/or subagent shall not act on behalf of the consumer as a courier for the transmission of money. Authorized agent and/or subagent shall hold in trust all money and monetary value received for transmission by or for licensee from the time of receipt until the time the money is remitted to licensee.

Regulation. Authorized and/or subagent acknowledges that the superintendent reserves the right to inspect, with or without prior notice to licensee or authorized agent and/or subagent(s), the books and records of authorized agent and/or subagent(s) of licensee and the expenses incurred in making any such inspection shall be borne by licensee.

Sale of Money Transmission Instrument. Authorized/agent and/or subagent shall not sell any travelers check, money order or other money transmission instrument in this State unless the name of licensee clearly appears on the face of the instrument without conditioning its engagement as obligor under the payment instrument upon the remittance of the proceeds of sale from authorized agent and/or subagent.

Notice of Consent to the Sale of Money Transmission Instrument. Authorized agent and/or subagent shall not sell any travelers check, money order or other money transmission instrument in this State unless authorized agent and/or subagent has provided the superintendent 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.

Termination of Merchant. Authorized agent and/or subagent in this State are under a duty to act only as authorized under this Agreement and an authorized agent and/or subagent who exceeds its authority is subject to cancellation of this Agreement and may result in further disciplinary action against licensee by the superintendent.

North Carolina.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Sub-Delegates. Neither licensee nor authorized delegate may authorize the appointment of sub-delegates without the written consent of the Commissioner.

Regulation. Licensee shall be subject to the supervision and regulation of the Commissioner.

Notice Posting. Licensee shall issue a certificate of authority for each location at which it conducts licensed activities in this State through authorized delegates. The certificate shall be posted in public view at each location and shall state as follows: "Money transmission on behalf of PreCash is conducted at this location pursuant to the North Carolina Money Transmitters Act."

North Dakota.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Sub-Delegates. Neither licensee nor authorized delegate may authorize sub-delegates without the written consent of the Commissioner.

Regulation. Licensee shall be subject to the supervision and regulation of the Commissioner.

Ohio.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Handling Funds. Authorized delegate shall remit and handle money and monetary value in accordance with this Act. Authorized delegate shall hold in trust all money and monetary value received for transmission by or for licensee from the time of receipt until the time the money is remitted to licensee.

Regulation. Authorized delegate shall operate in full compliance with all laws regulating money transmission activities.

Oklahoma.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized delegate shall operate in full compliance with the Oklahoma Money Transmission Act.

Sub-Delegates. Authorized delegate may not use a sub-delegate to conduct money transmission services on behalf of licensee.

Oregon.

Appointment. PreCash (as "licensee") hereby appoints the Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of the licensee.

Sub-Delegates. Neither licensee nor authorized delegate may authorize the appointment of sub-delegates without the written consent of the Director of the Department of Consumer and Business Services.

Regulation. Licensee, authorized delegate and if applicable, sub-delegates shall be subject to the supervision and regulation of the Director of the Department of Consumer and Business Services.

South Dakota.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized agent") with the authority to engage in money transmission on behalf of licensee.

Sub-Delegates. Neither licensee nor authorized delegate may authorize sub-delegates without the written consent of the Director.

Regulation. Licensee is subject to the supervision and regulation by the Director.

Tennessee.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized agent") with the authority to sell payment instruments or transmit money on behalf of licensee in compliance with state and federal law.

Sub-Agents. Neither licensee nor authorized agent may authorize the appointment of sub-agents without the written consent of the Commissioner.

Regulation. Licensee shall be subject to the supervision and rule of the Commissioner.

Texas.

Appointment. PreCash (as "license holder") hereby appoints Merchant (as "authorized delegate") with the authority to conduct money transmission on behalf of license holder.

Additional Regulation. Authorized delegate acknowledges and certifies 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 the Texas Money Services Act, relevant provisions of the Bank Secrecy Act, the USA PATRIOT ACT, and the Texas Financial Transaction Reporting Requirements. Authorized delegate further acknowledges receipt of (1) the regulatory website addresses to access the above laws and regulations, and (2) the written policies and procedures of license holder for compliance with all applicable state and federal law.

Handling Funds. Authorized delegate shall remit and handle money and monetary value in accordance with Sections 151.403(b) and (c) of the Texas Money Services Act. Authorized delegate shall hold in trust all money and monetary value received for transmission by or for license holder from the time of receipt until the time the money is remitted to license holder.

Examination. Authorized delegate agrees and consents to examinations or investigations which may be conducted, from time to time, by the Banking Commissioner of Texas.

Termination of Merchant. Authorized delegate acknowledges that license holder is subject to regulation by the Banking Commissioner of Texas and that, the Banking Commissioner of Texas reserves the right to either suspend or revoke authorized delegate's designation or require license holder to terminate authorized delegate's designation.

Vermont.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized delegate shall operate in full compliance with Vermont Statutes Annotated, Title 8, Chapter 79.

Termination of Authorized Delegate. If license is suspended, revoked or non-renewed, the Commissioner shall notify authorized delegate of licensee whose name is in a record filed with the Commissioner of the suspension, revocation, or nonrenewal. After notice is sent or publication is made, authorized delegate shall immediately cease to provide money services as an authorized delegate of licensee.

Virginia.

Appointment. PreCash (as "licensee") hereby designates and appoints Merchant (as "authorized delegate") for the purpose of conducting the business of money transmission in Virginia on behalf of licensee as set forth in this Agreement. By signing this Agreement, authorized delegate acknowledges and accepts such appointment.

Regulation. Authorized delegate shall operate in full compliance with the Money Order Sales and Money Transmission Services Act of the Code of Virginia and all other applicable state and federal laws and regulations.

Handling of Funds. Authorized delegate shall remit all sums owing to licensee in accordance with the terms of this Agreement.

Examination. Authorized delegate shall permit the Commission to investigate or examine its business pursuant to the Money Order Sales and Money Transmission Services Act of the Code of Virginia.

Sub-Delegates. Authorized delegate is prohibited from using a sub-delegate, or from otherwise designating or appointing another person to sell money orders or engage in money transmission business on behalf of licensee.

Washington.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Sub-Delegates. Neither licensee nor authorized delegate may authorize the appointment of sub-delegates.

Regulation. Authorized delegate shall operate in full compliance with Wash. Rev. Code, Chapter 19.230 and WAC 208-690.

Termination of Merchant. If a license is suspended or revoked or licensee surrenders its license, the Director shall notify authorized delegate whose name is filed with the Director of the suspension, revocation, or surrender and shall publish the name of licensee. Authorized delegate shall immediately cease to provide money services as an authorized delegate of licensee upon receipt of notice, or after publication is made, that licensee's license has been suspended, revoked, or surrendered.

West Virginia.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Regulation. Authorized delegate shall operate in full compliance with laws of the State of West Virginia under W. Va. Code Ann., Chapter 32A, Article 2 of the United States.

Wyoming.

Appointment. PreCash (as "licensee") hereby appoints Merchant (as "authorized delegate") with the authority to engage in money transmission on behalf of licensee.

Sub-Delegates. Neither licensee nor authorized delegate may authorize the appointment of sub-delegates without the written consent of the Commissioner.

Regulation. Authorized delegate shall be subject to the supervision and regulation of the Commissioner.

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APPENDIX I

TITLE 6. BANKS AND FINANCIAL INSTITUTIONS
CHAPTER 12. TRANSMITTERS OF MONEY
ARTICLE 1. LICENSES AND REGULATIONS
ARTICLE 2. MONEY LAUNDERING

This Arizona Revised Statutes have been updated with the 49th Legislature, 2nd Regular Session information, and contain the version of the statutes effective January 1, 2010.

Article 1 Licenses and Regulation

6-1201. Definitions

In this chapter, unless the context otherwise requires:

1. "Authorized delegate" means a person designated by the licensee under section 6-1208.

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 a person licensed under this chapter.

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 obligors 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 he 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 organized and in good standing under the laws of the state of its incorporation or, if a corporation 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 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 willful 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.

6-1218. 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 Money Laundering

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.

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