

Jim Burns

From: Jim Burns
Sent: Tuesday, November 21, 2006 8:50 AM
To:
Subject: Authorized Agent List

Dear M

The exemptions associated with your inquiry can be found at Idaho Code Section 26-2904 (reprinted below). Generally, speaking, the law does not apply to banks, credit unions and government agencies.

Some confusion exists regarding whether a non-bank money transmitter must maintain a list of bank locations where the licensee's products are issued or sold. It has been our view that the non-bank licensee should maintain a list (and report) ALL locations where the licensee's business will be conducted. This would include maintaining a list of both bank and non-bank locations associated with the licensee's money transmitter activities.

Should you have any additional questions or would like to discuss this matter in greater detail, please feel free to contact me directly.

Regards,

Jim Burns
Investigations Chief
Idaho Dept. of Finance
Boise, ID
(208) 332-8080
Idaho Toll Free 1-888-346-3378

TITLE 26
BANKS AND BANKING
CHAPTER 29
MONEY TRANSMISSION

26-2904. EXEMPTIONS. (1) This chapter shall not apply to:

- (a) The United States or any department, agency or instrumentality of the United States;
- (b) The United States post office;
- (c) The state or any political subdivision of the state; and
- (d) Banks, credit unions, savings and loan associations, savings banks or mutual banks organized under the laws of any state or the United States, provided that they do not issue or sell payment instruments through authorized delegates who are not banks, credit unions, savings and loan associations, savings banks or mutual banks; and

(2) Authorized representatives of a licensee, acting within the scope of authority conferred by a written contract conforming to the requirements of section 26-2918, Idaho Code, shall not be required to obtain a license pursuant to this chapter.

From:
Sent: Monday, November 20, 2006 4:48 PM

To: Finance Internet Mail
Subject: Exemptions from reporting

Dear Idaho,

Can you tell me if there are reporting exemptions for money transmitter agents who are banks, credit unions, government agencies, etc.?

Regulatory Compliance Group

Jim Burns

From:
Sent: Monday, November 20, 2006 4:48 PM
To: Finance Internet Mail
Subject: Exemptions from reporting

Dear Maho,

Can you tell me if there are reporting exemptions for money transmitter agents who are banks, credit unions, government agencies, etc.?

Regulatory Compliance Group



IDAHO
DEPARTMENT OF FINANCE

JAMES E. RISCH
Governor

GAVIN M. GEE
Director

August 23, 2006

Re: Idaho Money Transmitter Licensure

Señora

Gracias por tomar el tiempo para hablar con nosotros hoy sobre su aplicación para una licencia de envíos de dinero que recibimos el día 31 de Julio, 2006.

Después de hablar con usted, entendemos que usted es un agente de _____ y _____ esta licenciado por nuestro departamento. En esta capacidad, su negocio ofrece servicios de transmite de dinero.

También nos informo que su negocio no vende Money Orders, y no ofrece servicios para enviar dinero además de los servicios proveídos por _____

También nos informo que su negocio cambia cheques para sus clientes.

Basado en su representación de las actividades de su negocio, no creemos que usted necesita registrar o solicitar una licencia de transmite de dinero con nuestro departamento. Sin embargo, puede ser que necesite registrar su negocio con el Departamento de Tesoro de los Estados Unidos (U.S. Department of Treasury) como un negocio de servicios monetarios (Money Services Business) porque su negocio si ofrece el servicio de cambiar cheques. Para su conveniencia, hemos proveído la forma federal necesaria para registrar su negocio como un negocio de servicios monetario (MSB). Desafortunadamente, no logramos encontrar una versión de esta forma en español.

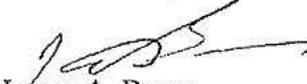
Entendemos que usted quisiera retirar esta aplicación y pedir un reembolso de los \$100 que nos envió para cobrar el costo de la aplicación. Estamos en el proceso de determinar si podemos devolverle el costo de procesar su aplicación.

Si usted siente que esta información es incorrecta, por favor llámenos inmediatamente para poder explorar su situación en mas detalle y determinar si esta aplicación es realmente necesaria para los tipos de actividades que hace su negocio.

SECURITIES BUREAU
700 West State Street, 2nd Floor, Boise, ID 83702
Mail To: P.O. Box 83720, Boise ID 83720-0031
Phone: (208) 332-8004 Fax: (208) 332-8099
<http://finance.idaho.gov>

Si tiene cualquier pregunta o necesita más información, por favor llame a (208) 332-8080 para hablar con James Burns, o llame a (208) 332-8050 para hablar con Juan Rosado, si necesita a alguien que hable español. También nos puede llamar gratis a 1-888-346-3378.

Sinceramente,



James A. Burns
Investigations Chief



IDAHO
DEPARTMENT OF FINANCE

JAMES E. RISCH
Governor

GAVIN M. GEE
Director

August 23, 2006

Re: Idaho Money Transmitter Licensure

Dear M

Thank you for speaking with us earlier today regarding the money transmitter licensing application submitted by you on July 31, 2006.

From our conversation, we understand that you act as an agent of _____ (also known as _____, and _____ is a money transmission firm licensed with this Department. In this capacity, your business offers wire transmission services to your customers.

You have represented that you do not offer or sell money orders, nor do you provide other money transportation/delivery services other than as an agent of _____

You have also represented that you engage in check-cashing services for your customers.

Based on your representations about your business activities, we do not believe that you are required to license with this Department as a money transmitter. However, you may need to register with the U.S. Department of Treasury as a Money Services Business (MSB) because of your check cashing activities. For your convenience, we have included the federal MSB registration form with this communication. We were unable to locate a Spanish version of this form.

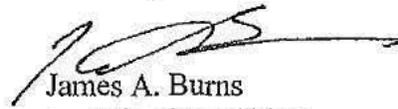
Based on the above information, we also understand that you would like to withdraw your pending money transmitter application and would request a refund of the \$100 application fee if possible.

If any of the above information is incorrect, please contact us immediately so that we may further ascertain your situation and the applicability of the Idaho Money Transmitters Act to your business activities. We will conduct further inquiry to determine if we are able to return your application fee.

SECURITIES BUREAU
700 West State Street, 2nd Floor, Boise, ID 83702
Mail To: P.O. Box 83720, Boise ID 83720-0031
Phone: (208) 332-8004 Fax: (208) 332-8099
<http://finance.idaho.gov>

Should you have any questions or need additional information, please feel free to contact the undersigned at (208) 332-8080. If you require a Spanish-speaking point of contact, please phone Juan Rosado at (208) 332-8050. We can also be reached Idaho toll-free at 1-888-346-3378.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Burns', with a long horizontal flourish extending to the right.

James A. Burns
Investigations Chief

Jim Burns

From: Jim Burns
Sent: Thursday, March 09, 2006 8:13 AM
To:
Cc: Shirley Whitney
Subject: RE: Question about the Money Transmitter License

Dear M

Thank you for your recent inquiry regarding the Idaho Money Transmitters Act.

Please be advised that our law does not require a physical presence in the state in order for the Idaho Money Transmitters Act to apply. Hence, a web-based platform such as _____ would likely need to obtain an Idaho Money Transmitter license in order to accept monetary fund delivery instructions from an Idaho consumer or entity.

For your information, PayPal is licensed in the State of Idaho as a money transmitter.

Should you have additional questions, please feel free to contact me directly. If you have information which indicates that _____ is conducting money transmission on behalf of Idaho customers, we would appreciate hearing from you.

Regards,

Jim Burns
Investigations Chief
Idaho Dept. of Finance
Boise, ID

(208) 332-8080
Idaho Toll Free 1-888-346-3378

From: <mailto:>
Sent: Wednesday, March 08, 2006 10:49 PM
To: Finance Internet Mail
Subject: Question about the Money Transmitter License

To whom it may concern,

I apologize if this information is found elsewhere on the website, but after searching I was unable to find it.

I realize that if the company opened a physical location in Idaho to transmit money, it would need to be licensed as a money transmitter.

I was wondering if the company _____ was located in Tennessee, they are doing business as similar as Paypal.com, they transmitted money for Idaho residents, as well as some other states, would the company _____ Inc. need to be licensed in Idaho as a money transmitter?

Thanks in advance for your answer.

Best Regards.

8/24/2007

Jim Burns

From: Jim Burns
Sent: Wednesday, March 01, 2006 10:38 AM
To:
Subject: Idaho Correspondence

Dear M

We are in receipt of your letter dated February 23, 2006 and thank you for that communication.

We are interested in knowing if you have had direct contact with Washington regulators regarding this matter and the outcome of any such communications.

Secondly, do you anticipate any changes to your website that will further advise the public that your services are not available at this time? When we visited your website some months ago it did not appear to disclose that your services were not actually being made available at that time.

Regards,

Jim Burns
Investigations Chief
Idaho Dept. of Finance
Boise, ID

(208) 332-8080
Idaho Toll Free 1-888-346-3378

February 23, 2006

Department of Finance
700 West State Street, 2nd Floor
Boise, ID 83702

RECEIVED
FEB 27 2006
DEPT. OF FINANCE
STATE OF IDAHO

Dear Sir or Madam:

I am writing on behalf of [redacted] We are an internet startup that will soon be entering in the money transmission business. We hope to enable U.S. customers to send and receive money using their cell phones. Our company is incorporated in the State of Washington. We are aware that there are state and federal level regulations, compliance and licensing procedures before we can conduct money transmission business in the State of Idaho. I am writing to inform you that we are currently conducting beta testing of our system. I also would like to take this opportunity to give you a background on the company and the current status of our operations.

[redacted] was founded four months ago by me and two other colleagues. The three of us are the only employees of [redacted] We had left our previous computer programming jobs at Microsoft and Lockheed Martin to fulfill our vision of enabling people to use their mobile phones to send money to each other. [redacted] was conceived when we were at dinner and are constantly running into the situation where one of us would not have enough cash to pay for dinner, promises to pay back later and forgets. All the times we did not have cash, we would have our mobile phones. We decided that our problems would be solved if we can send money to each other using our mobile phones.

We spent 3 months developing the system and it is now at the beta testing stage where we invite people to help test out our system. We want to test our system fully to ensure that it is scalable, easy to use, and ready for the launch. Of course we will launch only if we have the appropriate money transmitter licenses. Beta users who sign up for our system are aware that we are in Test mode. They are also given five free credits for the purposes of testing our system so they do not have to use any actual money. They are encouraged to send the credit to their friends to help test the scalability and usability of our system. Through this testing process, we have received much constructive feedback on how to improve and stabilize our system.

There are several characteristics of this beta test period that I would like to bring to your attention:

- We have NOT transmitted any real money in the state of Idaho.
- We do NOT charge any fees for conducting transmissions of these free credits to help us test our system.
- Our beta users are completely aware that [redacted] is in beta mode, they understand fully that we are not a licensed money transmitter; and they are encouraged to help us test the system by sending the free credits to their friends and give us feedback.

February 23, 2006

This beta period is only temporary. We are fully aware that we will need a money transmitter's license once we exit our beta mode and start transmitting real money (with or without fees).

The company, with only the three of us, does not currently have enough resources to acquire the appropriate license. We are in the process of seeking venture financing, partly to fund our money transmitter license application costs. We hope to close our round of financing very shortly. Our immediate priority after receiving financing is to mobilize a team of professionals to submit money transmission applications. We will also hire professionals to ensure that our system is in compliance with all state and federal regulations before we exit our beta mode.

We take this matter very seriously and would like to have complete transparency and disclosure with your agency. If you have any questions, please feel free to contact me at _____ at any time. You can also contact me via email at _____

Sincerely,

CEO

Jim Burns

From: Nancy Page
Sent: Friday, January 06, 2006 7:49 AM
To: Jim Burns
Subject: FW: Inquiry about paying via cell phone

-----Original Message-----

From: Jim Burns
Sent: Thursday, December 22, 2005 8:57 AM
To:
Cc: Nancy Page
Subject: FW: Inquiry about paying via cell phone

Dear M

Several states, including Idaho, are of the view that the funds delivery service offered by _____ may fall within the ambit of state money transmission and/or sale of checks laws. More directly, this means that a number of states might require that a license be obtained in order for _____ to conduct business in that state. Currently, I am not aware of any state that has licensed _____ as a money transmitter or check seller.

I hope this helps answer your question. If not, please feel free to contact me directly.

Can you tell me if you are an Idaho resident, and if so, do you know of anyone who has conducted business through _____

Regards,

Jim Burns
Investigations Chief, MBA, CFE
Idaho Department of Finance, Securities Bureau
P.O. Box 83720
Boise, ID 83720-0031
(208) 332-8080
fax (208) 332-8099

-----Original Message-----

From:
Sent: Tuesday, December 20, 2005 7:09 PM
To: Banking Internet Mail
Subject: Inquiry about paying via cell phone

Hi:

I'm interested in using this service, which seems to be like PayPal using cellphones, but someone told me it might not be legal to use it to send money in or between states. Is this a legitimate business?

Thanks,