

CHAPTER 13-09 MONEY TRANSMITTERS

13-09-01. License required.

1. On or after January 2, 2006, a person, except a person that is exempt pursuant to section 13-09-03, may not engage in the business of money transmission without a license as provided in this chapter.
2. A person not licensed under this chapter or not an authorized delegate of a licensee is engaged in providing money transmission if the person provides those services to residents of this state, even if that person has no physical presence in this state.
3. If a licensee has a physical presence in this state, the licensee may conduct its business at one or more locations, directly or indirectly owned, or through one or more authorized delegates, or both, pursuant to the single license granted to the licensee.

13-09-02. Definitions.

In this chapter, unless the context otherwise requires:

1. "Applicant" means a person filing an application for a license under this chapter.
2. "Authorized delegate" means an entity designated by the licensee under the provisions of this chapter to sell or issue payment instruments or engage in the business of transmitting money on behalf of a licensee.
3. "Commissioner" means the commissioner of the department of financial institutions.
4. "Control" means ownership of, or the power to vote, twenty-five percent or more of the outstanding voting securities of a licensee or controlling person. For purposes of determining the percentage of a licensee controlled by any person, there must be aggregated with the person's interest the interest of any other person controlled by that person or by any spouse, parent, or child of that person.
5. "Controlling person" means any person in control of a licensee.
6. "Department" means the department of financial institutions.
7. "Electronic instrument" means a card or other tangible object for the transmission or payment of money that contains a microprocessor chip, magnetic strip, or other means for the storage of information, that is prefunded and for which the value is decremented upon each use, but does not include a card or other tangible object that is redeemable by the issuer in goods or services provided by the issuer or its affiliates.
8. "Executive officer" means the licensee's president, chairman of the executive committee, senior officer responsible for the licensee's business, chief financial officer, and any other person who performs similar functions.
9. "Key shareholder" means any person or group of persons acting in concert who is or are the owner of twenty-five percent or more of any voting class of an applicant's stock.
10. "Licensee" means a person licensed under this chapter.
11. "Material litigation" means any litigation that, according to generally accepted accounting principles, is deemed significant to an applicant's or licensee's financial health and would be required to be referenced in that entity's annual audited financial statements, report to shareholders, or similar documents.
12. "Monetary value" means a medium of exchange, whether or not redeemable in money.
13. "Money transmission" means to engage in the business of the sale or issuance of payment instruments, stored value, or of receiving money or monetary value for transmission to a location within or outside the United States by any and all means, including wire, facsimile, or electronic transfer. Notwithstanding any other provision of law, "money transmission" also includes bill payment services not limited to the right to receive payment of any claim for another, but does not include payment processing activities conducted for a merchant under an agency relationship.
14. "Outstanding payment instrument" means any payment instrument issued by the licensee which has been sold in the United States directly by the licensee or any payment instrument issued by the licensee which has been sold by an authorized

- delegate of the licensee in the United States, which has been reported to the licensee as having been sold, and which has not yet been paid by or for the licensee.
15. "Payment instrument" means any electronic or written check, draft, money order, traveler's check, or other electronic or written instrument or order for the transmission or payment of money, sold or issued to one or more persons, whether or not such instrument is negotiable. The term "payment instrument" does not include any credit card voucher, any letter of credit, or any instrument that is redeemable by the issuer in goods or services.
 16. "Permissible investments" means:
 - a. Cash;
 - b. Certificates of deposit or other debt obligations of a financial institution, either domestic or foreign;
 - c. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, which are eligible for purchase by member banks of the federal reserve system;
 - d. Any investment bearing a rating of one of the three highest grades as defined by a nationally recognized organization that rates such securities;
 - e. Investment securities that are obligations of the United States, its agencies or instrumentalities, or obligations that are guaranteed fully as to principal and interest of the United States, or any obligations of any state, municipality, or any political subdivision thereof;
 - f. Shares in a money market mutual fund, interest-bearing bills or notes or bonds, debentures or stock traded on any national securities exchange or on a national over-the-counter market, or mutual funds primarily composed of such securities or a fund composed of one or more permissible investments as set forth herein;
 - g. Any demand borrowing agreement or agreements made to a corporation or a subsidiary of a corporation whose capital stock is listed on a national exchange;
 - h. Receivables that are due to a licensee from its authorized delegates pursuant to a contract described in section 13-09-15, which are not past-due or doubtful of collection; or
 - i. Any other investments or security device approved by the commissioner.
 17. "Remit" means either to make direct payment of the funds to the licensee or its representatives authorized to receive those funds, or to deposit the funds in a bank, credit union, or savings and loan association or other similar financial institution in an account specified by the licensee.
 18. "Stored value" means monetary value that is evidenced by an electronic record.

13-09-03. Exclusions.

This chapter does not apply to:

1. The United States or any department, agency, or instrumentality thereof;
2. The United States post office;
3. The state or any political subdivisions thereof;
4. Banks, bank holding companies, credit unions, building and loan associations, savings and loan associations, or savings banks or mutual banks organized under the laws of any state or the United States, but this exemption does not extend to any other person acting on behalf of any such excluded entity;
5. The provision of electronic transfer of government benefits for any federal, state, or county governmental agency as defined in federal reserve board regulation E, by a contractor for and on behalf of the United States or any department, agency, or instrumentality thereof, or any state or any political subdivisions thereof; and
6. Authorized delegates of a licensee, acting within the scope of authority conferred by a written contract as described in section 13-09-15.

13-09-04. Licensed qualifications.

To qualify for a license each applicant must satisfy the following requirements:

1. Each licensee under this chapter must at all times have a net worth of not less than one hundred thousand dollars, calculated in accordance with generally accepted accounting principles.
2. The financial condition and responsibility, financial and business experience, and character and general fitness of the applicant must reasonably warrant the belief that the applicant's business will be conducted honestly, fairly, and in a manner commanding the confidence and trust of the community. In determining whether this qualification is met and for purposes of investigating compliance with this chapter, the commissioner may review and consider the relevant business records and capital adequacy of the applicant.
3. Every corporate applicant, at the time of filing of an application for a license under this chapter and at all times after a license is issued, must be in good standing in the state of its incorporation. At the time of the filing of an application for a license under this chapter and at all times after a license is issued, all noncorporate applicants must be registered or qualified to do business in the state.

13-09-05. Bond or other security device.

1. Each application must be accompanied by a surety bond, irrevocable letter of credit, or such other similar security device, hereinafter "security device", acceptable to the commissioner in the amount of one hundred fifty thousand dollars. The commissioner may increase the amount of the bond or security device to a maximum of five hundred thousand dollars for good cause. The security device must be in a form satisfactory to the commissioner and must run to the state for the benefit of any claimants against the licensee to secure the faithful performance of the obligations of the licensee with respect to the receipt, handling, transmission, and payment of money in connection with the sale and issuance of payment instruments and transmission of money. In the case of a bond, the aggregate liability of the surety may not exceed the principal sum of the bond. Claimants against the licensee may themselves bring suit directly on the security device or the commissioner may bring suit on behalf of such claimants, either in one action or in successive actions.
2. In lieu of a security device or of any portion of the principal thereof, as required by this section, the licensee may deposit with the commissioner, or with banks in this state as the licensee may designate and the commissioner may approve, cash, interest-bearing stocks and bonds, notes, debentures, or other obligations of the United States or any agency or instrumentality thereof, or guaranteed by the United States, or of this state, or of a city, county, school district, or instrumentality of this state, or guaranteed by this state, to an aggregate amount, based upon principal amount or market value, whichever is lower, of not less than the amount of the security device or portion thereof. The securities and cash must be deposited as aforesaid and held to secure the same obligations as would the security device, but the depositor is entitled to receive all interest and dividends thereon, with the approval of the commissioner may substitute other securities for those deposited, and must be required so to do on written order of the commissioner made for good cause shown.
3. The security device must remain in effect until cancellation, which may occur only after thirty days' written notice to the commissioner. Cancellation does not affect any liability incurred or accrued during the period.
4. The security device must remain in place for at least five years after the licensee ceases money transmission operations in the state. However, notwithstanding this provision, the commissioner may permit the security device to be reduced or eliminated before that time to the extent that the amount of the licensee's payment instruments outstanding in this state are reduced. The commissioner may also permit a licensee to substitute a letter of credit or such other form of security device acceptable to the commissioner for the security device in place at the time the licensee ceases money transmission operations in the state.

13-09-06. Permissible investments and statutory trust.

1. Each licensee under this chapter must at all times possess permissible investments having an aggregate market value, calculated in accordance with generally accepted accounting principles, of not less than the aggregate face amount of all outstanding payment instruments and stored value issued or sold by the licensee in the United States. This requirement may be waived by the commissioner if the dollar volume of a licensee's outstanding payment instruments and stored value does not exceed the bond or other security devices posted by the licensee pursuant to section 13-09-05.
2. Permissible investments, even if commingled with other assets of the licensee, are deemed by operation of law to be held in trust for the benefit of the purchasers and holders of the licensee's outstanding payment instruments in the event of the bankruptcy of the licensee.

13-09-07. Application for license.

1. Each application for a license under this chapter must be in the form prescribed by the commissioner. Each application must state or contain:
 - a. For all applicants:
 - (1) The exact name of the applicant, the applicant's principal address, any fictitious or trade name used by the applicant in the conduct of its business, and the location of the applicant's business records.
 - (2) The history of the applicant's criminal convictions and material litigation for the five-year period before the date of the application.
 - (3) A description of the activities conducted by the applicant and a history of operations.
 - (4) A description of the business activities in which the applicant seeks to be engaged in the state.
 - (5) A list identifying the applicant's proposed authorized delegates in the state, if any, at the time of the filing of the license application.
 - (6) A sample authorized delegate contract, if applicable.
 - (7) A sample form of payment instrument, if applicable.
 - (8) The locations at which the applicant and its authorized delegates, if any, propose to conduct the licensed activities in the state.
 - (9) The name and address of the clearing bank or banks on which the applicant's payment instruments will be drawn or through which the payment instruments will be payable.
 - b. If the applicant is a corporation, the applicant must also provide:
 - (1) The date of the applicant's incorporation and state of incorporation.
 - (2) A certificate of good standing from the state in which the applicant was incorporated.
 - (3) A description of the corporate structure of the applicant, including the identity of any parent or subsidiary of the applicant, and the disclosure of whether any parent or subsidiary is publicly traded on any stock exchange.
 - (4) The name, business and residence address, and employment history for the past five years of the applicant's executive officers and the officers or managers who will be in charge of the applicant's activities to be licensed hereunder.
 - (5) The name, business and residence address, and employment history for the period five years prior to the date of the application of any key shareholder of the applicant.
 - (6) The history of criminal convictions and material litigation for the five-year period before the date of the application of every executive officer or key shareholder of the applicant.
 - (7) A copy of the applicant's most recent audited financial statement including balance sheet, statement of income or loss, statement of changes in shareholder equity, and statement of changes in financial position and, if available, the applicant's audited financial statements for the immediately

preceding two-year period. However, if the applicant is a wholly owned subsidiary of another corporation, the applicant may submit either the parent corporation's consolidated audited financial statements for the current year and for the immediately preceding two-year period or the parent corporation's form 10K reports filed with the United States securities and exchange commission for the prior three years in lieu of the applicant's financial statements. If the applicant is a wholly owned subsidiary of a corporation having its principal place of business outside the United States, similar documentation filed with the parent corporation's non-United States regulator may be submitted to satisfy this provision.

- (8) Copies of all filings, if any, made by the applicant with the United States securities and exchange commission, or with a similar regulator in a country other than the United States, within the year preceding the date of filing of the application.
- c. If the applicant is not a corporation, the applicant must also provide:
 - (1) The name, business and residence address, personal financial statement, and employment history, for the past five years, of each principal of the applicant and the name, business and residence address, and employment history for the past five years of any other person or persons who will be in charge of the applicant's activities to be licensed under this chapter;
 - (2) The place and date of the applicant's registration or qualification to do business in this state;
 - (3) The history of criminal convictions and material litigation for the five-year period before the date of the application for each individual having any ownership interest in the applicant and each individual who exercises supervisory responsibility with respect to the applicant's activities; and
 - (4) Copies of the applicant's audited financial statements including balance sheet, statement of income or loss, and statement of changes in financial position for the current year and, if available, for the immediately preceding two-year period.
- d. For good cause shown, the commissioner may waive any requirement of this section with respect to any license application or to permit a license applicant to submit substituted information in its license application in lieu of the information required by this section.
2. To fulfill the purposes of this chapter, the commissioner may establish relationships or contracts with a nationwide multistate licensing system and registry or other entities designated by a nationwide multistate licensing system and registry to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to the chapter. The applicant shall pay directly to such nationwide multistate licensing system any additional fee relating to participation in such nationwide multistate licensing system.
3. In connection with an application for licensing as a money transmitter, or any license renewals, the applicant shall furnish to the nationwide multistate licensing system information concerning the applicant's identity, which may include:
 - a. Fingerprints for submission to the federal bureau of investigation, and any governmental agency or entity authorized to receive such information for a state, national, and international criminal history background check, except that officers and directors of a publicly traded company and subsidiaries of the publicly traded company may not be required to submit fingerprints under this section;
 - b. Personal history and experience in a form prescribed by the nationwide multistate licensing system, including the submission of authorization for the nationwide multistate licensing system and the commissioner to obtain:
 - (1) An independent credit report obtained from a consumer reporting agency described in section 603(p) of the Fair Credit Reporting Act; and
 - (2) Information related to any administrative, civil, or criminal findings by any governmental jurisdiction; and

- c. Any other documents, information, or evidence the commissioner deems relevant to the application regardless of the location, possession, control, or custody of such documents, information, or evidence.
4. For the purposes of this section and in order to reduce the points of contact which the federal bureau of investigation may have to maintain for purposes of subsection 3, the commissioner may use the nationwide multistate licensing system and registry as a channeling agent for requesting information from and distributing information to the department of justice or any governmental agency.
5. For the purposes of this section and in order to reduce the points of contact which the commissioner may have to maintain for purposes of subsection 3, the commissioner may use the nationwide multistate licensing system and registry as a channeling agent for requesting and distributing information to and from any source so directed by the commissioner.

13-09-07.1. Change of name or address.

A licensee is required to submit within twenty business days of the date of change notification of a change of name or change of address. The notification must be in the form prescribed by the commissioner.

13-09-08. Application fee.

Each application must be accompanied by a nonrefundable investigation fee in the amount of four hundred fifty dollars and license fee of four hundred dollars. The license fee must be refunded if the application is denied. The commissioner shall deposit fees and costs collected by the department under this chapter in the department of financial institutions regulatory fund.

13-09-09. Issuance of license.

1. Upon the filing of a complete application, the commissioner shall investigate the financial condition and responsibility, financial and business experience, character, and general fitness of the applicant. The commissioner may conduct an onsite investigation of the applicant, the reasonable cost of which must be borne by the applicant. If the commissioner finds that the applicant's business will be conducted honestly, fairly, and in a manner commanding the confidence and trust of the community and that the applicant has fulfilled the requirements imposed by this chapter and has paid the required license fee, the commissioner shall issue a license to the applicant authorizing the applicant to engage in the licensed activities in this state. If these requirements have not been met, the commissioner shall deny the application in writing, setting forth the reasons for the denial.
2. The commissioner shall approve or deny every application for an original license within one hundred twenty days from the date a complete application is submitted, which period may be extended by the written consent of the applicant. The commissioner shall notify the applicant of the date when the application is deemed complete.
3. Any applicant aggrieved by a denial issued by the commissioner under this chapter may at any time within thirty days from the date of receipt of written notice of the denial request a hearing before the commissioner.

13-09-10. Renewal of license and annual report.

1. A licensee under this chapter shall pay an annual renewal fee of four hundred fifty dollars which is not subject to refund.
2. The renewal fee must be accompanied by a report, in a form prescribed by the commissioner, which must include:
 - a. A copy of its most recent audited consolidated annual financial statement including balance sheet, statement of income or loss, statement of changes in shareholder's equity, and statement of changes in financial position, or, in the case of a licensee that is a wholly owned subsidiary of another corporation, the

- consolidated audited annual financial statement of the parent corporation may be filed in lieu of the licensee's audited annual financial statement;
- b. For the most recent quarter for which data is available before the date of the filing of the renewal application, but in no event more than one hundred twenty days before the renewal date, the licensee must provide the number of payment instruments sold by the licensee in the state, the dollar amount of those instruments, and the dollar amount of those instruments currently outstanding;
 - c. Any material changes to any of the information submitted by the licensee on its original application which have not previously been reported to the commissioner on any other report required to be filed under this chapter;
 - d. A list of the licensee's permissible investments; and
 - e. A list of the locations, if any, within this state at which business regulated by this chapter is being conducted by either the licensee or its authorized delegates.
3. All licenses issued pursuant to this chapter expire on December thirty-first of each year. Applications for renewal must be submitted thirty days before expiration of the license. A licensee that has not filed a renewal report or paid its renewal fee by December thirty-first and has not been granted an extension of time to do so by the commissioner must have its license suspended. The licensee in such case has thirty days after its license is suspended in which to file a renewal report and pay the renewal fee, plus fifty dollars for each business day after suspension that the commissioner does not receive the renewal report and the renewal fee. For good cause, the commissioner may grant an extension of the renewal date or reduce or suspend the fifty dollars per day late filing fee.

13-09-10.1. Automatic six-month extension of license during 2014 calendar year.

All current licensees who have made payment of a fee in accordance with sections 13-09-08 and 13-09-10, for a money transmitter license effective after July 1, 2013, shall be granted an extension of their current license until December 31, 2014. If at any time prior to December 31, 2014, a licensee's license expires or otherwise terminates under this chapter, the applicant shall be required to pay licensing fees in accordance with section 13-09-08, and that license will expire on December 31, 2014.

13-09-11. Extraordinary reporting requirements.

Within fifteen business days of the occurrence of any one of the events listed below, a licensee shall file a written report with the commissioner describing such event and its expected impact on the licensee's activities in the state:

1. Any material changes in information provided in a licensee's application or renewal report;
2. The filing for bankruptcy or reorganization by the licensee;
3. The institution of revocation or suspension proceedings against the licensee by any state or governmental authority with regard to the licensee's money transmission activities;
4. Any felony indictment of the licensee or any of its key officers or directors related to money transmission activities; and
5. Any felony conviction of the licensee or any of its key officers or directors related to money transmission activities.

13-09-12. Changes in control of a licensee.

1. A licensee shall give the commissioner written notice of a proposed change of control within fifteen days after learning of the proposed change of control and request approval of the acquisition.
2. After review of a request for approval under subsection 1, the commissioner may require the licensee to provide additional information concerning the proposed persons in control of the licensee. The additional information must be limited to the same types

- required of the licensee or persons in control of the licensee as part of its original license or renewal application.
3. The commissioner shall approve a request for change of control under subsection 1 if, after investigation, the commissioner determines that the person or group of persons requesting approval has the competence, experience, character, and general fitness to operate the licensee or person in control of the licensee in a lawful and proper manner and that the interests of the public will not be jeopardized by the change of control.
 4. The following persons are exempt from the requirements of subsection 1, but the licensee shall notify the commissioner of a change of control:
 - a. A person that acts as a proxy for the sole purpose of voting at a designated meeting of the securityholders or holders of voting interests of a licensee or person in control of a licensee;
 - b. A person that acquires control as a personal representative, custodian, guardian, conservator, or trustee, or as an officer appointed by a court of competent jurisdiction or by operation of law; and
 - c. A person that the commissioner by rule or order exempts in the public interest.
 5. Before filing a request for approval to acquire control, a person may request in writing a determination from the commissioner as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction.

13-09-13. Examinations.

1. The commissioner may conduct an annual onsite examination of a licensee upon reasonable written notice to the licensee. The commissioner may examine a licensee without prior notice if the commissioner has a reasonable basis to believe that the licensee is in noncompliance with this chapter. Should the commissioner conclude that an onsite examination of a licensee is necessary, the licensee shall pay an examination or visitation fee and the commissioner shall charge for the actual cost of the examination or visitation at an hourly rate set by the commissioner which is sufficient to cover all reasonable expenses associated with the examination or visitation. The onsite examination may be conducted in conjunction with examinations to be performed by representatives of agencies of another state or states. The commissioner, in lieu of an onsite examination, may accept the examination report of an agency of another state, or a report prepared by an independent accounting firm, and reports so accepted are considered for all purposes as an official report of the commissioner. The reasonable expenses incurred by the department, agencies of another state, or an independent licensed or certified public accountant in making the examination or report must be borne by the licensee.
2. The commissioner may request financial data from a licensee in addition to that required under section 13-09-10, or conduct an onsite examination of any authorized delegate or location of a licensee within this state without prior notice to the authorized delegate or licensee only if the commissioner has a reasonable basis to believe that the licensee or authorized delegate is in noncompliance with this chapter. When the commissioner examines an authorized delegate's operations, the authorized delegate shall pay all reasonably incurred costs of such examination. When the commissioner examines a licensee's location within the state, the licensee shall pay all reasonably incurred costs of such examination.

13-09-14. Maintenance of records.

1. Each licensee shall make, keep, and preserve the following books, accounts, and other records for a period of five years and which are open to inspection by the commissioner:
 - a. A record or records of each payment instrument and stored value sold;
 - b. A general ledger containing all assets, liability, capital, income, and expense accounts, which general ledger must be posted at least monthly;
 - c. Bank statements and bank reconciliation records;
 - d. Records of outstanding payment instruments and stored value;

- e. Records of each payment instrument and stored value paid within the five-year period;
 - f. A list of the names and addresses of all of the licensee's authorized delegates; and
 - g. Any other records the commissioner reasonably requires by rule.
2. Maintenance of such documents as are required by this section in a photographic, electronic, or other similar form constitutes compliance with this section.
 3. Records may be maintained at a location other than within this state so long as the records are made accessible to the commissioner on seven business days' written notice. When a licensee ceases operations for any reason, the licensee shall inform the department of the location of the records. In addition, the licensee shall provide the name of the individual responsible for maintenance of the records. The licensee shall notify the department within ten business days of the change of the location of the records or the change of the individual responsible for maintenance of the records.

13-09-15. Authorized delegate contracts.

Licensees desiring to conduct licensed activities through authorized delegates shall authorize each delegate to operate pursuant to an express written contract, which, for contracts entered into after July 1, 2005, must provide the following:

1. That the licensee appoints the person as its delegate with authority to engage in money transmission on behalf of the licensee;
2. That neither a licensee nor an authorized delegate may authorize subdelegates without the written consent of the commissioner; and
3. That licensees are subject to supervision and regulation by the commissioner.

13-09-16. Authorized delegate conduct.

1. An authorized delegate may not make a fraudulent or false statement or misrepresentation to a licensee or to the commissioner.
2. All money transmission or sale or issuance of payment instrument activities conducted by authorized delegates must be strictly in accordance with the licensee's written procedures provided to the authorized delegate.
3. An authorized delegate must remit all money owing to the licensee in accordance with the terms of the contract between the licensee and the authorized delegate.
4. An authorized delegate is deemed to consent to the commissioner's inspection, with or without prior notice to the licensee or authorized delegates.
5. An authorized delegate is under a duty to act only as authorized under the contract with the licensee and this chapter and an authorized delegate who exceeds its authority is subject to cancellation of its contract and further disciplinary action by the commissioner.
6. All funds, less fees, received by an authorized delegate of a licensee from the sale or delivery of a payment instrument issued by a licensee or received by an authorized delegate for transmission must, from the time such funds are received by such authorized delegate until such time when the funds or an equivalent amount are remitted by the authorized delegate to the licensee, constitute trust funds owned by and belonging to the licensee. If an authorized delegate commingles any such funds with any other funds or property owned or controlled by the authorized delegate, all commingled proceeds and other property is impressed with a trust in favor of the licensee in an amount equal to the amount of the proceeds due the licensee.

13-09-17. Suspension or revocation of licenses.

1. The commissioner may issue and serve upon any licensee an order suspending or revoking a licensee's license if the commissioner finds that:
 - a. Any fact or condition exists that, if it had existed at the time when the licensee applied for its license, would have been grounds for denying such application;

- b. The licensee's net worth becomes inadequate and the licensee, after ten days' written notice from the commissioner, fails to take such steps as the commissioner deems necessary to remedy such deficiency;
 - c. The licensee knowingly violates any material provision of this chapter or any rule or order validly adopted by the commissioner under authority of this title;
 - d. The licensee is conducting its business in an unsafe or unsound manner;
 - e. The licensee is insolvent;
 - f. The licensee has suspended payment of its obligations, made an assignment for the benefit of its creditors, or admitted in writing its inability to pay its debts as they become due;
 - g. The licensee has applied for an adjudication of bankruptcy, reorganization, arrangement, or other relief under any bankruptcy;
 - h. The licensee refuses to permit the commissioner to make any examination authorized by this chapter;
 - i. The licensee willfully fails to make any report required by this chapter;
 - j. The licensee has failed to pay the annual license fee imposed under this chapter or any examination fee imposed by the commissioner under the authority of this chapter;
 - k. The licensee has failed to maintain the required bond or other security device; or
 - l. The licensee has failed to maintain registration with the secretary of state if so required.
2. The order must contain a notice of opportunity for hearing pursuant to chapter 28-32.
 3. If a hearing is not requested within twenty business days of the date the order is served upon the licensee or if a hearing is held and the commissioner finds that the record so warrants, the commissioner may enter a final order suspending or revoking the license.
 4. If the commissioner finds that probable cause for revocation of any license exists and that enforcement of the chapter requires immediate suspension of such license pending investigation, it may upon written notice enter an order temporarily suspending such license for a period not exceeding sixty days, pending the holding of a hearing as prescribed in this chapter.

13-09-18. Suspension or revocation of authorized delegates.

1. The commissioner may issue an order suspending or revoking the designation of an authorized delegate, if the commissioner finds that:
 - a. The authorized delegate violates this chapter or a rule adopted or an order issued under this chapter;
 - b. The authorized delegate does not cooperate with an examination or investigation by the commissioner;
 - c. The authorized delegate engages in fraud, intentional misrepresentation, or gross negligence;
 - d. The authorized delegate is convicted of a violation of a state or federal antimoney laundering statute;
 - e. The competence, experience, character, or general fitness of the authorized delegate or a person in control of the authorized delegate indicates that it is not in the public interest to permit the authorized delegate to provide money services; or
 - f. The authorized delegate is engaging in an unsafe or unsound practice.
2. In determining whether an authorized delegate is engaging in an unsafe or unsound practice, the commissioner may consider the size and condition of the authorized delegate's provision of money services, the magnitude of the loss, if any, the gravity of the violation of this chapter, and the previous conduct of the authorized delegate.
3. An authorized delegate may appeal from a suspension or revocation of designation as an authorized delegate by filing a written appeal with the commissioner within twenty days of the issuance of the order.

13-09-19. Orders to cease and desist.

1. If the commissioner determines that an unlicensed person, a licensee, or an authorized delegate has committed a violation of this chapter or of a rule adopted or an order issued under this chapter, the commissioner may issue an order to cease and desist from the violation. The order becomes effective upon service.
2. The commissioner may issue an order against a licensee to cease and desist from providing money transmission services through an authorized delegate that is the subject of a separate order pursuant to section 13-09-18.
3. An order to cease and desist remains effective and enforceable pending the completion of any administrative proceeding.
4. The entity against which a cease and desist order has been issued may appeal the issuance of the cease and desist order by filing a written appeal with the commissioner within twenty days of the date the order is served on the licensee or delegate.
5. The commissioner may apply to the district court for an appropriate order to protect the public interest, including a temporary restraining order.

13-09-20. Consent orders.

The commissioner may enter into a consent order at any time with a person to resolve a matter arising under this chapter. A consent order must be signed by the person to whom it is issued or by the person's authorized representative, and must indicate agreement with the terms contained in the order. A consent order may provide that it does not constitute an admission by a person that this chapter or a rule adopted or an order issued under this chapter has been violated.

13-09-21. Civil penalties.

The commissioner may impose a civil money penalty not to exceed five thousand dollars per violation upon a person or agency who willfully violates a law, rule, written agreement, or order under this chapter. An interested party may appeal the assessment of a civil money penalty by filing a written notice of appeal within twenty days after service of the assessment of civil money penalties. A civil money penalty collected under this section must be paid to the state treasurer and deposited in the financial institutions regulatory fund.

13-09-22. Criminal penalties.

1. A person who intentionally makes a false statement, misrepresentation, or false certification in a record filed or required to be maintained under this chapter, or that intentionally makes a false entry or omits a material entry in such a record, is guilty of a class C felony.
2. Any person violating any of the provisions of this chapter or any rule or order of the department of financial institutions made pursuant to the provisions of this chapter or who engages in any act, practice, or transaction declared by any provision of this chapter to be unlawful is guilty of a class C felony.
3. An individual who knowingly engages in any activity for which a license is required under this chapter without being licensed under this chapter is guilty of a class C felony.

13-09-23. Administrative procedures.

All administrative proceedings under this chapter must be conducted in accordance with chapter 28-32.

13-09-24. Savings and transitional provisions.

A license issued under the provisions of chapter 51-17 that is in effect immediately before July 1, 2005, remains in force as a license under this chapter until the license's expiration date. Thereafter, the licensee must be treated as if the licensee had applied for and had received a license under this chapter and is required to comply with the renewal requirements set forth in this chapter.

13-09-25. Prohibited acts and practices.

It is a violation of this chapter for a person or individual subject to this chapter to knowingly:

1. Subscribe to, or make or cause to be made, any material false statement or representation in any application or other document or statement required to be filed under any provision of this chapter, or to omit to state any material statement or fact necessary in order to make the statements made, in light of the circumstances under which the statements are made, not misleading.
2. Directly or indirectly, employ any device, scheme, or artifice to defraud or mislead any person.
3. Directly or indirectly, make any untrue statement of a material fact or to omit to state a material fact.
4. Engage in any unfair or deceptive practice toward any person.
5. Conduct or solicit any business covered by this chapter without holding a valid license as required under this chapter or assist or aid and abet any person in the conduct of business under this chapter without a valid license as required under this chapter.
6. Fail to make disclosures as required by this chapter and any other applicable state or federal law and regulations.
7. Fail to comply with this chapter or rules adopted under this chapter or fail to comply with any other state or federal law, including the rules and regulations thereunder, applicable to any business authorized or conducted under this chapter.
8. Make, in any manner, any false or deceptive statement or representation.
9. Negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any information or reports filed with a governmental agency or in connection with any investigation conducted by the commissioner or another governmental agency.
10. Collect, charge, attempt to collect or charge, or use or propose any agreement purporting to collect or charge any fee prohibited by this chapter.
11. Fail to truthfully account for moneys belonging to or collected from another.

13-09-26. Confidentiality.

To promote more effective regulation and reduce regulatory burden through supervisory information sharing, the commissioner or commissioner's designee may furnish information to or receive information from a nationwide multistate licensing system for the purpose of regulation of the financial services industry. Information furnished by the commissioner to any third party which is confidential or privileged in the commissioner's possession remains confidential or privileged in the possession of the third party. Information received by the commissioner from any third party which is confidential or privileged in the third-party's possession remains confidential or privileged in the commissioner's possession.