



IDAHO
DEPARTMENT OF FINANCE

C. L. "BUTCH" OTTER
Governor

GAVIN M. GEE
Director

9-23-2008

~~October 15, 2008~~

Re: Money Transmission Licensing Inquiry

Dear M

You have provided a specific fact set for consideration as to whether the activity in question would be considered money transmission and therefore regulated pursuant to the Idaho Money Transmitters Act. In connection with your inquiry, we provide the following.

Background – In part, your letter states that “provides payment-processing services to third party services providers (e.g., wireless services and other retailers) that enable those service providers to receive payments owed by their customers at networked payment centers (e.g., a convenience store or other retailers) who, along with , act as payment agents for the service provider. “outsourcing” model is a closed-end payment system in which both and the payment centers are contractually appointed as special limited agents of the service provider so that any payments received in the care of them are binding upon the service provider as principal.”

In more general language, what you appear to represent is that customer payments made at network locations are essentially as good as a payment to the biller (e.g., wireless phone company) and that the billers are willing to hold customers harmless regardless of whether or its network of agents engage in any malfeasance or otherwise fail to deliver the payment to the biller.

Policy Considerations – It has been your representation that consumers are not at risk of loss as long as they obtain and retain receipts provided to them by the network location. As such, you believe that the activities of present no risk to consumers and that the consumer protection element of the Idaho Money Transmitters Act is satisfied by the program as designed.

Based solely upon the facts presented above and in your written communication, the Department has determined to take a no enforcement action position as it pertains to the licensing provisions of the Idaho Money Transmitters Act. This determination is based specifically on our understanding that the consumer's obligation to pay the bill is extinguished at the time the funds are given to or its agents.

SECURITIES BUREAU

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PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS

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.

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