



IDAHO
DEPARTMENT OF FINANCE

C. L. "BUTCH" OTTER
Governor

GAVIN M. GEE
Director

May 12, 2011

Re: Money Transmission Licensing Inquiry

Dear M

In connection with your inquiry regarding the need to license as a money transmitter in Idaho, we provide the following.

As noted in your submissions to the Department, acts as an agent of for the purpose of marketing and distributing reloadable stored value cards issued by Funds associated with the stored value cards are obligations of and has represented that "as the issuer of the Cards, has all legal responsibility in the State of Idaho for satisfying the money transmission obligations owed to holders of the Cards...The Bank's responsibilities and obligations include, without limitation, the Bank's assumption of all risk of loss that Cardholders may suffer as a result of the failure of to transmit funds representing Cardholders' monetary value loads to the Bank." has further represented that there "will not be any third party 'load' locations or agents" and that cash or check loads will only be accomplished at an owned location.

Based solely upon the facts presented in your communications, the Department has determined to take a no enforcement action position as it pertains to the licensing provisions of the Idaho Money Transmitters Act in this instance. This determination is based specifically on our understanding that financial obligation to the customer originates at the time the funds are presented at

Please be advised, that should the facts of your described business activities be different than characterized above, or change at a later date, then the Department's conclusion may well be different than stated herein. It should be noted that the Department did not reach any conclusion regarding the activities of another agent of since may be operating additional programs or other web portal services not associated with.

Should you have any questions or need additional clarification, please feel free to contact the undersigned at (208) 332-8080.

Sincerely,


James A. Burns
Investigations Chief

SECURITIES BUREAU
800 Park Blvd., Suite 200, Boise, ID 83712
Mail To: P.O. Box 83720, Boise ID 83720-0031
Phone: (208) 332-8004 Fax: (208) 332-8099
<http://finance.idaho.gov>

Jim Burns

From:
Sent: Wednesday, May 11, 2011 1:38 PM
To: Jim Burns
Subject:
Attachments: Prepaid Card Program Fund Flow Related Bank Accounts.pdf

Jim

This email is in response to your email about "online loads" to the " " card and access and control over the bank accounts. Online loads to the " " card are limited to Greendot loads. Where the customer purchases a "greendot" card from a retailer, activates the card, and then goes on line to transfer funds from the "Greendot" card to the " " card. The funds flow directly to settlement accounts and ultimately the custodial account where cardholder funds reside, all such accounts being under " " name.

The accounting team does have the ability to view some of the " " accounts as well as move funds between the various " " accounts set up to support this program. The key accounts are:

- Gateway account – where " " funds land daily
- ACH receiving account – where funds from check 21 check loads and direct deposit land
- Association settlement account – where we place funds daily to settle with MasterCard
- Custodial account – the main account that holds the cardholder funds and that is balanced daily

The accounting team has access to move funds from the custodial account out to the settlement account for daily settlement with MasterCard and the ability to move funds from the Gateway account into the Custodial account for loads coming in from prior business day. " " cannot move funds from any " " account to any account outside of INB.

I have attached a chart that reflects the flow of funds between the parties and identifies the various accounts and ownership.

Please review and let me know if you have any further questions.

Deputy General Counsel
affiliates

Jim Burns

From:
Sent: Wednesday, April 27, 2011 3:27 PM
To: Jim Burns
Subject: Request for "no Enforcement Action" Letter
Attachments: Exemption Request MT.pdf; Third-Party Agency Agmt FINAL -EXECUTION COPY 10-21-2010.pdf; Description of Products Services.docx

Dear Mr. Burns

The purpose of this email is to follow-up on a conversation you and I had in early April regarding plans to market and distribute a prepaid debit card issued by , a national bank located in Texas, through retail financial centers operating in Idaho. requests that the Securities Bureau issue a "No enforcement Action" letter from the Securities Bureau with respect to its obligation to obtain a Money Transmitters License under the Idaho Money Transmitters Act, Idaho Code, 26-2901, et seq., as it relates to the activities related to prepaid debit card program.

As you may recall from our conversation, is an agent of for delivery of the prepaid debit card services. The prepaid debit card will be marketed in Idaho as the " " debit card. takes full responsibility for all consumer transactions facilitated by associated with the " ' debit card and fully indemnifies the consumer from any potential loss. has sent a letter to you, a copy of which is attached below, confirming the relationship between the parties and obligations to consumers .

In your consideration of request, I have attached the following documents for your review:

1. Business Description of the " " prepaid debit card program proposed to be marketed and distributed by to consumers in Idaho.
2. Third Party Agency Agreement between and ;
3. Copy of letter from Executive Vice President, dated April 27, 2011 to Jim Burns, Investigations Chief, Securities Bureau, Department of Finance, State of Idaho.

Please review at your earliest convenience and let me know if you have any further questions or need any additional documents. I appreciate your consideration of request.

Deputy General Counsel
affiliates

April 27, 2011

Mr. Jim Burns
Investigations Chief
Securities Bureau
Department of Finance
State of Idaho
800 Park Blvd., Suite 200
Boise, ID, 83712

RE: Request for "No Enforcement Letter" relating to Money Transmitter
Licensing

Dear Mr. Burns:

On behalf of _____ (the "Bank"), I submit to you this letter to enable
_____ to be exempt from licensing under the Idaho
Money Transmitters Act, Idaho Code Sec. 26-2901, et seq.

The Bank issues prepaid transaction cards ("Cards") that are marketed and distributed
by _____. The Bank has appointed _____ as its agent with respect to all
actions _____ takes in connection with the Cards. While _____ assists the
Bank through the marketing and distribution of the Cards, the Bank, as the issuer of the
Cards, has all legal responsibility in the State of Idaho for satisfying the money
transmission obligations owed to holders of the Cards (the "Cardholders") upon receipt
by _____ of the Cardholders' monetary load values. The Bank's responsibilities
and obligations include, without limitation, the Bank's assumption of all risk of loss that
Cardholders may suffer as a result of the failure of _____ to transmit funds
representing Cardholders' monetary value loads to the Bank.

Please do not hesitate to contact me at _____ if you
have any questions or need any additional information regarding this matter.

Sincerely,

Executive Vice President / Director of