

DEPARTMENT OF FINANCIAL INSTITUTIONS

TEVEIA R. BARNES, Commissioner of Financial Institutions
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Order of Exemption (Order) California Commissioner of Financial Institutions

Exemption from Money Transmission Act – Persons Located in California But Providing Money Transmission Services Solely Outside of California

California Financial Code (FC) § 2011 authorizes the Commissioner of Financial Institutions (Commissioner) to exempt from Division 1.2 of the California Financial Code (commencing with Financial Code § 2000), the Money Transmission Act (MTA), by order, unconditionally or upon specified terms and conditions, any person or transaction or class of persons or transactions, if the Commissioner finds such person or transaction to be in the public interest and that the regulation of such persons or transactions is not necessary for the purposes of the MTA. The MTA is intended pursuant to FC § 2002 to protect the interests of persons in this state who use money transmission services, to provide for the safe and sound conduct of the business of licensees and to maintain public confidence in licensees.

Pursuant to FC § 2011, the Commissioner hereby exempts a corporation or limited liability company that meets the requirements of FC § 2031 and has , one or more offices or other places of business or operations within California (Exempt Person) from compliance with FC § 2030; provided all of the following conditions are satisfied in full:

1. The Exempt Person does not engage in the business of money transmission, as defined by FC § 2003(o), with, to, or from any person, including any consumer or merchant, physically located in California.
2. The Exempt Person does not advertise, solicit or hold itself out as providing money transmission with, to, or from any person, including any consumer or merchant, physically located in California.
3. The Exempt Person prominently discloses in advertisements, web sites, mobile device applications and similar communications devices that it is not authorized to engage in the business of money transmission with, to, or from, nor to advertise, solicit or hold itself out as providing money transmission with, to, or from, any person, including any consumer or merchant, physically located in California.
4. The Exempt Person is in full compliance with the money transmission laws, if any, of all jurisdictions outside California, including all federal, state and foreign laws, applicable to its money transmission business and to its advertisements, solicitations, or other means of holding itself out as engaging in the business of money transmission.

5. The Exempt Person is duly formed in accordance with the laws of the jurisdiction of its formation. The Exempt Person is in good standing in California.
6. The Exempt Person files with the Commissioner a written statement signed under penalty of perjury of the laws of the State of California stating:
 - a. The Exempt Person will engage in the business of money transmission only with persons physically located outside of California pursuant to the exemption provided by this Order.
 - b. The name of the Exempt Person engaged in the business of money transmission, including any dba.
 - c. The address of the Exempt Person's principal place of business, and, if different, its principle place of business in California.
 - d. The address of each location in all states (other than California) and foreign jurisdictions where the Exempt Person will conduct money transmission business, including through agents, and/or all states and foreign jurisdictions in which the Exempt Person will advertise, solicit, or hold itself out as providing money transmission services.
 - e. Whether the Exempt Person is a corporation or limited liability company, and its jurisdiction of formation.
 - f. The names and addresses of (i) the Exempt Person's chief executive officer and chief financial officer, or the equivalents, (ii) each person, if any, that is in control, as defined by FC § 1250, of the Exempt Person, and (iii) each member of the Exempt Person's board of directors or its managing members.
 - g. The first date on which the Exempt Person will commence engaging in the business of money transmission, and will advertise, solicit or hold itself out as providing money transmission outside of California for each state and/or foreign jurisdiction listed in item 6.d.
 - h. Confirmation that the Exempt Person is in full compliance with the conditions in paragraphs 1 through 6 of this Order and will comply with the conditions in paragraphs 7 and 8.
 - i. Any other information that may be requested by the Commissioner.
 - j. The date that the Exempt Person is in full compliance with the terms and conditions in paragraph 1 through 6 of this Order (Effective Date).
7. If at any time after the Effective Date any of the information in the statement filed with the Commissioner pursuant to paragraph 6 has changed, the Exempt Person shall file with the Commissioner within thirty (30) days of such change a written statement signed under penalty of perjury of the laws of the State of California of such change.
8. The Exempt Person files with the Commissioner an application substantially in compliance with the requirements of FC § 2032 and pays the fee required by FC § 2038 for a money transmission license to the California Department of Financial Institution

(DFI) or the California Department of Business Oversight (successor to DFI) within twelve (12) months after the Effective Date.

The exemption under this Order shall remain effective and available for the Exempt Person filing the written statement required by paragraph 6 of this Order only for the twelve (12) months on and after the Effective Date and only so long as the Exempt Person is in compliance with the terms and conditions of this Order (Exemption Period). The Commissioner may by order withhold the availability to any person of the exemption provided by this Order.

The Commissioner has determined that this Order is in the public interest and that during the Exemption Period, the regulation of the Exempt Persons described herein and who are in compliance with the conditions described herein is not necessary for the purposes of the MTA. The exemption available under this Order during the Exemption Period does not apply to any person described herein who is not in compliance with the terms and conditions of this Order and the regulation of such person will be necessary for the purposes of the MTA. This Order does not affect any other exemption that may be available under the MTA.

May 28, 2013

/s/

TEVEIA R. BARNES
Commissioner of Financial Institutions