COMMONWEALTH OF KENTUCKY
DEPARTMENT OF FINANCIAL INSTITUTIONS
ORDER OF THE COMMISSIONER

The Commissioner of the Kentucky Department of Financial Institutions ("DFI") is charged with the administration of Chapter 286.11 of the Kentucky Revised Statutes, the Kentucky Money Transmitters Act of 2006.

WHEREAS, "agent" has the meaning set forth in KRS 286.11-003(2);

WHEREAS, "applicant" has the meaning set forth in KRS 286.11-003(3);

WHEREAS, "controlling person" has the meaning set forth in KRS 286.11-003(5);

WHEREAS, "director" has the meaning set forth in KRS 286.11-003(6);

WHEREAS, "executive officer" has the meaning set forth in KRS 286.11-003(9);

WHEREAS, for the purposes of this Order, "individual" means a human being.

WHEREAS, "key shareholder" has the meaning set forth in KRS 286.11-003(12);

WHEREAS, "money transmission" has the meaning set forth in KRS 286.11-003(17);

WHEREAS, "responsible individual" has the meaning set forth in KRS 286.11-003(26);

WHEREAS, KRS 286.11-005 requires every person engaged in the business of money transmission in the Commonwealth of Kentucky to have a license;

WHEREAS, KRS 286.11-009 sets forth the requirements for persons making an application for a money transmitter license in Kentucky;

WHEREAS, KRS 286.11-019(1) charges the Commissioner with the duty to investigate the competence, experience, character, financial condition, and responsibility of each applicant submitting an application for a license and further charges the Commissioner to make a review of each application on a case-by-case basis;

WHEREAS, in order to carry out his duties as set forth in KRS 286.11-019(1), the Commissioner is in need of additional information to determine the competence, experience, character, financial condition, and responsibility of certain individuals who have not resided in the United States for a requisite period of time; and

WHEREAS, pursuant to KRS 286.11-009(1)(p) and KRS 286.11-061, the Commissioner is authorized to enter an order requiring applicants to submit additional information regarding the background, experience, character, financial responsibility, or general fitness of any applicant, agent, responsible individual, controlling person, executive officer, or key shareholder.

NOW, THEREFORE, pursuant to the authority set forth herein, the Commissioner hereby **ORDERS as follows**:

1. Applicants shall comply with the requirements set forth in this Order if there is an individual associated with the applicant who has not resided continuously in the United States for a period of at least ten years preceding the initial date of filing of the application required by KRS 286.11-009 and the individual is as follows: (1) a controlling person; (2) a director; (3) an executive officer; (4) a key shareholder; (5) a member of a group of persons acting in concert as a key shareholder; or (6) a responsible individual.

2. If deemed necessary to comply with the duties set forth in KRS 286.11-019(1), the Commissioner or his authorized representative may, upon request, also require applicants with other associated individuals to comply with the requirements of this Order if any such individual has not resided continuously in the United States for a period of at least ten years preceding the initial date of filing of the application required by KRS 286.11-009.

3. In addition to the information required under KRS 286.11-009 and not sooner than thirty days preceding the initial date of filing of the application required by KRS 286.11-009, each applicant shall cause an investigative background report and search summary letter to be prepared and submitted for each individual referenced in sections (1) and (2) of this Order pursuant to the requirements set forth herein.

4. The investigative background report referenced herein shall be prepared by a properly authorized search firm acceptable to the Commissioner and the report shall be submitted directly to the DFI by the firm that produced the report. A report shall not satisfy the requirements of this Order unless the search firm submitting the report demonstrates the following to the Commissioner:

(i) The firm has access to sufficiently reliable resources upon which the information contained in its report is obtained;

(ii) The firm is properly authorized to conduct an investigation of the individual and to submit a report containing the information referenced herein; and

(iii) The firm is not affiliated with and does not have an interest in any of the applicants referenced herein or individuals under investigation.

5. The cost of each investigative background report and search summary letter referenced herein shall be borne by the applicant or individual.

6. Each investigative background report and search summary letter referenced herein shall be submitted to the Commissioner in English.

7. At a minimum, each report shall be limited to a single individual and shall contain the following information:

(i) A comprehensive credit report/history that includes at least ten years of data, a copy of the actual credit report, and a summary;

(ii) Civil court and bankruptcy court records for the past ten years in all countries, states, towns, counties, districts, cities, municipalities, and jurisdictions where the individual resided, worked, and in all contiguous areas;

(iii) Criminal records for the past ten years, including felonies, misdemeanors and violations, in all countries, states, towns, counties, districts, cities, municipalities, and jurisdictions where the individual resided, worked, and in all contiguous areas;

(iv) All Judgments and liens filed against the individual in the past ten years (search area must include the areas listed in (ii) and (iii) above);

(v) Employment history for the past ten years;

(vi) Media history, including an electronic search of national and local publications, wire services, and business publications, for the past ten years; and

(vii) Regulatory history, particularly securities, insurance, mortgage-related, real estate, etc., if applicable, for the past ten years.

8. Each report shall also be accompanied by a search summary letter from the firm conducting the search that contains the following information:

(i) The date the report was prepared;

(ii) The scope of the search;

(iii) A statement indicating the independence of the firm from the individuals under investigation and the applicant;

(iv) A statement indicating that the report is accurate and complete to the best of the firm's knowledge and belief;

(v) A statement indicating that the report has not been influenced, altered, or changed by or at the behest of any interested person, except to note disputes/inquires or to make corrections which shall be disclosed to the Commissioner in any report;

(vi) A statement identifying an individual affiliated with the firm who may be contacted regarding the report; and

(vii) A physical mailing address, telephone number, and email address for the individual identified in the report that may be contacted if questions should arise.

9. If an individual referenced in subsections (1) or (2) of this Order has had an investigative background report and search summary letter meeting the specifications listed above submitted to another licensing agency and there have been no changes affecting the information contained in the report and letter submitted to the licensing agency, an applicant may be deemed to have satisfied the requirements of this Order provided the following requirements are met:

(i) The investigating agency submits a copy of the report and search summary letter directly to the Commissioner;

(ii) The report and letter are not expired pursuant to subsection (10) of this Order; and

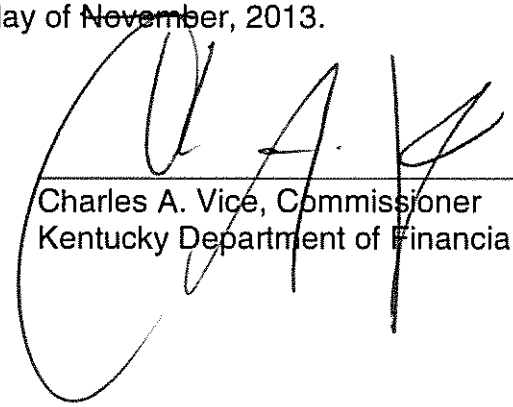
(iii) The individual and applicant submits verified statements that no change has occurred since the completion of the report that materially affects, alters, or renders inaccurate the information contained in the report and letter submitted pursuant to this section.

10. All investigative background reports and search summary letters referenced herein shall expire after twelve months. In the event an applicant referenced herein fails to complete the application submitted pursuant to KRS 286.11-009 within twelve months of the date of preparation of any investigative background report and search summary letter submitted pursuant to this Order, the applicant shall bear the cost of and shall cause an updated investigative background report and search summary letter to be submitted directly to the Commissioner in accordance with the requirements set forth in this Order.

11. The requirements of this Order shall apply to all applications filed on or after the date this Order is entered and to all applications that are pending on the date this Order is entered.

12. An application shall not be considered complete pursuant to KRS 286.11-019(1) until the requirements of this Order are satisfied.

It is so ORDERED this 3rd day of ~~November~~ December, 2013.



Charles A. Vice, Commissioner
Kentucky Department of Financial Institutions