

# SENATE BILL 754

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By: **Senator Rosapepe**

Introduced and read first time: February 3, 2020

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 6, 2020

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Financial Institutions – Consumer Protection – Money Transmissions and**  
3 **Virtual Currencies**

4 FOR the purpose of adding certain sources of revenue required to be credited to the  
5 Nondepository Special Fund; requiring the Commissioner of Financial Regulation to  
6 pay certain fines and penalties into the General Fund of the State; altering certain  
7 provisions on the regulation of money transmission by the Commissioner;  
8 authorizing the Commissioner to identify certain activities as money transmission  
9 for certain purposes; establishing licensing requirements for certain money  
10 transmission locations; altering the information that certain applicants are required  
11 to provide; altering the licensing fees for certain locations; requiring certain licensees  
12 to include a certain notice in certain mobile applications and locations; altering the  
13 factors the Commissioner is required to consider in setting the amount of a certain  
14 bond or deposit; authorizing the Commissioner to adopt certain regulations;  
15 repealing the requirements to report certain information to the Commissioner;  
16 requiring certain licensees to submit to the Nationwide Mortgage Licensing and  
17 Registry System (NMLS) certain reports required by NMLS; altering the period in  
18 which authorized delegates must remit or deposit funds under certain  
19 circumstances; requiring a certain licensee to maintain in a record policies and  
20 procedures for certain compliance programs; requiring certain licensing revenue to  
21 be credited and used in a certain manner; prohibiting a certain person from providing  
22 currency exchange services unless the person has a certain license or is an exempt  
23 entity; requiring a separate license for certain business locations; requiring a certain  
24 license applicant or licensee to provide certain information to NMLS; establishing  
25 certain eligibility qualifications for a certain license; requiring a certain license

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 applicant or licensee to provide certain fingerprints to NMLS under certain  
2 circumstances and for a certain purpose; requiring a certain license applicant or  
3 licensee to pay a certain fee; providing for the application of certain provisions of this  
4 Act; extending certain privacy and confidentiality requirements to certain  
5 information provided to NMLS under certain circumstances; extending certain  
6 privileges to certain information provided to NMLS; authorizing the sharing of  
7 certain information or material provided to NMLS with certain entities; superseding  
8 certain provisions of law relating to the disclosure of certain information or material;  
9 requiring an applicant for a certain license to apply in a certain manner and include  
10 certain information in an application; requiring an applicant for a certain license to  
11 pay certain fees to the Commissioner and NMLS; requiring separate license  
12 applications and fees for certain business locations; subjecting a person who makes  
13 a certain false statement on a certain application to certain penalties of perjury;  
14 establishing the date on which certain license applications must be submitted  
15 through NMLS; requiring the Commissioner to determine the fitness of an applicant  
16 to receive a license in a certain manner; requiring, under certain circumstances, the  
17 Commissioner to approve or deny an application within a certain time period;  
18 requiring the Commissioner to issue a certain license to any applicant who meets  
19 certain requirements; requiring the Commissioner to take certain actions if a license  
20 applicant does not meet certain requirements; requiring the Commissioner to  
21 provide a certain notice to a certain applicant of a denied application within a certain  
22 number of days in a certain manner; requiring the Commissioner to include certain  
23 information on a certain license; establishing that a certain license authorizes the  
24 licensee to provide currency exchange services in a certain manner; authorizing the  
25 Commissioner to issue more than one license under certain circumstances;  
26 authorizing a certain licensee to surrender a license by sending a certain statement  
27 to the Commissioner in a certain manner; prohibiting the Commissioner from  
28 refunding any part of a certain license fee if a license is surrendered under certain  
29 circumstances; establishing that surrender of a certain license does not affect certain  
30 liability for certain acts; establishing the initial term of a certain license; authorizing  
31 the renewal of a certain license under certain circumstances; establishing the  
32 renewal term of a certain license; prohibiting the transfer of a certain license;  
33 requiring a licensee to display a certain license in a certain manner; prohibiting a  
34 licensee from changing the location for which a license is issued unless the licensee  
35 provides certain notice to and receives certain consent from the Commissioner;  
36 requiring the Commissioner to send a certain licensee an amended license under  
37 certain circumstances; requiring a licensee to keep certain books and records for a  
38 certain period of time and in a certain manner; authorizing a certain licensee to  
39 retain certain records at any location under certain circumstances; requiring a  
40 certain licensee to retain a certain register of certain currency exchange services;  
41 authorizing the Commissioner to investigate and access certain records and business  
42 operations in a certain manner; authorizing the Commissioner to examine a certain  
43 person under oath; requiring a certain licensee to comply with certain laws  
44 concerning money laundering; requiring a licensee to post a notice of exchange rates  
45 and fees for currency exchange services at certain places of business and on a certain  
46 website in a certain manner; requiring a certain licensee to provide a customer with  
47 a certain receipt; requiring a certain licensee to maintain certain amounts of virtual

1 currency under certain circumstances; prohibiting a licensee from providing  
2 currency exchange services to a customer unless the licensee is in full compliance  
3 with certain laws and the customer presents certain identification; prohibiting a  
4 licensee or person from engaging in certain activities while conducting virtual  
5 exchange services; authorizing the Commissioner to enforce certain provisions of this  
6 Act by issuing certain orders; authorizing the Commissioner to suspend or revoke  
7 certain licenses under certain circumstances; establishing certain criteria for the  
8 Commissioner to consider in determining whether to suspend or revoke a certain  
9 license; requiring the Commissioner to provide a certain licensee certain notice and  
10 an opportunity for a certain hearing before the Commissioner takes certain action;  
11 requiring the Commissioner to report certain alleged criminal violations to certain  
12 entities; establishing that a certain penalty applies to a violation of certain  
13 provisions of law; authorizing the Commissioner to impose a certain civil penalty  
14 against a person who violates certain provisions of law; requiring the Commissioner  
15 to consider certain factors in determining a certain civil penalty; authorizing a  
16 person who is injured by a violation of certain provisions of law to bring certain  
17 actions; authorizing a court to award certain damages, fees, and costs to a certain  
18 plaintiff; providing that certain provisions of law may not be construed to affect a  
19 certain jurisdiction of the Securities Commissioner; ~~requiring the Maryland Office of~~  
20 ~~the Attorney General and the Office of the Commissioner of Financial Regulation to~~  
21 ~~review certain model legislation and report to certain committees of the General~~  
22 ~~Assembly on certain findings on or before a certain date; extending the Maryland~~  
23 ~~Financial Consumer Protection Commission until a certain date; requiring the~~  
24 ~~Maryland Financial Consumer Protection Commission to assess the impact of~~  
25 ~~certain financial services issues; requiring the Maryland Financial Consumer~~  
26 ~~Protection Commission to report certain findings and recommendations to the~~  
27 ~~General Assembly on or before a certain date; providing for the application of certain~~  
28 ~~provisions of law; defining certain terms; altering and repealing certain definitions;~~  
29 ~~providing for the effective dates of this Act; making conforming and technical~~  
30 ~~changes; and generally relating to virtual currencies and financial consumer~~  
31 ~~protection.~~

32 BY repealing and reenacting, without amendments,

33 Article – Financial Institutions

34 Section 12–401(a), (p), and (q)

35 Annotated Code of Maryland

36 (2011 Replacement Volume and 2019 Supplement)

37 BY repealing and reenacting, with amendments,

38 Article – Financial Institutions

39 Section 12–401(m), (n), (s), and (t), 12–404(a), 12–405(b) and (c), 12–407(b)(2), (6),

40 and (7), (f), and (h), 12–410(e)(3), 12–411(a) and (c), 12–412(d)(2),

41 12–413(a)(2), 12–414(d)(1), 12–415(c)(2), 12–416, 12–418, 12–422(a)(2),

42 12–425(a)(1), (5), and (6), 12–427, and 12–430.1

43 Annotated Code of Maryland

44 (2011 Replacement Volume and 2019 Supplement)

1 BY repealing

2 Article – Financial Institutions  
3 Section 12–401(o) and (r)  
4 Annotated Code of Maryland  
5 (2011 Replacement Volume and 2019 Supplement)

6 BY adding to

7 Article – Financial Institutions  
8 Section 12–401(g–1), (r), and (s), 12–407(b)(7), and 12–425(d); and 12–1101 through  
9 12–1129 to be under the new subtitle “Subtitle 11. Currency Exchanges”  
10 Annotated Code of Maryland  
11 (2011 Replacement Volume and 2019 Supplement)

12 ~~BY repealing and reenacting, with amendments,~~  
13 ~~Chapter 18 of the Acts of the General Assembly of 2017~~  
14 ~~Section 1(f) and (h) and 2~~

15 ~~BY repealing and reenacting, with amendments,~~  
16 ~~Chapter 781 of the Acts of the General Assembly of 2017~~  
17 ~~Section 1(f) and (h) and 2~~

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
19 That the Laws of Maryland read as follows:

20 **Article – Financial Institutions**

21 12–401.

22 (a) In this subtitle the following words have the meanings indicated.

23 **(G–1) “CURRENCY” HAS THE MEANING STATED IN 31 C.F.R. § 1010.100(M).**

24 (m) (1) “Money transmission” means **ENGAGING IN** the business of selling or  
25 issuing payment instruments ~~or stored value devices~~, **PREPAID ACCESS** or receiving  
26 **[money or monetary value, for transmission] CURRENCY, FUNDS, OR OTHER VALUE**  
27 **THAT SUBSTITUTES FOR CURRENCY AND TRANSFERRING CURRENCY, FUNDS, OR**  
28 **OTHER VALUE THAT SUBSTITUTES FOR CURRENCY** to **ANOTHER PERSON OR** a location  
29 within or outside the United States by any means, including electronically [or], through  
30 the Internet, **THROUGH A MOBILE APPLICATION, THROUGH A NETWORK OF PERSONS,**  
31 **OR THROUGH AN INFORMAL VALUE TRANSFER SYSTEM.**

32 **(2) “MONEY TRANSMISSION” INCLUDES ANY OTHER ACTIVITY THAT**  
33 **THE COMMISSIONER IDENTIFIES AS MONEY TRANSMISSION BY REGULATION.**

1           **(N) (1) “MONEY TRANSMITTER” MEANS A PERSON THAT ENGAGES IN**  
2 **MONEY TRANSMISSION THAT IS REQUIRED TO BE LICENSED UNDER THIS SUBTITLE,**  
3 **WHETHER OR NOT THE PERSON MAINTAINS A LICENSE.**

4           (2) “Money [transmission] TRANSMITTER” includes:

5                   (i) A bill payer service; **AND**

6                   (ii) An accelerated mortgage payment service[]; and

7                   (iii) Any informal money transfer system engaged in as a business  
8 for, or network of persons who engage as a business in, facilitating the transfer of money  
9 outside the conventional financial institutions system to a location within or outside the  
10 United States].

11           **[(n)] (O) “Outstanding ~~payment instrument~~ MONEY TRANSMISSION” means:**

12                   **(1) WITH RESPECT TO A PAYMENT INSTRUMENT OF PREPAID ACCESS,**  
13 **a payment instrument OR PREPAID ACCESS that has been sold or issued in the United**  
14 **States directly by a licensee or an authorized delegate of a licensee that has been reported**  
15 **as not yet paid by or for the licensee; AND**

16                   **(2) WITH RESPECT TO MONEY RECEIVED FOR TRANSMISSION,**  
17 **CURRENCY, FUNDS, OR OTHER VALUE THAT SUBSTITUTES FOR CURRENCY**  
18 **RECEIVED BY THE LICENSEE OR AN AUTHORIZED DELEGATE OF A LICENSEE THAT**  
19 **HAS BEEN RECEIVED BUT NOT YET PAID TO THE BENEFICIARY.**

20           [(o) “Nationwide licensing system” means a multistate uniform licensing system  
21 developed and maintained by the Conference of State Bank Supervisors, or by a subsidiary  
22 or an affiliate of the Conference of State Bank Supervisors, for the licensing of money  
23 services businesses, including money transmitters.]

24           (p) (1) “Payment instrument” means any electronic or written check, draft,  
25 money order, traveler’s check, or other electronic or written instrument or order for the  
26 transmission or payment of money, sold or issued to one or more persons, whether or not  
27 the instrument is negotiable.

28                   (2) “Payment instrument” does not include any credit card voucher, letter  
29 of credit, or tangible object redeemable by the issuer in goods or services.

30           (q) “Permissible investment” means:

31                   (1) Cash;

1           (2) Unless found by the Commissioner to be unacceptable, a certificate of  
2 deposit or other debt obligation, except a capital note, of a State-chartered or federally  
3 chartered financial institution, other-state bank, or foreign bank that:

4           (i) Is located in this State or maintains a branch in this State; and

5           (ii) Is authorized to maintain deposit or share accounts;

6           (3) Unless found by the Commissioner to be unacceptable:

7           (i) Obligations of or guaranteed by the United States, its  
8 departments, agencies, or instrumentalities, or obligations of any state, territory, or  
9 municipality or any political subdivision of any state, territory, or municipality;

10           (ii) Any investment securities, money market mutual fund,  
11 interest-bearing bills or notes, debentures or stock traded on any national securities  
12 exchange or on a national over-the-counter market bearing a rating of one of the three  
13 highest grades as defined by a nationally recognized organization that rates such securities;  
14 and

15           (iii) Any demand borrowing agreement or agreements in an amount  
16 or aggregate amount which does not exceed 10% of the net worth of the company liable for  
17 payment under the agreement or agreements as shown on financial statements certified by  
18 a certified public accountant acceptable to the Commissioner, provided that the company  
19 is a corporation or a subsidiary of a corporation whose capital stock is listed on a national  
20 exchange and is not a licensee or authorized delegate of a licensee under this subtitle;

21           (4) Receivables that are due to a licensee from its authorized delegates  
22 under a contract described in § 12-413 of this subtitle that are not past due or doubtful of  
23 collection; or

24           (5) Any other investment that the Commissioner approves.

25           [(r) (1) "Stored value device" means a card or other tangible object used for the  
26 transmission or payment of money:

27           (i) That contains a microprocessor chip, magnetic stripe, or other  
28 means for the storage of information;

29           (ii) That is prefunded; and

30           (iii) The value of which is reduced after each use.

31           (2) "Stored value device" does not include any tangible object the value of  
32 which is redeemable only in the issuer's goods or services.]

1           **(R) (1) “PREPAID ACCESS” MEANS ACCESS TO FUNDS OR THE VALUE OF**  
2 **FUNDS THAT HAVE BEEN PAID IN ADVANCE AND CAN BE RETRIEVED OR**  
3 **TRANSFERRED AT A POINT IN THE FUTURE THROUGH AN ELECTRONIC DEVICE OR**  
4 **VEHICLE INCLUDING:**

5                   **(I) A CARD;**

6                   **(II) A CODE;**

7                   **(III) AN ELECTRONIC SERIAL NUMBER;**

8                   **(IV) A MOBILE IDENTIFICATION NUMBER; AND**

9                   **(V) A PERSONAL IDENTIFICATION NUMBER.**

10           **(2) “PREPAID ACCESS” DOES NOT INCLUDE ACCESS TO FUNDS OR**  
11 **THE VALUE OF FUNDS THAT CAN BE REDEEMED ONLY IN THE ISSUER’S GOODS OR**  
12 **SERVICES.**

13           **(S) “SELF-SERVICE FINANCIAL KIOSK” MEANS A STAND-ALONE**  
14 **AUTOMATED PLATFORM THROUGH WHICH A CONSUMER MAY OBTAIN MONEY**  
15 **TRANSMISSION SERVICES.**

16           **[(s)] (T) “Surety device” means:**

17                   (1) A surety bond; or

18                   (2) A deposit in lieu of a surety bond.

19           **[(t)] (U) “Unique identifier” means a number or another identifier assigned by**  
20 **~~the nationwide licensing system~~ NMLS.**

21 12-404.

22           (a) All revenue received for the licensing of **[persons] MONEY TRANSMITTERS**  
23 **under this subtitle and any other fee, examination assessment, or revenue received by the**  
24 **Commissioner under this subtitle shall be:**

25                   (1) Credited to the Nondepository Special Fund established under § 11-610  
26 **of this article; and**

27                   (2) Used in accordance with § 11-610(c) of this article.

28 12-405.

1 (b) Each licensee or license applicant shall obtain and maintain a valid unique  
2 identifier issued by [the nationwide licensing system] **NMLS**:

3 (1) On forming an account with [the nationwide licensing system] **NMLS**  
4 on or after November 1, 2012; or

5 (2) If the Commissioner has not joined [the nationwide licensing system]  
6 **NMLS** as of November 1, 2012, on or after the date that the Commissioner joins, as  
7 specified by the Commissioner by public notice.

8 (c) An applicant for an initial license or a license renewal shall apply for the  
9 license or renewal through [the nationwide licensing system] **NMLS**:

10 (1) On or after November 1, 2012; or

11 (2) If the Commissioner has not joined [the nationwide licensing system]  
12 **NMLS** as of November 1, 2012, on or after the date that the Commissioner joins, as  
13 specified by the Commissioner by public notice.

14 12-407.

15 (b) An applicant shall provide:

16 (2) The address of the principal executive office of the applicant, [and] each  
17 branch location, **AND EACH SELF-SERVICE KIOSK**;

18 (6) A history of material litigation against the applicant, if any, for the past  
19 3 years; [and]

20 **(7) INFORMATION THAT SATISFIES THE COMMISSIONER THAT THE**  
21 **APPLICANT HAS CREATED IN A RECORD POLICIES AND PROCEDURES FOR THE**  
22 **COMPLIANCE PROGRAMS REQUIRED UNDER § 12-425(D) OF THIS SUBTITLE; AND**

23 **[(7) (8)** Any other information that the Commissioner reasonably  
24 requires.

25 (f) In addition to the license fee required under subsection (e) of this section, an  
26 applicant for an initial license shall pay to [the nationwide licensing system] **NMLS** the  
27 fee that [the nationwide licensing system] **NMLS** imposes in connection with processing  
28 the application.

29 (h) (1) In addition to any license required under §§ 12-405 and 12-410 of this  
30 subtitle, each [person who engages in the business of] money [transmission]  
31 **TRANSMITTER** shall obtain and maintain a license for its principal executive office.



1           (2) For each branch location license for which an applicant applies, the  
2 applicant shall:

3                   (i) Submit a separate application;

4                   (ii) Pay a separate nonrefundable license fee **OF \$1,000**; and

5                   (iii) Pay the application processing fee that [the nationwide licensing  
6 system] **NMLS** imposes in connection with processing the application for the branch  
7 location.

8           (3) **FOR EACH SELF-SERVICE FINANCIAL KIOSK LICENSE FOR WHICH  
9 AN APPLICANT APPLIES, THE APPLICANT SHALL:**

10                   **(I) SUBMIT A SEPARATE APPLICATION;**

11                   **(II) PAY A SEPARATE NONREFUNDABLE LICENSE FEE OF \$500;**

12 **AND**

13                   **(III) PAY THE APPLICATION PROCESSING FEE THAT NMLS  
14 IMPOSES IN CONNECTION WITH PROCESSING THE APPLICATION FOR THE  
15 SELF-SERVICE FINANCIAL KIOSK.**

16           (4) If an applicant has or is applying for more than one license, the  
17 applicant may comply with subsection (g) of this section by filing evidence of only one surety  
18 device.

19           **[(4)] (5)** If an applicant has or is applying for more than one license, the  
20 applicant is not required to pay a separate investigation fee.

21 12-410.

22           (e) (3) A licensee that offers Internet money transmission services shall  
23 include the following notice on [its Web site] **ANY WEBSITE OR MOBILE APPLICATION  
24 THROUGH WHICH THE SERVICES ARE OFFERED OR ON THE OUTSIDE OF THE  
25 SELF-SERVICE FINANCIAL KIOSK:**

26           “The Commissioner of Financial Regulation for the State of Maryland will accept all  
27 questions or complaints from Maryland residents regarding (name of licensee, license  
28 number, and unique identifier) at (address of Commissioner), phone (toll-free phone  
29 number of the Commissioner)”.

30 12-411.

31           (a) Subject to any regulations the Commissioner adopts in connection with the  
32 transition to [the nationwide licensing system] **NMLS**, an initial license term shall:

1 (1) Begin on the day the license is issued; and

2 (2) Expire on December 31 of the year:

3 (i) The license is issued, if the license is issued before November 1;  
4 or

5 (ii) Succeeding the year that the license is issued, if the license is  
6 issued on or after November 1.

7 (c) In addition to the license renewal fee required under subsection (b)(3) of this  
8 section, an applicant for a license renewal shall pay to [the nationwide licensing system]  
9 **NMLS** the fee that [the nationwide licensing system] **NMLS** imposes in connection with  
10 the renewal application.

11 12-412.

12 (d) (2) In setting the amount of the surety bond or the deposit in lieu of a surety  
13 bond, the Commissioner shall consider:

14 (i) The financial condition of the licensee or applicant;

15 (ii) For a licensee, the average monthly [outstanding payment  
16 instruments or] outstanding money transmission liability for the previous 12 months;

17 (iii) For an applicant, the projected monthly [payment instrument  
18 sales and] money transmission volume in the State, the business experience, and any other  
19 factor deemed appropriate; and

20 (iv) The potential loss of [buyers and holders of payment instruments  
21 or] ~~MONEY TRANSMISSION~~ **TRANSMISSIONS BY** persons for whom or to whom money is  
22 transmitted if the applicant or licensee becomes financially impaired.

23 12-413.

24 (a) (2) Each licensee under this subtitle is liable for the payment of all money  
25 [transmitted and payment instruments sold] **TRANSMISSIONS** by the licensee, in whatever  
26 form, directly or through an authorized delegate.

27 12-414.

28 (d) (1) All funds received by an authorized delegate from [the sale of a  
29 payment instrument] **MONEY TRANSMISSION SERVICES**, less fees, shall constitute trust  
30 funds belonging to the licensee from the time the funds are received by the authorized  
31 delegate until the time when the funds are remitted to the licensee.

1 12-415.

2 (c) In addition to any sanctions that may be imposed by the Commissioner under  
3 this subtitle, a licensee who fails to provide in a timely manner the notice required under  
4 subsection (a)(1) or (b)(1) of this section shall:

5 (2) **[Apply] FOR A LICENSEE WHO FAILS TO PROVIDE THE NOTICE**  
6 **REQUIRED UNDER SUBSECTION (B)(1) OF THIS SECTION IN A TIMELY MANNER, FILE**  
7 **WITH THE COMMISSIONER AN APPLICATION** for a new license, together with all  
8 appropriate application and investigation fees.

9 12-416.

10 [(a) Within 45 days of the end of each calendar semiannual period ending June 30  
11 and December 31, the licensee shall file with the Commissioner a report that includes the  
12 following information on a form that the Commissioner requires:

13 (1) An unaudited, unconsolidated financial statement, including a balance  
14 sheet, income statement, statement of changes in equity, and statement of cash flows;

15 (2) A schedule of the permissible investments that the licensee holds as  
16 required under § 12-418 of this subtitle;

17 (3) A statement of outstanding payment instruments;

18 (4) A report of all authorized delegates that includes:

19 (i) An alphabetical list of all currently authorized delegates  
20 appointed by the licensee that includes the name, business address, business phone  
21 number, and business electronic mail address, if known to the licensee, of each authorized  
22 delegate;

23 (ii) An alphabetical list of all authorized delegates appointed by the  
24 licensee during the previous 6 months that includes the name, business address, business  
25 phone number, business electronic mail address, if known to the licensee, and date of  
26 appointment of each authorized delegate; and

27 (iii) An alphabetical list of all authorized delegates terminated by the  
28 licensee during the previous 6 months that includes the name, business address, business  
29 phone number, business electronic mail address, if known to the licensee, and date of  
30 termination of each authorized delegate; and

31 (5) A statement under oath by an executive officer of the licensee certifying  
32 the information to be true based on the executive officer's knowledge of the matters in the  
33 report.

1 (b) On or before 120 days after the close of the fiscal year of the licensee, each  
2 licensee shall file with the Commissioner an annual report that:

3 (1) Includes financial statements of the licensee audited by a certified  
4 public accountant and prepared in accordance with generally accepted accounting  
5 principles for the previous calendar year;

6 (2) States the number and aggregate dollar amount of payment  
7 instruments issued or sold and the aggregate number and dollar amount of money  
8 transmissions during the previous calendar year;

9 (3) Contains any other information the Commissioner reasonably requires;

10 (4) Is on a form that the Commissioner requires; and

11 (5) Is signed by an executive officer of the licensee who certifies under oath  
12 that the information in the report is true based on the executive officer's knowledge of the  
13 matters in the report.]

14 **(A) A LICENSEE SHALL SUBMIT TO NMLS A CALL REPORT ONCE EACH**  
15 **QUARTER ON THE DATE, IN THE FORM, AND CONTAINING THE INFORMATION THAT**  
16 **NMLS REQUIRES.**

17 **[(c)] (B)** (1) Within 15 days after the occurrence of any of the following  
18 events, a licensee shall file a written report with the Commissioner describing the event  
19 and its expected impact on the licensee's activities in the State:

20 (i) The filing for bankruptcy or reorganization by the licensee;

21 (ii) The institution of revocation or suspension proceedings against  
22 the licensee by any state or governmental authority with regard to the licensee's money  
23 transmission activities in any state;

24 (iii) Any felony indictment or conviction of the licensee or any of its  
25 officers or directors related to money transmission activities;

26 (iv) The commencement of any civil action by a buyer or holder of a  
27 payment instrument or person for whom or to whom money is transmitted against a  
28 licensee; and

29 (v) The filing of any material litigation against the licensee.

30 (2) The written report required under paragraph (1) of this subsection shall  
31 be **[sent] SUBMITTED** to the Commissioner **[by certified mail, return receipt requested,**  
32 **bearing a postmark from the United States Postal Service, within 10 days after the action**  
33 **is begun and include details sufficient to identify the event] THROUGH NMLS.**

1           **(C) A LICENSEE SHALL SUBMIT TO NMLS THE UNIFORM AUTHORIZED**  
2 **AGENT REPORTING ONCE EACH QUARTER ON THE DATE THAT NMLS REQUIRES.**

3           (d) A licensee promptly shall file with the Commissioner any demand borrowing  
4 agreement or agreements into which the licensee may enter as a permissible investment or  
5 a deposit in lieu of a surety bond.

6 12-418.

7           (a) (1) Subject to the provisions of paragraph (2) of this subsection, a licensee  
8 shall have at all times permissible investments having an aggregate market value,  
9 calculated in accordance with generally accepted accounting principles, of not less than the  
10 aggregate face amount of all outstanding [payment instruments issued or sold] **MONEY**  
11 **TRANSMISSIONS CONDUCTED** by the licensee in the United States.

12           (2) The requirement imposed under paragraph (1) of this subsection may  
13 be waived by the Commissioner if the dollar volume of a licensee's outstanding [payment  
14 instruments] **MONEY TRANSMISSIONS** does not exceed the surety device filed in  
15 accordance with § 12-412 of this subtitle.

16           (b) **(1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
17 **SUBSECTION, A licensee shall require each authorized delegate, within 48 hours after the**  
18 **next regular business day after the authorized delegate receives the proceeds from a money**  
19 **transmission, to remit the proceeds to the licensee or the licensee's authorized**  
20 **representative, or deposit the proceeds in the licensee's account with a financial institution.**

21           **(2) A LICENSEE SHALL REQUIRE EACH AUTHORIZED DELEGATE WHO**  
22 **SELLS PREPAID ACCESS, WITHIN 5 BUSINESS DAYS AFTER THE NEXT REGULAR**  
23 **BUSINESS DAY AFTER THE AUTHORIZED DELEGATE RECEIVES THE PROCEEDS FROM**  
24 **THE SALE OF PREPAID ACCESS, TO:**

25                           **(I) REMIT THE PROCEEDS TO THE LICENSEE OR THE**  
26 **LICENSEE'S AUTHORIZED REPRESENTATIVE; OR**

27                           **(II) DEPOSIT THE PROCEEDS IN THE LICENSEE'S ACCOUNT**  
28 **WITH A FINANCIAL INSTITUTION.**

29           (c) Deposit by the authorized delegate in an account with a financial institution  
30 of funds in advance of money transmissions, but in an amount not less than the amount  
31 that the authorized delegate would normally receive from money transmissions, constitutes  
32 compliance with this section.

33 12-422.

1 (a) (2) The statement shall provide a listing, by identifying number, face  
 2 amount, and place of issue, of all outstanding [payment instruments] MONEY  
 3 TRANSMISSIONS, and the reasons for the license surrender.

4 12-425.

5 (a) Each licensee shall make and preserve the following books, accounts, and  
 6 records for a period of at least 3 years:

7 (1) A record of each [payment instrument sold or issued] MONEY  
 8 TRANSMISSION CONDUCTED;

9 (5) Records of outstanding [payment instruments] MONEY  
 10 TRANSMISSIONS;

11 (6) Records of each [payment instrument paid] MONEY TRANSMISSION  
 12 CONDUCTED within the 3-year period;

13 (D) A LICENSEE SHALL MAINTAIN IN A RECORD POLICIES AND PROCEDURES  
 14 FOR THE FOLLOWING PROGRAMS:

15 (1) AN INFORMATION SECURITY AND OPERATIONAL SECURITY  
 16 PROGRAM;

17 (2) A BUSINESS CONTINUITY PROGRAM;

18 (3) A DISASTER RECOVERY PROGRAM;

19 (4) AN ANTIFRAUD PROGRAM;

20 (5) AN ANTI-MONEY-LAUNDERING PROGRAM; AND

21 (6) A PROGRAM TO PREVENT FUNDING OF TERRORIST ACTIVITY.

22 12-427.

23 A [person that engages in the business of] money [transmission] TRANSMITTER is  
 24 subject to the enforcement provisions of §§ 2-114 through 2-116 of this article if the  
 25 [person] MONEY TRANSMITTER:

26 (1) Is not licensed under this subtitle; or

27 (2) Is not an authorized delegate of a licensee.

28 12-430.1.

1 (a) (1) Notwithstanding Title 4, Subtitles 1 through 5 of the General  
2 Provisions Article, and subject to § 12-408.1 of this subtitle, the Commissioner shall report  
3 adjudicated enforcement actions against a money transmitter or its authorized delegate  
4 and other relevant information to [the nationwide licensing system] **NMLS**.

5 (2) The Commissioner shall adopt regulations establishing a process by  
6 which a licensee or an applicant for a license may challenge information entered by the  
7 Commissioner into [the nationwide licensing system] **NMLS**.

8 (b) The Commissioner may submit to [the nationwide licensing system] **NMLS**  
9 information regarding enforcement actions against [persons engaged in the] money  
10 [transmission business] **TRANSMITTERS** who are not licensees or authorized delegates.

11 **SUBTITLE 11. CURRENCY EXCHANGES.**

12 **12-1101.**

13 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
14 INDICATED.

15 (B) “BRANCH LOCATION” MEANS ANY LOCATION OTHER THAN THE  
16 PRINCIPAL EXECUTIVE OFFICE OF A LICENSEE OR LICENSE APPLICANT AT WHICH  
17 THE LICENSEE CONDUCTS, OR THE LICENSE APPLICANT, ON LICENSURE, WILL  
18 CONDUCT, ACTIVITIES FOR WHICH A LICENSE IS REQUIRED UNDER THIS SUBTITLE.

19 (C) “CONTROL” HAS THE MEANING STATED IN § 12-401 OF THIS TITLE.

20 (D) “CONTROL OF VIRTUAL CURRENCY” MEANS:

21 (1) WHEN USED IN REFERENCE TO A TRANSACTION OR  
22 RELATIONSHIP INVOLVING VIRTUAL CURRENCY, THE POWER TO EXECUTE  
23 UNILATERALLY OR PREVENT INDEFINITELY ~~A~~ USE OF OR ACCESS TO VIRTUAL  
24 CURRENCY; AND

25 (2) WHEN USED IN REFERENCE TO A PERSON, THE DIRECT OR  
26 INDIRECT POWER TO DIRECT THE MANAGEMENT, OPERATIONS, OR POLICIES OF THE  
27 PERSON THROUGH LEGAL OR BENEFICIAL VOTING POWER IN THE PERSON OR  
28 UNDER A CONTRACT, AN AGREEMENT, OR AN UNDERSTANDING.

29 (E) (1) “CONTROL PERSON” MEANS A PERSON THAT HAS THE POWER,  
30 DIRECTLY OR INDIRECTLY, TO DIRECT THE MANAGEMENT OR POLICIES OF A  
31 LICENSEE OR LICENSE APPLICANT, WHETHER THROUGH OWNERSHIP OF  
32 SECURITIES, BY CONTRACT, OR OTHERWISE.

1           **(2) “CONTROL PERSON” INCLUDES A PERSON THAT:**

2                   **(I) IS A GENERAL PARTNER, AN OFFICER, A DIRECTOR, OR A**  
3 **MEMBER, OR OCCUPIES A SIMILAR POSITION OR PERFORMS A SIMILAR FUNCTION;**

4                   **(II) DIRECTLY OR INDIRECTLY HAS THE RIGHT TO VOTE 5% OR**  
5 **MORE OF A CLASS OF VOTING SECURITIES, OR HAS THE POWER TO SELL OR DIRECT**  
6 **THE SALE OF 5% OR MORE OF A CLASS OF VOTING SECURITIES, OF A LICENSEE OR**  
7 **LICENSE APPLICANT; OR**

8                   **(III) IN THE CASE OF A PARTNERSHIP, A LIMITED PARTNERSHIP,**  
9 **A LIMITED LIABILITY PARTNERSHIP, A LIMITED LIABILITY COMPANY, OR ANY OTHER**  
10 **BUSINESS ENTITY:**

11                   **1. HAS THE RIGHT TO RECEIVE ON LIQUIDATION OR**  
12 **DISSOLUTION OF A LICENSEE OR LICENSE APPLICANT 5% OR MORE OF THE CAPITAL**  
13 **OF THE LICENSEE OR LICENSE APPLICANT; OR**

14                   **2. HAS CONTRIBUTED 5% OR MORE OF THE CAPITAL OF**  
15 **A LICENSEE OR LICENSE APPLICANT.**

16           **(F) “CURRENCY” HAS THE MEANING STATED IN 31 C.F.R. § 1010.100(M).**

17           **(G) “CURRENCY EXCHANGE SERVICES” MEANS:**

18                   **(1) RECEIPT OF REVENUES FROM THE EXCHANGE OF CURRENCY OF**  
19 **ONE GOVERNMENT FOR CURRENCY OF ANOTHER GOVERNMENT; OR**

20                   **(2) THE ASSUMED CONTROL OF VIRTUAL CURRENCY FROM OR ON**  
21 **BEHALF OF A PERSON, AT LEAST MOMENTARILY, TO SELL, TRADE, OR CONVERT:**

22                   **(I) VIRTUAL CURRENCY FOR CURRENCY, BANK CREDIT, OR**  
23 **ONE OR MORE FORMS OF VIRTUAL CURRENCY; OR**

24                   **(II) CURRENCY OR BANK CREDIT FOR ONE OR MORE FORMS OF**  
25 **VIRTUAL CURRENCY.**

26           **(H) “EXEMPT ENTITY” MEANS AN ENTITY THAT IS EXEMPT FROM ALL**  
27 **REQUIREMENTS OF LICENSING UNDER § 12–1102(B) AND (C) OF THIS SUBTITLE.**

28           **(I) “LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A**  
29 **LICENSE ISSUED BY THE COMMISSIONER TO PROVIDE CURRENCY EXCHANGE**  
30 **SERVICES.**



1           **(J) “LICENSEE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A**  
2 **PERSON THAT IS LICENSED BY THE COMMISSIONER TO PROVIDE CURRENCY**  
3 **EXCHANGE SERVICES.**

4           **(K) “UNIQUE IDENTIFIER” MEANS A NUMBER OR ANOTHER IDENTIFIER**  
5 **ASSIGNED BY NMLS.**

6           **(L) (1) “VIRTUAL CURRENCY” MEANS A DIGITAL REPRESENTATION OF**  
7 **VALUE THAT:**

8                           **(I) MAY BE USED AS A MEDIUM OF EXCHANGE, A UNIT OF**  
9 **ACCOUNT, OR A STORE OF VALUE; AND**

10                           **(II) IS NOT CURRENCY, WHETHER OR NOT DENOMINATED IN**  
11 **CURRENCY.**

12           **(2) “VIRTUAL CURRENCY” DOES NOT INCLUDE:**

13                           **(I) A TRANSACTION IN WHICH A MERCHANT GRANTS, AS PART**  
14 **OF AN AFFINITY OR REWARDS PROGRAM, VALUE THAT CANNOT BE TAKEN FROM OR**  
15 **EXCHANGED WITH THE MERCHANT OR OTHERS FOR CURRENCY, BANK CREDIT, OR**  
16 **VIRTUAL CURRENCY; OR**

17                           **(II) A DIGITAL REPRESENTATION OF VALUE ISSUED BY OR ON**  
18 **BEHALF OF A PUBLISHER AND USED SOLELY WITHIN AN ONLINE GAME, A GAME**  
19 **PLATFORM, OR A FAMILY OF GAMES SOLD BY THE SAME PUBLISHER OR OFFERED ON**  
20 **THE SAME GAME PLATFORM THAT CANNOT BE TAKEN FROM OR EXCHANGED WITH**  
21 **THE PUBLISHER OR OTHERS FOR CURRENCY, BANK CREDIT, OR VIRTUAL**  
22 **CURRENCY.**

23 **12-1102.**

24           **(A) THIS SUBTITLE DOES NOT APPLY TO:**

25                           **(1) A BANK, TRUST COMPANY, SAVINGS BANK, SAVINGS AND LOAN**  
26 **ASSOCIATION, OR CREDIT UNION INCORPORATED OR CHARTERED UNDER THE LAWS**  
27 **OF THE STATE OR THE UNITED STATES THAT MAINTAINS ITS PRINCIPAL OFFICE IN**  
28 **THE STATE;**

29                           **(2) AN OUT-OF-STATE BANK, AS DEFINED IN § 5-1001 OF THIS**  
30 **ARTICLE, HAVING A BRANCH THAT ACCEPTS DEPOSITS IN THE STATE; OR**

1           **(3) AN INSTITUTION INCORPORATED UNDER FEDERAL LAW AS A**  
2 **SAVINGS ASSOCIATION OR SAVINGS BANK THAT DOES NOT MAINTAIN ITS PRINCIPAL**  
3 **OFFICE IN THE STATE BUT HAS A BRANCH THAT ACCEPTS DEPOSITS IN THE STATE.**

4           **(B) A SUBSIDIARY OR AN AFFILIATE OF AN INSTITUTION DESCRIBED IN**  
5 **SUBSECTION (A) OF THIS SECTION IS EXEMPT FROM ALL REQUIREMENTS OF**  
6 **LICENSING UNDER THIS SUBTITLE IF THE SUBSIDIARY OR AFFILIATE:**

7           **(1) IS SUBJECT TO AUDIT OR EXAMINATION BY A REGULATORY BODY**  
8 **OR AGENCY OF THE STATE, THE UNITED STATES, OR THE STATE IN WHICH THE**  
9 **SUBSIDIARY OR AFFILIATE MAINTAINS ITS PRINCIPAL OFFICE; AND**

10           **(2) SUBMITS TO THE COMMISSIONER IN WRITING AND PRIOR TO**  
11 **PROVIDING CURRENCY EXCHANGE SERVICES THE FOLLOWING INFORMATION:**

12           **(I) THE SUBSIDIARY'S OR AFFILIATE'S NAME AND ADDRESS,**  
13 **AND THE NAMES AND ADDRESSES OF EACH:**

14                   **1. OWNER WHO OWNS 5% OR MORE OF THE SUBSIDIARY**  
15 **OR AFFILIATE; AND**

16                   **2. OFFICER, DIRECTOR, OR PRINCIPAL OF THE**  
17 **SUBSIDIARY OR AFFILIATE;**

18           **(II) EACH ADDRESS AT WHICH CURRENCY EXCHANGE SERVICES**  
19 **WILL BE PROVIDED; AND**

20           **(III) ANY OTHER INFORMATION THAT THE COMMISSIONER**  
21 **REQUESTS.**

22           **(C) THE LICENSING PROVISIONS OF THIS SUBTITLE DO NOT APPLY TO A**  
23 **MONEY TRANSMITTER LICENSED UNDER § 12-405 OF THIS TITLE.**

24           **(D) (1) AN EXEMPT ENTITY IS NOT SUBJECT TO §§ 12-1107 THROUGH**  
25 **12-1115 AND 12-1123 OF THIS SUBTITLE.**

26           **(2) AN EXEMPT ENTITY IS SUBJECT TO:**

27                   **(I) §§ 12-1116 THROUGH 12-1122 AND 12-1124 THROUGH**  
28 **12-1128 OF THIS SUBTITLE; AND**

29                   **(II) ANY REGULATION, EXCEPT TO THE EXTENT THE**  
30 **REGULATION CONCERNS LICENSING, ADOPTED UNDER THIS SUBTITLE.**

1 12-1103.

2 THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
3 SUBTITLE.

4 12-1104.

5 (A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS  
6 SUBTITLE AND ANY OTHER FEE OR REVENUE RECEIVED BY THE COMMISSIONER  
7 UNDER THIS SUBTITLE SHALL BE:

8 (1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND UNDER §  
9 11-610 OF THIS ARTICLE; AND

10 (2) USED IN ACCORDANCE WITH § 11-610(C) OF THIS ARTICLE.

11 (B) THE COMMISSIONER SHALL PAY ALL FINES AND PENALTIES  
12 COLLECTED BY THE COMMISSIONER UNDER THIS SUBTITLE INTO THE GENERAL  
13 FUND OF THE STATE.

14 12-1105.

15 (A) A PERSON MAY NOT PROVIDE CURRENCY EXCHANGE SERVICES UNLESS  
16 THE PERSON IS LICENSED UNDER THIS SUBTITLE OR IS AN EXEMPT ENTITY.

17 (B) A SEPARATE LICENSE IS REQUIRED FOR:

18 (1) THE PRINCIPAL EXECUTIVE OFFICE OF THE APPLICANT OR  
19 LICENSEE; AND

20 (2) EACH BRANCH LOCATION AT WHICH A PERSON PROVIDES  
21 EXCHANGE SERVICES.

22 12-1106.

23 IN CONNECTION WITH AN INITIAL APPLICATION FOR A LICENSE, AND AT ANY  
24 OTHER TIME THE COMMISSIONER REQUESTS, AN APPLICANT OR A LICENSEE SHALL  
25 PROVIDE TO NMLS INFORMATION CONCERNING THE APPLICANT'S OR LICENSEE'S  
26 IDENTITY, AS WELL AS OTHER INFORMATION THAT NMLS REQUIRES.

27 12-1107.

28 TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL SATISFY THE  
29 COMMISSIONER THAT:

1           **(1) THE APPLICANT’S BUSINESS WILL PROMOTE THE CONVENIENCE**  
2 **AND ADVANTAGE OF THE COMMUNITY IN WHICH THE APPLICANT’S PLACE OF**  
3 **BUSINESS WILL BE LOCATED; AND**

4           **(2) THE APPLICANT OR, IF THE APPLICANT IS NOT AN INDIVIDUAL,**  
5 **EACH OF THE OWNERS, OFFICERS, DIRECTORS, OR PRINCIPALS OF THE ENTITY:**

6           **(i) HAS SUFFICIENT EXPERIENCE, CHARACTER, FINANCIAL**  
7 **RESPONSIBILITY, AND GENERAL FITNESS TO:**

8                   **1. COMMAND THE CONFIDENCE OF THE PUBLIC; AND**

9                   **2. WARRANT THE BELIEF THAT THE BUSINESS WILL BE**  
10 **OPERATED LAWFULLY, HONESTLY, FAIRLY, AND EFFICIENTLY; AND**

11           **(ii) HAS NOT COMMITTED ANY ACT THAT WOULD BE A GROUND**  
12 **FOR SUSPENSION OR REVOCATION OF A LICENSE.**

13 **12-1108.**

14           **(A) IN CONNECTION WITH AN INITIAL APPLICATION FOR A LICENSE UNDER**  
15 **THIS SUBTITLE, AND AT ANY OTHER TIME THE COMMISSIONER REQUIRES, AN**  
16 **APPLICANT OR A LICENSEE SHALL PROVIDE FINGERPRINTS, AS DIRECTED BY THE**  
17 **COMMISSIONER, TO NMLS FOR USE BY THE FEDERAL BUREAU OF INVESTIGATION**  
18 **TO CONDUCT A CRIMINAL HISTORY RECORDS CHECK.**

19           **(B) AN APPLICANT OR A LICENSEE REQUIRED UNDER THIS SECTION TO**  
20 **PROVIDE FINGERPRINTS SHALL PAY ANY PROCESSING OR OTHER REQUIRED FEE.**

21           **(C) IF THE APPLICANT OR LICENSEE IS A CORPORATION, THE**  
22 **FINGERPRINTING AND CRIMINAL HISTORY RECORDS CHECK REQUIREMENTS SHALL**  
23 **APPLY TO THE PRESIDENT, AND ANY OTHER OFFICER, DIRECTOR, PRINCIPAL, OR**  
24 **OWNER OF THE CORPORATION AS REQUIRED BY THE COMMISSIONER.**

25 **12-1109.**

26           **(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION:**

27                   **(i) THE REQUIREMENTS OF FEDERAL LAW AND THE PUBLIC**  
28 **INFORMATION ACT REGARDING THE PRIVACY OR CONFIDENTIALITY OF**  
29 **INFORMATION OR MATERIAL CONTINUE TO APPLY TO THE INFORMATION OR**  
30 **MATERIAL AFTER THE INFORMATION OR MATERIAL IS PROVIDED TO NMLS UNDER**  
31 **THIS SUBTITLE; AND**

1           **(II) ANY PRIVILEGES ARISING UNDER FEDERAL OR STATE LAW,**  
2 **INCLUDING THE RULES OF ANY FEDERAL OR STATE COURT WITH RESPECT TO**  
3 **INFORMATION OR MATERIAL, CONTINUE TO APPLY TO THE INFORMATION OR**  
4 **MATERIAL AFTER THE INFORMATION OR MATERIAL IS PROVIDED TO NMLS UNDER**  
5 **THIS SUBTITLE.**

6           **(2) (I) INFORMATION OR MATERIAL PROVIDED TO NMLS UNDER**  
7 **THIS SUBTITLE MAY BE SHARED WITH ANY STATE OR FEDERAL REGULATORY**  
8 **OFFICIAL THAT HAS OVERSIGHT AUTHORITY OVER PERSONS REQUIRED TO BE**  
9 **LICENSED UNDER THIS SUBTITLE, INCLUDING THE FINANCIAL CRIMES**  
10 **ENFORCEMENT NETWORK, THE OFFICE OF FOREIGN ASSETS CONTROL, AND ANY**  
11 **SUCCESSOR TO THOSE AGENCIES.**

12           **(II) INFORMATION OR MATERIAL SHARED UNDER**  
13 **SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT LOSE ANY CONFIDENTIALITY OR**  
14 **PRIVILEGE THAT APPLIES UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

15           **(B) INFORMATION OR MATERIAL THAT IS CONFIDENTIAL OR PRIVILEGED**  
16 **UNDER SUBSECTION (A) OF THIS SECTION IS NOT SUBJECT TO:**

17           **(1) DISCLOSURE UNDER ANY FEDERAL OR STATE LAW GOVERNING**  
18 **THE DISCLOSURE TO THE PUBLIC OF INFORMATION HELD BY AN OFFICER OR**  
19 **AGENCY OF THE FEDERAL GOVERNMENT OR A STATE THAT HAS RECEIVED THE**  
20 **INFORMATION OR MATERIAL; OR**

21           **(2) UNLESS THE PERSON TO WHOM THE INFORMATION OR MATERIAL**  
22 **PERTAINS WAIVES A PRIVILEGE HELD BY NMLS, SUBPOENA, DISCOVERY, OR**  
23 **ADMISSION INTO EVIDENCE IN ANY PRIVATE CIVIL LITIGATION OR ADMINISTRATIVE**  
24 **PROCESS.**

25           **(C) THIS SECTION SUPERSEDES THE PROVISIONS OF TITLE 4, SUBTITLES 1**  
26 **THROUGH 5 OF THE GENERAL PROVISIONS ARTICLE RELATING TO THE**  
27 **DISCLOSURE OF ANY INFORMATION OR MATERIAL DESCRIBED IN SUBSECTION (A)**  
28 **OF THIS SECTION THAT ARE INCONSISTENT WITH SUBSECTION (A) OF THIS SECTION.**

29           **(D) THIS SECTION DOES NOT APPLY TO INFORMATION OR MATERIAL**  
30 **RELATING TO PUBLICLY ADJUDICATED DISCIPLINARY AND ENFORCEMENT ACTIONS**  
31 **AGAINST A PERSON REQUIRED TO BE LICENSED THAT IS INCLUDED IN NMLS AND**  
32 **DESIGNATED FOR ACCESS BY THE PUBLIC.**

33 **12-1110.**

34           **(A) (1) TO APPLY FOR A LICENSE, AN APPLICANT SHALL:**

1           **(I) COMPLETE, SIGN, AND SUBMIT TO THE COMMISSIONER AN**  
2 **APPLICATION MADE UNDER OATH IN THE FORM, AND IN ACCORDANCE WITH THE**  
3 **PROCESS, THAT THE COMMISSIONER REQUIRES THROUGH NMLS; AND**

4           **(II) PROVIDE ALL INFORMATION THAT THE COMMISSIONER**  
5 **REQUESTS.**

6           **(2) THE APPLICATION SHALL INCLUDE:**

7           **(I) THE APPLICANT'S NAME, THE APPLICANT'S PRINCIPAL**  
8 **EXECUTIVE OFFICE ADDRESS, AND, IF THE APPLICANT IS NOT AN INDIVIDUAL, THE**  
9 **NAME AND RESIDENCE ADDRESS OF EACH CONTROL PERSON;**

10           **(II) THE ADDRESS OF EACH BRANCH LOCATION, IF ANY;**

11           **(III) ANY OTHER INFORMATION THAT THE COMMISSIONER**  
12 **REQUIRES FOR AN INVESTIGATION AND FINDINGS UNDER § 12-1111 OF THIS**  
13 **SUBTITLE; AND**

14           **(IV) INFORMATION THAT SATISFIES THE COMMISSIONER THAT**  
15 **THE APPLICANT HAS CREATED IN A RECORD POLICIES AND PROCEDURES FOR THE**  
16 **COMPLIANCE PROGRAMS REQUIRED UNDER § 12-425(D) OF THIS TITLE.**

17           **(B) WITH THE APPLICATION, THE APPLICANT SHALL PAY TO THE**  
18 **COMMISSIONER:**

19           **(1) A NONREFUNDABLE INVESTIGATION FEE OF \$1,000; AND**

20           **(2) A NONREFUNDABLE LICENSE FEE OF \$1,000.**

21           **(C) IN ADDITION TO THE FEES REQUIRED UNDER SUBSECTION (B) OF THIS**  
22 **SECTION, A LICENSEE SHALL PAY TO NMLS ANY FEES THAT NMLS IMPOSES IN**  
23 **CONNECTION WITH AN INITIAL LICENSE.**

24           **(D) FOR THE PRINCIPAL EXECUTIVE OFFICE AND EACH BRANCH LOCATION**  
25 **FOR WHICH AN APPLICANT APPLIES, THE APPLICANT SHALL:**

26           **(1) SUBMIT A SEPARATE APPLICATION; AND**

27           **(2) PAY A SEPARATE INVESTIGATION FEE AND LICENSE FEE.**

28           **(E) A PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT UNDER OATH**  
29 **ON AN APPLICATION FILED WITH THE COMMISSIONER UNDER THIS SECTION IS**

1 GUILTY OF PERJURY AND ON CONVICTION IS SUBJECT TO THE PENALTIES OF §  
2 9-101 OF THE CRIMINAL LAW ARTICLE.

3 (F) SUBJECT TO SUBSECTION (C) OF THIS SECTION, AN APPLICANT FOR AN  
4 INITIAL LICENSE OR A LICENSE RENEWAL SHALL APPLY THROUGH NMLS:

5 (1) ON OR AFTER JULY 1, 2020; OR

6 (2) IF THE COMMISSIONER HAS NOT JOINED NMLS WITH RESPECT  
7 TO PERSONS REQUIRED TO BE LICENSED UNDER THIS SUBTITLE AS OF JULY 1, 2020,  
8 ON OR AFTER THE DATE THAT THE COMMISSIONER JOINS, AS SPECIFIED BY THE  
9 COMMISSIONER BY PUBLIC NOTICE.

10 12-1111.

11 (A) WHEN AN APPLICANT FOR A LICENSE FILES THE APPLICATION AND  
12 PAYS THE FEES REQUIRED BY § 12-1110 OF THIS SUBTITLE, THE COMMISSIONER  
13 SHALL INVESTIGATE THE FACTS RELEVANT TO THE APPLICATION TO DETERMINE  
14 WHETHER THE APPLICANT MEETS THE REQUIREMENTS OF THIS SUBTITLE.

15 (B) UNLESS THE COMMISSIONER AND AN APPLICANT AGREE IN WRITING TO  
16 EXTEND THE TIME, THE COMMISSIONER SHALL APPROVE OR DENY EACH  
17 APPLICATION FOR A LICENSE WITHIN 60 DAYS AFTER THE DATE ON WHICH THE  
18 COMPLETE APPLICATION IS FILED AND THE FEES ARE PAID.

19 (C) THE COMMISSIONER SHALL ISSUE A LICENSE TO ANY APPLICANT WHO  
20 MEETS THE REQUIREMENTS OF THIS SUBTITLE.

21 (D) (1) IF AN APPLICANT DOES NOT MEET THE REQUIREMENTS OF THIS  
22 SUBTITLE, THE COMMISSIONER SHALL:

23 (i) DENY THE APPLICATION;

24 (ii) NOTIFY THE APPLICANT IMMEDIATELY OF THE DENIAL;

25 (iii) REFUND THE LICENSE FEE; AND

26 (iv) RETAIN THE INVESTIGATION FEE.

27 (2) (i) WITHIN 10 DAYS AFTER THE COMMISSIONER DENIES AN  
28 APPLICATION, THE COMMISSIONER SHALL SEND A WRITTEN NOTICE TO THE  
29 APPLICANT STATING THE REASONS FOR THE DENIAL.

1                   **(II) THE NOTICE SHALL BE SENT BY UNITED STATES MAIL,**  
2 **E-MAIL, OR ANY MEANS PROVIDED THROUGH NMLS TO THE ADDRESS LISTED IN**  
3 **THE APPLICATION.**

4 **12-1112.**

5           **(A) THE COMMISSIONER SHALL INCLUDE ON EACH LICENSE:**

6                   **(1) THE NAME OF THE LICENSEE;**

7                   **(2) ANY TRADE NAME OR ALIAS APPROVED BY THE COMMISSIONER;**

8                   **(3) THE ADDRESS OF THE LOCATION AT WHICH CURRENCY**  
9 **EXCHANGE SERVICES WILL BE PROVIDED; AND**

10                   **(4) THE LICENSE NUMBER OR UNIQUE IDENTIFIER OF THE LICENSEE.**

11           **(B) (1) A LICENSE AUTHORIZES THE LICENSEE TO PROVIDE CURRENCY**  
12 **EXCHANGE SERVICES UNDER ANY NAME STATED ON THE LICENSE AND AT THE**  
13 **LOCATION AT WHICH CURRENCY EXCHANGE SERVICES WILL BE PROVIDED.**

14                   **(2) ONLY ONE LOCATION MAY BE MAINTAINED UNDER ANY ONE**  
15 **LICENSE.**

16           **(C) SUBJECT TO § 12-1105(B) OF THIS SUBTITLE, THE COMMISSIONER MAY**  
17 **ISSUE MORE THAN ONE LICENSE TO AN APPLICANT WHO:**

18                   **(1) CONDUCTS ACTIVITIES FOR WHICH A LICENSE IS REQUIRED AT**  
19 **MORE THAN ONE LOCATION;**

20                   **(2) COMPLIES WITH § 12-1110 OF THIS SUBTITLE; AND**

21                   **(3) OTHERWISE MEETS THE REQUIREMENTS OF THIS SUBTITLE.**

22 **12-1113.**

23           **(A) A LICENSEE MAY SURRENDER A LICENSE BY SENDING TO THE**  
24 **COMMISSIONER, IN THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE**  
25 **COMMISSIONER REQUIRES, A STATEMENT THAT THE LICENSE IS SURRENDERED.**

26           **(B) IF A LICENSE IS SURRENDERED VOLUNTARILY, OR IS SUSPENDED OR**  
27 **REVOKED, THE COMMISSIONER MAY NOT REFUND ANY PART OF THE LICENSE FEE**  
28 **REGARDLESS OF THE TIME REMAINING IN THE LICENSE TERM.**



1           **(C) THE SURRENDER OF A LICENSE DOES NOT AFFECT ANY CIVIL OR**  
2 **CRIMINAL LIABILITY OF THE LICENSEE FOR ACTS COMMITTED BEFORE THE LICENSE**  
3 **WAS SURRENDERED.**

4 **12-1114.**

5           **(A) AN INITIAL LICENSE TERM SHALL:**

6                 **(1) BEGIN ON THE DATE THE LICENSE IS ISSUED; AND**

7                 **(2) EXPIRE ON DECEMBER 31 OF THE YEAR:**

8                         **(I) IN WHICH THE LICENSE IS ISSUED IF THE LICENSE IS ISSUED**  
9 **BEFORE NOVEMBER 1; OR**

10                        **(II) IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE**  
11 **LICENSE IS ISSUED IF THE LICENSE IS ISSUED ON OR AFTER NOVEMBER 1.**

12           **(B) ON OR AFTER NOVEMBER 1 OF THE YEAR A LICENSE EXPIRES, THE**  
13 **LICENSE MAY BE RENEWED FOR AN ADDITIONAL 1-YEAR TERM IF THE LICENSEE:**

14                 **(1) OTHERWISE IS ENTITLED TO BE LICENSED;**

15                 **(2) PAYS TO THE COMMISSIONER A RENEWAL FEE OF \$1,000;**

16                 **(3) SUBMITS TO THE COMMISSIONER A RENEWAL REGISTRATION ON**  
17 **THE FORM THAT THE COMMISSIONER REQUIRES THROUGH NMLS; AND**

18                 **(4) PAYS TO NMLS ANY FEES THAT NMLS IMPOSES IN CONNECTION**  
19 **WITH THE REGISTRATION.**

20           **(C) SUBJECT TO ANY REGULATIONS THE COMMISSIONER ADOPTS IN**  
21 **CONNECTION WITH NMLS, A RENEWAL TERM SHALL:**

22                 **(1) BE FOR A PERIOD OF 1 YEAR;**

23                 **(2) BEGIN ON JANUARY 1 EACH YEAR AFTER THE INITIAL TERM; AND**

24                 **(3) EXPIRE ON DECEMBER 31 OF THE YEAR THE RENEWAL TERM**  
25 **BEGINS.**

26 **12-1115.**

27           **(A) A LICENSE IS NOT TRANSFERABLE.**

1           **(B) A LICENSEE SHALL DISPLAY THE LICENSE CONSPICUOUSLY AT THE**  
2 **LICENSEE'S LICENSED LOCATION.**

3 **12-1116.**

4           **(A) A LICENSEE MAY NOT CHANGE THE LOCATION FOR WHICH A LICENSE IS**  
5 **ISSUED UNLESS THE LICENSEE:**

6                 **(1) PROVIDES TO THE COMMISSIONER, IN THE FORM AND IN**  
7 **ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES, NOTICE OF**  
8 **THE PROPOSED CHANGE; AND**

9                 **(2) RECEIVES THE WRITTEN CONSENT OF THE COMMISSIONER BY**  
10 **UNITED STATES MAIL, E-MAIL, OR ANY MEANS PROVIDED THROUGH NMLS PRIOR**  
11 **TO THE CHANGE.**

12           **(B) IF THE COMMISSIONER CONSENTS TO A PROPOSED CHANGE OF**  
13 **LOCATION, THE COMMISSIONER SHALL SEND THE LICENSEE AN AMENDED LICENSE.**

14 **12-1117.**

15           **(A) A LICENSEE SHALL KEEP THE BOOKS AND RECORDS THAT THE**  
16 **COMMISSIONER REQUIRES TO DETERMINE COMPLIANCE WITH THIS SUBTITLE.**

17           **(B) UNLESS A LONGER PERIOD IS EXPRESSLY REQUIRED BY STATE OR**  
18 **FEDERAL LAW, A LICENSEE SHALL RETAIN THE RECORDS REQUIRED UNDER THIS**  
19 **SUBTITLE FOR A PERIOD OF AT LEAST 2 YEARS.**

20           **(C) A LICENSEE MAY RETAIN THE RECORDS REQUIRED UNDER THIS**  
21 **SUBTITLE AT ANY LOCATION, IF THE LICENSEE:**

22                 **(1) NOTIFIES THE COMMISSIONER IN WRITING OF THE LOCATION OF**  
23 **THE RECORDS; AND**

24                 **(2) MAKES THE RECORDS AVAILABLE AT A PLACE OF BUSINESS FOR**  
25 **WHICH A LICENSE HAS BEEN ISSUED OR AT THE LICENSEE'S PRINCIPAL PLACE OF**  
26 **BUSINESS, AS AGREED BY THE COMMISSIONER AND THE LICENSEE, WITHIN 7 DAYS**  
27 **AFTER A WRITTEN REQUEST FOR EXAMINATION BY THE COMMISSIONER.**

28           **(D) IN ADDITION TO ANY OTHER BOOKS AND RECORDS THAT THE**  
29 **COMMISSIONER MAY REQUIRE, A LICENSEE SHALL RETAIN A CHRONOLOGICAL**  
30 **REGISTER OF ALL CURRENCY EXCHANGE SERVICES PROVIDED BY THE LICENSEE**  
31 **SHOWING:**

- 1           **(1) THE NAME OF THE CUSTOMER;**
- 2           **(2) THE TRANSACTION DATE;**
- 3           **(3) THE RATE OF EXCHANGE;**
- 4           **(4) THE TYPES AND AMOUNT OF CURRENCY OR VIRTUAL CURRENCY**  
5 **EXCHANGED;**
- 6           **(5) THE AMOUNT OF FEES CHARGED; AND**
- 7           **(6) A COMPLETE DESCRIPTION OF THE IDENTIFICATION PRESENTED**  
8 **BY THE CUSTOMER.**

9           **(E) A LICENSEE SHALL RETAIN THE RECORDS REQUIRED UNDER THIS**  
10 **SECTION IN ONE OF THE FOLLOWING WAYS:**

- 11           **(1) THE ORIGINAL FORM;**
- 12           **(2) AN ELECTRONIC EQUIVALENT APPROVED BY THE**  
13 **COMMISSIONER; OR**
- 14           **(3) A MICROPHOTOGRAPHIC COPY APPROVED BY THE**  
15 **COMMISSIONER.**

16           **(F) A LICENSEE SHALL MAINTAIN IN A RECORD POLICIES AND PROCEDURES**  
17 **FOR THE FOLLOWING COMPLIANCE PROGRAMS:**

- 18           **(1) AN INFORMATION SECURITY AND OPERATIONAL SECURITY**  
19 **PROGRAM;**
- 20           **(2) A BUSINESS CONTINUITY PROGRAM;**
- 21           **(3) A DISASTER RECOVERY PROGRAM;**
- 22           **(4) AN ANTIFRAUD PROGRAM;**
- 23           **(5) AN ANTI-MONEY-LAUNDERING PROGRAM;**
- 24           **(6) A PROGRAM TO PREVENT FUNDING OF TERRORIST ACTIVITY; AND**
- 25           **(7) A PROGRAM DESIGNED TO:**

26                   **(I) ENSURE COMPLIANCE WITH THIS SUBTITLE, OTHER STATE**  
27 **LAWS, AND FEDERAL LAWS THAT ARE RELEVANT TO THE VIRTUAL CURRENCY**

1 BUSINESS ACTIVITY CONTEMPLATED BY THE LICENSEE WITH OR ON BEHALF OF  
2 RESIDENTS OF THE STATE; AND

3 (II) ASSIST THE LICENSEE IN ACHIEVING THE PURPOSES OF  
4 THIS SUBTITLE, OTHER STATE LAW, AND FEDERAL LAW.

5 12-1118.

6 (A) AT ANY TIME AND AS OFTEN AS THE COMMISSIONER CONSIDERS  
7 APPROPRIATE, THE COMMISSIONER MAY INVESTIGATE THE RECORDS AND  
8 BUSINESS OPERATIONS OF A LICENSEE OR A PERSON WHO ACTS ON BEHALF OF A  
9 LICENSEE.

10 (B) FOR THE PURPOSES OF THIS SECTION, THE COMMISSIONER:

11 (1) SHALL HAVE ACCESS TO ANY BOOKS, PAPERS, RECORDS, SAFES,  
12 OR VAULTS OF THE PERSON UNDER INVESTIGATION; AND

13 (2) MAY EXAMINE UNDER OATH A PERSON WHOSE TESTIMONY THE  
14 COMMISSIONER REQUIRES.

15 12-1119.

16 A LICENSEE SHALL COMPLY WITH ALL FEDERAL AND STATE LAWS  
17 CONCERNING MONEY LAUNDERING.

18 12-1120.

19 (A) (1) A LICENSEE SHALL CONSPICUOUSLY POST, IN 48 POINT TYPE OR  
20 LARGER, AT EACH PLACE OF BUSINESS AT WHICH THE LICENSEE PROVIDES  
21 CURRENCY EXCHANGE SERVICES, A NOTICE OF THE RATE OF EXCHANGE AND FEES  
22 FOR PROVIDING CURRENCY EXCHANGE SERVICES.

23 (2) IF A LICENSEE PROVIDES CURRENCY EXCHANGE SERVICES ON  
24 THE LICENSEE'S WEBSITE, THE WEBSITE SHALL CONSPICUOUSLY SHOW A NOTICE OF  
25 THE RATE OF EXCHANGE AND FEES FOR PROVIDING CURRENCY EXCHANGE  
26 SERVICES.

27 (B) A LICENSEE SHALL PROVIDE EACH CUSTOMER WITH A WRITTEN  
28 RECEIPT SUFFICIENT TO IDENTIFY:

29 (1) THE TRANSACTION;

30 (2) THE LICENSEE;

1           **(3) THE RATE OF EXCHANGE;**

2           **(4) THE AMOUNT AND TYPE OF CURRENCY OR VIRTUAL CURRENCY**  
3 **EXCHANGED; AND**

4           **(5) THE FEES CHARGED.**

5 **12-1121.**

6           **(A) AS PART OF A CURRENCY EXCHANGE SERVICE TRANSACTION,**  
7 **INCLUDING BEFORE OR AFTER THE TRANSACTION, IF A LICENSEE HAS CONTROL OF**  
8 **VIRTUAL CURRENCY FOR ONE OR MORE CUSTOMERS, THE LICENSEE SHALL**  
9 **MAINTAIN IN ITS CONTROL AN AMOUNT OF EACH TYPE OF VIRTUAL CURRENCY**  
10 **SUFFICIENT TO SATISFY THE AGGREGATE ENTITLEMENTS OF THE CUSTOMERS TO**  
11 **THE TYPE OF VIRTUAL CURRENCY.**

12           **(B) A LICENSEE MAY NOT PROVIDE CURRENCY EXCHANGE SERVICES TO A**  
13 **CUSTOMER UNLESS:**

14           **(1) THE LICENSEE IS IN FULL COMPLIANCE WITH:**

15                   **(I) FEDERAL ANTI-MONEY-LAUNDERING LAWS, INCLUDING 31**  
16 **C.F.R. PART 1010; AND**

17                   **(II) FEDERAL CUSTOMER DUE DILIGENCE REQUIREMENTS,**  
18 **INCLUDING 31 C.F.R. PART 1010; AND**

19           **(2) THE CUSTOMER PRESENTS A FORM OF CUSTOMARILY**  
20 **ACCEPTABLE IDENTIFICATION, INCLUDING:**

21                   **(I) A VALID DRIVER'S LICENSE WITH PHOTOGRAPH ISSUED BY**  
22 **A STATE GOVERNMENT;**

23                   **(II) A VALID IDENTITY CARD WITH PHOTOGRAPH ISSUED BY A**  
24 **STATE GOVERNMENT;**

25                   **(III) A VALID UNITED STATES PASSPORT OR ALIEN**  
26 **REGISTRATION CARD; OR**

27                   **(IV) A VALID MILITARY IDENTIFICATION CARD.**

28           **(C) A LICENSEE OR PERSON, IN THE CONDUCT OF VIRTUAL CURRENCY**  
29 **EXCHANGE SERVICES, MAY NOT ENGAGE IN:**

- 1           **(1) AN UNSAFE OR UNSOUND ACT OR PRACTICE;**
- 2           **(2) AN UNFAIR OR DECEPTIVE ACT OR PRACTICE;**
- 3           **(3) FRAUD OR INTENTIONAL MISREPRESENTATION;**
- 4           **(4) ANOTHER DISHONEST ACT; OR**
- 5           **(5) MISAPPROPRIATION OF CURRENCY, VIRTUAL CURRENCY, OR**  
6 **OTHER VALUE HELD BY A FIDUCIARY.**

7 **12-1122.**

8           **THE COMMISSIONER MAY ENFORCE THIS SUBTITLE BY ISSUING AN ORDER:**

- 9           **(1) TO CEASE AND DESIST AND TO TAKE AFFIRMATIVE ACTION FROM**  
10 **THE VIOLATION AND ANY FURTHER SIMILAR VIOLATIONS; AND**
- 11           **(2) REQUIRING THE VIOLATOR TO TAKE AFFIRMATIVE ACTION TO**  
12 **CORRECT THE VIOLATION, INCLUDING THE RESTITUTION OF MONEY OR PROPERTY**  
13 **TO ANY PERSON AGGRIEVED BY THE VIOLATION.**

14 **12-1123.**

15           **(A) SUBJECT TO THE HEARING PROVISIONS OF § 12-1124 OF THIS**  
16 **SUBTITLE, THE COMMISSIONER MAY SUSPEND OR REVOKE THE LICENSE OF ANY**  
17 **LICENSEE IF THE LICENSEE OR ANY OWNER, DIRECTOR, OFFICER, MEMBER,**  
18 **PARTNER, STOCKHOLDER, EMPLOYEE, OR AGENT OF THE LICENSEE:**

19           **(1) MAKES ANY MATERIAL MISSTATEMENT IN AN APPLICATION FOR A**  
20 **LICENSE;**

21           **(2) IS CONVICTED UNDER THE LAWS OF THE UNITED STATES OR OF**  
22 **ANY OTHER STATE OF:**

23           **(I) A FELONY; OR**

24           **(II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE**  
25 **FITNESS AND QUALIFICATION OF THE PERSON TO PROVIDE CURRENCY EXCHANGE**  
26 **SERVICES;**

27           **(3) IN CONNECTION WITH ANY CURRENCY EXCHANGE SERVICE:**

28           **(I) COMMITS ANY FRAUD;**

1 (II) ENGAGES IN ANY ILLEGAL OR DISHONEST ACTIVITIES; OR

2 (III) MISREPRESENTS OR FAILS TO DISCLOSE ANY MATERIAL  
3 FACTS TO ANYONE ENTITLED TO THAT INFORMATION;

4 (4) VIOLATES ANY PROVISION OF THIS SUBTITLE OR ANY RULE OR  
5 REGULATION ADOPTED UNDER THIS SUBTITLE, OR ANY OTHER LAW REGULATING  
6 CURRENCY EXCHANGE SERVICES IN THE STATE; OR

7 (5) OTHERWISE DEMONSTRATES UNWORTHINESS, BAD FAITH,  
8 DISHONESTY, OR ANY OTHER QUALITY THAT INDICATES THAT THE BUSINESS OF THE  
9 LICENSEE HAS NOT BEEN OR WILL NOT BE CONDUCTED HONESTLY, FAIRLY,  
10 EQUITABLY, AND EFFICIENTLY.

11 (B) IN DETERMINING WHETHER THE LICENSE OF THE LICENSEE SHOULD BE  
12 SUSPENDED OR REVOKED FOR A REASON LISTED IN SUBSECTION (A)(2) OF THIS  
13 SECTION, THE COMMISSIONER SHALL CONSIDER:

14 (1) THE NATURE OF THE CRIME;

15 (2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES  
16 AUTHORIZED BY THE LICENSE;

17 (3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE  
18 CONVICTION TO THE FITNESS AND QUALIFICATION OF THE LICENSEE TO PROVIDE  
19 CHECK CASHING SERVICES;

20 (4) THE LENGTH OF TIME SINCE THE CONVICTION; AND

21 (5) THE BEHAVIOR AND ACTIVITIES OF THE LICENSEE SINCE THE  
22 CONVICTION.

23 12-1124.

24 (A) BEFORE THE COMMISSIONER TAKES ANY ACTION UNDER § 12-1122, §  
25 12-1123, OR § 12-1127 OF THIS SUBTITLE, THE COMMISSIONER SHALL GIVE THE  
26 LICENSEE AN OPPORTUNITY FOR A HEARING BEFORE THE COMMISSIONER.

27 (B) NOTICE OF THE HEARING SHALL BE GIVEN AND THE HEARING SHALL BE  
28 HELD IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT  
29 ARTICLE.

30 12-1125.

1 THE COMMISSIONER SHALL REPORT TO THE APPROPRIATE STATE'S  
2 ATTORNEY OR THE ATTORNEY GENERAL ANY ALLEGED CRIMINAL VIOLATION OF  
3 THIS SUBTITLE.

4 12-1126.

5 A PERSON WHO KNOWINGLY VIOLATES THIS SUBTITLE IS GUILTY OF A  
6 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT  
7 EXCEEDING 3 YEARS OR A FINE NOT EXCEEDING \$5,000 OR BOTH.

8 12-1127.

9 (A) THE COMMISSIONER MAY IMPOSE A CIVIL PENALTY AGAINST A PERSON  
10 WHO VIOLATES THIS SUBTITLE IN AN AMOUNT NOT EXCEEDING:

11 (1) \$10,000 FOR A FIRST OFFENSE; AND

12 (2) \$25,000 FOR EACH SUBSEQUENT OFFENSE.

13 (B) IN DETERMINING THE AMOUNT OF CIVIL PENALTY TO BE IMPOSED  
14 UNDER SUBSECTION (A) OF THIS SECTION, THE COMMISSIONER SHALL CONSIDER  
15 THE FOLLOWING:

16 (1) THE SERIOUSNESS OF THE VIOLATION;

17 (2) THE GOOD FAITH OF THE VIOLATOR;

18 (3) THE VIOLATOR'S HISTORY OF PREVIOUS VIOLATIONS;

19 (4) THE DELETERIOUS EFFECT OF THE VIOLATION ON THE PUBLIC;

20 (5) THE ASSETS OF THE VIOLATOR; AND

21 (6) ANY OTHER FACTOR RELEVANT TO THE DETERMINATION OF THE  
22 CIVIL PENALTY.

23 12-1128.

24 (A) A PERSON WHO IS INJURED BY A VIOLATION OF THIS SUBTITLE MAY FILE  
25 AN ACTION TO RECOVER DAMAGES OR FOR INJUNCTIVE RELIEF.

26 (B) A COURT MAY AWARD A PREVAILING PLAINTIFF UNDER THIS SECTION:

27 (1) UP TO 3 TIMES THE AMOUNT OF ACTUAL DAMAGES; AND



1           **(2)** AN AMOUNT AT LEAST EQUAL TO THE AMOUNT PAID BY THE  
 2 PLAINTIFF TO THE DEFENDANT, REASONABLE ATTORNEY’S FEES, AND COSTS.

3 **12-1129.**

4           **THIS SUBTITLE MAY NOT BE CONSTRUED TO AFFECT THE JURISDICTION OF**  
 5 **THE SECURITIES COMMISSIONER UNDER TITLE 11 OF THE CORPORATIONS AND**  
 6 **ASSOCIATIONS ARTICLE.**

7           ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read~~  
 8 ~~as follows:~~

9   ~~**Chapter 18 of the Acts of 2017**~~

10           ~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,~~  
 11 ~~That:~~

12           ~~(f) The Commission shall:~~

13                           ~~(1) assess the impact of potential changes to federal financial industry laws~~  
 14 ~~and regulations, budgets, and policies, including changes to:~~

15                           ~~(i) the Dodd-Frank Wall Street Reform and Consumer Protection~~  
 16 ~~Act;~~

17                           ~~(ii) the Consumer Financial Protection Bureau;~~

18                           ~~(iii) the Securities and Exchange Commission;~~

19                           ~~(iv) the Commodity Futures Trading Commission;~~

20                           ~~(v) the Pension Benefit Guaranty Corporation;~~

21                           ~~(vi) the Department of Labor;~~

22                           ~~(vii) the Federal Reserve Board; and~~

23                           ~~(viii) any other federal financial regulators; [and]~~

24           ~~**(2) ASSESS THE IMPACT OF NEW DEVELOPMENTS IN FINANCIAL**~~  
 25 ~~**SERVICES THAT HAVE REVEALED NEW RISKS TO CONSUMERS; AND**~~

26           ~~**[(2)] (3)** provide recommendations for federal and State actions that will~~  
 27 ~~protect residents of the State in financial transactions and when receiving financial~~  
 28 ~~services.~~

~~(h) On or before December 31, 2017, [and] on or before December 31, 2018, ON OR BEFORE DECEMBER 31, 2020, AND ON OR BEFORE DECEMBER 31, 2021, the Commission shall submit a report on its findings and recommendations, including any legislative proposals, to the Governor and, in accordance with § [2 1246] 2 1257 of the State Government Article, the General Assembly.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017. It shall remain effective for a period of [2] 5 years and 1 month and, at the end of June 30, [2019] 2022, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

### ~~Chapter 781 of the Acts of 2017~~

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:~~

~~(f) The Commission shall:~~

~~(1) assess the impact of potential changes to federal financial industry laws and regulations, budgets, and policies, including changes to:~~

~~(i) the Dodd-Frank Wall Street Reform and Consumer Protection Act;~~

~~(ii) the Consumer Financial Protection Bureau;~~

~~(iii) the Securities and Exchange Commission;~~

~~(iv) the Commodity Futures Trading Commission;~~

~~(v) the Pension Benefit Guaranty Corporation;~~

~~(vi) the Department of Labor;~~

~~(vii) the Federal Reserve Board; and~~

~~(viii) any other federal financial regulators; [and]~~

~~(2) ASSESS THE IMPACT OF NEW DEVELOPMENTS IN FINANCIAL SERVICES THAT HAVE REVEALED NEW RISKS TO CONSUMERS; AND~~

~~[(2)] (3) provide recommendations for federal and State actions that will protect residents of the State in financial transactions and when receiving financial services.~~

1           ~~(h) On or before December 31, 2017, [and] on or before December 31, 2018, ON~~  
 2 ~~OR BEFORE DECEMBER 31, 2020, AND ON OR BEFORE DECEMBER 31, 2021,~~ the  
 3 ~~Commission shall submit a report on its findings and recommendations, including any~~  
 4 ~~legislative proposals, to the Governor and, in accordance with § [2 1246] 2 1257 of the~~  
 5 ~~State Government Article, the General Assembly.~~

6           ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June~~  
 7 ~~1, 2017. It shall remain effective for a period of [2] 5 years and 1 month and, at the end of~~  
 8 ~~[June 30, 2019] JUNE 30, 2022, with no further action required by the General Assembly,~~  
 9 ~~this Act shall be abrogated and of no further force and effect.~~

10           ~~SECTION 3. AND BE IT FURTHER ENACTED, That the Maryland Office of the~~  
 11 ~~Attorney General and the Office of the Commissioner of Financial Regulation shall:~~

12           ~~(1) review Title I of the National Consumer Law Center’s “The Model State~~  
 13 ~~Consumer and Employee Justice Enforcement Act”, developed in November 2015; and~~

14           ~~(2) on or before October 1, 2020, report to the Senate Finance Committee~~  
 15 ~~and the House Economic Matters Committee on the potential impact on consumers and~~  
 16 ~~businesses of the General Assembly’s adoption of Title I in legislation.~~

17           ~~SECTION 4. 2. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall~~  
 18 ~~take effect October 1, 2020.~~

19           ~~SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section~~  
 20 ~~4 of this Act, this Act shall take effect July 1, 2020.~~

Approved:

\_\_\_\_\_ Governor.

\_\_\_\_\_ President of the Senate.

\_\_\_\_\_ Speaker of the House of Delegates.