

**AGENDA  
FINANCIAL SERVICES COMMISSION  
OFFICE OF FINANCIAL REGULATION**

April 14, 2009

**MEMBERS**

Governor Charlie Crist  
Attorney General Bill McCollum  
Chief Financial Officer Alex Sink  
Commissioner Charlie Bronson

**Contact: Andrea Moreland (OFR)**  
**(850) 410-9601**

9:00 A.M.  
LL-03, The Capitol  
Tallahassee, Florida

<b>ITEM</b>	<b>SUBJECT</b>	<b>RECOMMENDATION</b>
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1.	Minutes of the March 10, 2009, meeting.	
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**(ATTACHMENT 1)**

**FOR APPROVAL**

2.	The Office requests approval to file for final adoption Rule 69V-560.1000, relating to disciplinary guidelines.	
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Section 560.1141, F.S., requires the Commission to adopt disciplinary guidelines for each ground for which disciplinary action may be imposed by the Office against a money services business. The rule implements this requirement.

**(ATTACHMENT 2)**

**APPROVAL FOR FINAL ADOPTION**

ATTACHMENT 1

Financial Services Commission  
Office of Financial Regulation  
Meeting Minutes  
March 10, 2009

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THE CABINET  
STATE OF FLORIDA

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Representing:

DIVISION OF BOND FINANCE

FINANCIAL SERVICES COMMISSION, OFFICE OF  
FINANCIAL REGULATION

FINANCIAL SERVICES COMMISSION, OFFICE OF  
INSURANCE REGULATION

DEPARTMENT OF REVENUE

DEPARTMENT OF VETERANS' AFFAIRS

DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES

DEPARTMENT OF LAW ENFORCEMENT

ADMINISTRATION COMMISSION

FLORIDA LAND AND WATER ADJUDICATORY COMMISSION

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND

STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before  
THE FLORIDA CABINET, Honorable Governor Crist  
presiding, in the Cabinet Meeting Room, LL-03,  
The Capitol, Tallahassee, Florida, on Tuesday,  
March 10, 2009, commencing at 9:05 a.m.

Reported by:

JO LANGSTON

Registered Professional Reporter

ACCURATE STENOGRAPHY REPORTERS, INC.

2894 REMINGTON GREEN LANE

TALLAHASSEE, FLORIDA 32308 (850) 878-2221

2

APPEARANCES:

Representing the Florida Cabinet:

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CHARLIE CRIST  
Governor

CHARLES H. BRONSON  
Commissioner of Agriculture

BILL McCOLLUM  
Attorney General

ALEX SINK  
Chief Financial Officer

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3

1	INDEX	
2	DIVISION OF BOND FINANCE (Presented by BEN WATKINS)	
3	ITEM ACTION	PAGE
	1 Approved	6
4	2 Approved	6
	3 Approved	7
5	4 Approved	7
	5 Approved	8
6		
7	FINANCIAL SERVICES COMMISSION, OFFICE OF FINANCIAL REGULATION	
8	(Presented by ALEX HAGER)	

			10mar09.txt	
9	ITEM		ACTION	PAGE
	1		Approved	12
	2		Approved	12
10	3		Deferred	13
	4		Approved	13
11	5		Approved	14
12	FINANCIAL SERVICES COMMISSION, OFFICE OF INSURANCE REGULATION (Presented by KEVIN MCCARTY)			
13	ITEM		ACTION	PAGE
14	1		Approved	16
	2		Approved	17
15	3		Approved	18
	4		Approved	19
16	5		Approved	20
	6		Approved	20
17	7		Information Only	20
18	DEPARTMENT OF REVENUE (Presented by LISA ECHEVERRI)			
19	ITEM		ACTION	PAGE
	1		Approved	28
20	2		Approved	28
	3		Approved	29
21	DEPARTMENT OF VETERANS' AFFAIRS (Presented by LEROY COLLINS)			
22	ITEM		ACTION	PAGE
23	1		Approved	30
	2		Approved	31
24	3		Approved	32
25				

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4

1	INDEX (continued)			
2	DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES (Presented by ELECTRA BUSTLE)			
3	ITEM		ACTION	PAGE
	1		Approved	36
4	2		Approved	38
5	DEPARTMENT OF LAW ENFORCEMENT (Presented by GERALD BAILEY)			
6	ITEM		ACTION	PAGE
7	1		Approved	40
	2		Approved	48
8	3		Approved	48
9	ADMINISTRATION COMMISSION (Presented by LISA SALIBA)			
10	ITEM		ACTION	PAGE
11	1		Approved	49
	2		Approved	50
	Page 3			

5 taxable bond option. It allows us to issue bonds at  
6 a taxable interest rate, which is higher than the  
7 tax-exempt rates that we can currently borrow at.  
8 But then the federal government has promised to  
9 provide us a subsidy for 35 percent of the interest  
10 cost on the taxable bonds. So we would actually get  
11 a check from the federal government.

12 We will do our level best to implement those.  
13 I am very skeptical that they will provide any  
14 meaningful assistance. And I'm happy to go into the  
15 reasons why, if you would like.

16 CFO SINK: We can do that off-line.

17 MR. WATKINS: We will do our level best to take  
18 advantage of all of the provisions in the stimulus  
19 package relating to tax-exempt financing.

20 GOVERNOR CRIST: Thank you, Ben.

21 MR. WATKINS: Thank you.

22 GOVERNOR CRIST: Appreciate it.

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1 GOVERNOR CRIST: Alex, Office of Financial  
2 Regulation, good morning, sir. How are you?

3 MR. HAGER: Doing well, Governor. Good  
4 morning, commission members, as well. Item Number  
5 1, minutes of the January 27th meeting, we request  
6 approval.

7 COMMISSIONER BRONSON: Motion on Item 1.

8 ATTORNEY GENERAL MCCOLLUM: Second.

9 GOVERNOR CRIST: Moved and seconded. Show the  
10 minutes approved without objection.

11 MR. HAGER: Item Number 2, the Office requests  
12 your approval to file for final adoption Rule  
13 69W-500.018, exemption for the offer or sale of a  
14 single-share stock certificate as a gift. This is a  
15 new rule that will exempt from securities  
16 registration requirements the retail sale of framed  
17 single-stock certificates that are offered or sold  
18 as a decorative gift item.

19 ATTORNEY GENERAL MCCOLLUM: I move Item 2.

20 COMMISSIONER BRONSON: Second.

21 GOVERNOR CRIST: Moved and seconded. Show it  
22 approved without objection.

23 MR. HAGER: Item Number 3 we would request that  
24 you defer to the April 14th meeting.

25 GOVERNOR CRIST: Is there a motion to defer?

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1 CFO SINK: Move it.

2 ATTORNEY GENERAL MCCOLLUM: Second.

3 GOVERNOR CRIST: Moved and seconded. Show Item  
4 3 deferred.

5 MR. HAGER: Item Number 4, the office requests  
6 approval to file for final adoption Rule  
7 69V-560.1021, relating to the effect of law  
8 enforcement records on applications for our money  
9 services business licensure. This rule sets forth  
10 the policies of the office with respect to  
11 processing license applications for persons who have



12 been found guilty of or who have pled guilty or nolo  
13 contendere to certain crimes.

14 The policies address applications for licensure  
15 as money services businesses, which includes money  
16 transmitters, payment instrument sellers, foreign  
17 currency exchange, check cashers, deferred  
18 presentment providers. These are similar to our  
19 mortgage brokers rules that were adopted last year.

20 ATTORNEY GENERAL MCCOLLUM: I move Item 3.

21 COMMISSIONER BRONSON: Second.

22 GOVERNOR CRIST: It's Item 4.

23 ATTORNEY GENERAL MCCOLLUM: Or Item 4, excuse  
24 me, Item 4.

25 GOVERNOR CRIST: Moved and seconded. Show it

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14

1 approved without objection.

2 MR. HAGER: Item 5, the Office requests  
3 approval to file a Notice of Proposed Rule for Rules  
4 69V-85.006 and 69V-160.036. This proposed rule  
5 requires the electronic filing of forms and fees  
6 through our new Office of Regulatory Enforcement and  
7 Licensing System. The rule applies to those  
8 licensed under Chapter 520, relating to retail  
9 installment sales, and Chapter 516, relating to  
10 consumer finance companies.

11 GOVERNOR CRIST: Is there a motion on Item 5?

12 CFO SINK: Move it.

13 ATTORNEY GENERAL MCCOLLUM: Second.

14 COMMISSIONER BRONSON: Question.

15 GOVERNOR CRIST: Commissioner.

16 COMMISSIONER BRONSON: Governor, if I might.

17 Did you say chapter 520 or 510?

18 MR. HAGER: 520.

19 ATTORNEY GENERAL MCCOLLUM: I seconded,  
20 Governor.

21 GOVERNOR CRIST: Moved and seconded. Show it  
22 approved without objection.

23 MR. HAGER: One other last note, I'd like to  
24 make you aware that our Division of Financial  
25 Institutions within our Office of Financial

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1 Regulation was just recently reaccredited by the  
2 Conference of State Bank Supervisors. This is the  
3 fifth consecutive time our office has been  
4 reaccredited, going back to the beginning in 1986.

5 And in the current economic environment it's  
6 extremely important to have a strong, effective  
7 banking department, and I think this represents that  
8 we have that.

9 GOVERNOR CRIST: Congratulations, and thank  
10 you, appreciate that.

11 MR. HAGER: Thank you.

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ATTACHMENT 2

**FINANCIAL SERVICES COMMISSION  
OFFICE OF FINANCIAL REGULATION**

**AGENDA ITEM #2**

**ACTION REQUESTED**

The Office requests approval to file for final adoption Rule 69V-560.1000, relating to disciplinary guidelines. The full text of the rule is contained in the Notice of Change that was published in the February 27, 2009, edition of the Florida Administrative Weekly.

**SUMMARY OF THE RULE**

The rule sets forth disciplinary guidelines applicable to money services businesses for violations of Chapter 560, F.S.

**STATEMENT OF JUSTIFICATION**

During the regular 2008 legislative session, the Florida Legislature passed Senate Bill 2158, relating to money services businesses. The bill was signed into law on June 17, 2008, and took effect on January 1, 2009. See Chapter 2008-177, Laws of Florida. This law makes significant changes to Chapter 560, Florida Statutes. The new law imposes additional regulatory requirements on money services businesses including money transmitters, payment instrument sellers, foreign currency exchangers, check cashers, and deferred presentment providers. The new law also requires the Financial Services Commission to adopt disciplinary guidelines for each ground for which disciplinary action may be imposed by the Office of Financial Regulation against a money services business under Chapter 560, F.S. See Section 11, Ch. 2008-177, Laws

of Florida, codified at Section 560.1141, F.S. The rule implements this statutory requirement.

### **FEDERAL STANDARDS**

There are no applicable federal standards.

### **PROCEDURAL HISTORY**

On June 27, 2008, a Notice of Rule Development was published in the Florida Administrative Weekly (FAW). Rule workshops were held on the following dates: July 21, 2008 (Tallahassee); July 23, 2008 (Orlando); July 25, 2008 (Ft. Lauderdale); October 15, 2008 (Orlando); and October 17, 2008 (Hollywood). On December 9, 2008, the Financial Services Commission approved the proposed rule for publication in the Florida Administrative Weekly. On December 19, 2008, a Notice of Proposed Rule was published in the FAW. The Office received comments from the Joint Administrative Procedures Committee. The rule was amended to address those comments, and a Notice of Change was published in the February 27, 2009, edition of the Florida Administrative Weekly. The final hearing on the proposed rule was noticed for the Financial Services Commission meeting to be held on March 10, 2009, at the regularly scheduled cabinet meeting in Tallahassee. At the March 10, 2009, meeting the Financial Services Commission deferred action on the rule until the April 14, 2009, meeting. The final hearing on the proposed rules has been noticed for the April 14, 2009, cabinet meeting.

### **ADDITIONAL INFORMATION**

On March 5, 2009, the Office received written comments from the Office of Statewide Prosecution regarding the rule, and on March 13, 2009, the Office received written comments from the Financial Services Centers of Florida.

The rule text that has been placed before the Commission for final adoption was published in a Notice of Change in the February 27, 2009, edition of the Florida Administrative Weekly.

This rule implements section 11 of Chapter 2008-177, Laws of Florida, which requires the Commission to adopt disciplinary guidelines for violations of Chapter 560, Florida Statutes.

This law took effect January 1, 2009. In order to provide guidance to the industry regarding the imposition of penalties, the Office recommends proceeding with the rule as presently drafted, and filing the rule for final adoption with the Department of State.

With regard to the comments of the Office of Statewide Prosecution and the Financial Services Centers of Florida, the Office intends to file a new notice of rule development to address those comments and to determine whether further revisions of the rule should be made.

THE FULL TEXT OF THE PROPOSED RULE IS:

69V-560.1000 Disciplinary Guidelines.

Pursuant to Section 560.1141, F.S., listed below are disciplinary guidelines applicable to each ground for disciplinary action that may be imposed by the Office against a Chapter 560, F.S., licensee for a material violation of Chapter 560, F.S. For purposes of this rule, the term "citation" means any written notice provided to and received by the licensee that specifies a violation of Chapter 560, F.S., or any rule promulgated under that chapter.

	<u>Statute</u>	<u>Violation Description</u>	<u>1st Citation</u>	<u>2nd Citation</u>	<u>3rd Citation</u>
(1)	<u>560.109(3)(a)</u>	<u>Failure to make available to the Office within 3 days all required books and records after written notice.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(2)	<u>560.109(7)</u>	<u>Failure to pay reasonable and necessary costs for exams or investigations based on actual costs incurred.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(3)	<u>560.1092(1)</u>	<u>Failure to pay to the Office the expenses of an examination at a rate adopted by rule.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(4)	<u>560.1105</u>	<u>Failure to maintain all records for 5 years.</u>	<u>Fine: A</u> <u>Suspension: A</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(5)	<u>560.1105(1)</u>	<u>Failure to make books and records available to the Office within 3 business days after receipt of a written request.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(6)	<u>560.111(1)(a)</u>	<u>Receiving or possessing property, except in payment of a just demand, and, with intent to deceive or defraud, to omit to make or to cause to be made a full and true entry thereof in its books and accounts, or to concur in omitting to make any material entry thereof.</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>	<u>N/A</u>
(7)	<u>560.111(1)(b)</u>	<u>Embezzle, abstract, or misapply any money, property, or other thing of</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>	<u>N/A</u>

		<u>value belonging to the money services business, an authorized vendor, or customer with intent to deceive or defraud.</u>			
(8)	560.111(1)(c)	<u>Making false entry in books and records with intent to deceive or defraud another person, appropriate regulator, or authorized third party appointed by the Office to examine or investigate a licensee or its authorized vendor.</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>	<u>N/A</u>	<u>N/A</u>
(9)	560.111(1)(d)	<u>Engaging in acts that violate 18 U.S.C. s. 1956., 31 U.S.C. s. 5324, or any law or rule of another state or the United States relating to a money services business, deferred presentment provider, or usury which is a ground for the denial or revocation of a money services business or deferred presentment provider or its equivalent.</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>	<u>N/A</u>
(10)	560.111(1)(e)	<u>Filing with the Office, signing as a duly authorized representative, or delivering or disclose to the Office any books and records known to be fraudulent or false as to any material matter.</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>	<u>N/A</u>
(11)	560.111(1)(f)	<u>Placing among a money services business any note, obligation, or security that the money services business or its authorized vendor does not own or is known to be fraudulent or otherwise worthless or to represent to the Office that these documents are known to be</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>	<u>N/A</u>



		<u>fraudulent or otherwise worthless.</u>			
(12)	<u>560.114(1)(a)</u>	<u>Failure to comply with any order of the Office or any written agreement entered into with the Office.</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>	<u>Fine: C</u> <u>Revocation</u>
(13)	<u>560.114(1)(b)</u>	<u>Fraud, misrepresentation, deceit, or gross negligence in any transaction by a money services business, regardless of reliance thereon by, or damage to, a customer.</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>
(14)	<u>560.114(1)(c)</u>	<u>Fraudulent misrepresentation, circumvention, or concealment of any matter that must be stated or furnished to a customer pursuant to Chapter 560, F.S., regardless of reliance thereon by, or damage to, such customer.</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>	<u>N/A</u>
(15)	<u>560.114(1)(d)</u>	<u>False, deceptive, or misleading advertising.</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>	<u>Fine:</u> <u>Suspension: C</u> <u>Revocation</u>
(16)	<u>560.114(1)(e)</u>	<u>Failure to maintain, preserve, keep available for examination, and produce all books, accounts, files, or other documents required by Chapter 560, F.S.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(17)	<u>560.114(1)(f)</u>	<u>Refusing to allow the examination or inspection of books, accounts, files, or other documents by the Office pursuant to Chapter 560, F.S., or to comply with a subpoena issued by the Office.</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Revocation</u>	<u>Revocation</u>
(18)	<u>560.114(1)(g)</u>	<u>Failure to pay a judgment recovered in any court by a claimant in an action arising out of a money transmission</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>

		<u>transaction within 30 days after the judgment became final.</u>			
(19)	<u>560.114(1)(h)</u>	<u>Engaging in acts prohibited under 560.111.</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>	<u>N/A</u>
(20)	<u>560.114(1)(i)</u>	<u>Insolvency</u>	<u>Fine: A</u> <u>Suspension: A</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: B</u> <u>Revocation</u>
(21)	<u>560.114(1)(j)</u>	<u>Failure to remove an affiliated party after the Office has issued and served a final order setting forth a finding that the affiliated party has violated a provision of Chapter 560, F.S.</u>	<u>Fine: A</u> <u>Suspension: A</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(22)	<u>560.114(1)(k)</u>	<u>Making a material misstatement, misrepresentation, or omission in an application, amendment, or appointment of an authorized vendor.</u>	<u>Fine: A</u> <u>Suspension: A</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(23)	<u>560.114(1)(l)</u>	<u>Committing any act that results in a license, or its equivalent, to practice any profession or occupation, being denied, suspended, revoked, or otherwise acted against by a licensing authority in any jurisdiction.</u>	<u>Fine: A</u> <u>Suspension: A</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(24)	<u>560.114(1)(m)</u>	<u>Being the subject of final agency action or its equivalent, issued by an appropriate regulator, for engaging in unlicensed money services business or deferred presentment provider activity in any jurisdiction.</u>	<u>Fine: C</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>
(25)	<u>560.114(1)(n)</u>	<u>Committing any act resulting in a license or its equivalent to practice any profession or occupation being denied.</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>

		<u>suspended, revoked, or otherwise acted against by a licensing authority in any jurisdiction for a violation of 18 U.S.C. s. 1956, 18 U.S.C. s. 1957, and 18 U.S.C. s. 1960, 31 U.S.C. s. 5324, or any law or rule of another state or the United States relating to a money services business, deferred presentment provider, or usury.</u>			
(26)	560.114(1)(o)	<u>Having been convicted of, or entered a plea of guilty or nolo contendere to any felony or crime punishable by imprisonment of 1 year or more under the law of any state of the United States which involves fraud, moral turpitude, or dishonest dealing, regardless of adjudication.</u>	<u>Fine: C Revocation</u>	<u>N/A</u>	<u>N/A</u>
(27)	560.114(1)(p)	<u>Having been convicted of, or entered a plea of guilty or nolo contendere to a crime under 18 U.S.C. s. 1956 or 31 U.S.C. s. 5324 regardless of adjudication.</u>	<u>Fine: C Revocation</u>	<u>N/A</u>	<u>N/A</u>
(28)	560.114(1)(q)	<u>Having been convicted of, or entered a plea of guilty or nolo contendere to misappropriation, conversion, or unlawful withholding of moneys belonging to others, regardless of adjudication.</u>	<u>Fine: C Revocation</u>	<u>N/A</u>	<u>N/A</u>
(29)	560.114(1)(r)	<u>Failure to inform the Office in writing within 30 days after having pled guilty or nolo contendere to, or being convicted of, any felony or crime punishable by</u>	<u>Fine: B</u>	<u>Fine: C Revocation</u>	<u>N/A</u>

		<u>imprisonment of 1 year or more under the law of any state or the US, or any crime involving fraud, moral turpitude, or dishonest dealing.</u>			
(30)	<u>560.114(1)(s)</u>	<u>Aiding, assisting, procuring, advising, or abetting any person in violating a provision of Chapter 560, F.S., or any order or rule of the Office or Commission.</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>	<u>N/A</u>
(31)	<u>560.114(1)(t)</u>	<u>Failure to pay any fee, charge, or cost imposed or assessed under Chapter 560, F.S.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation: C</u>
(32)	<u>560.114(1)(u)</u>	<u>Failure to pay a fine assessed by the Office within 30 days after the due date as stated in the final order.</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Revocation</u>	<u>Fine: C</u> <u>Revocation</u>
(33)	<u>560.114(1)(v)</u>	<u>Failure to pay any judgment entered by any court within 30 days after the judgment becomes final.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(34)	<u>560.114(1)(x)</u>	<u>Payment to the Office for a license or other fee, charge, cost, or fine with a check or electronic transmission of funds that is dishonored by the applicant's or licensee's financial institution.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(35)	<u>560.114(1)(y)</u>	<u>Violations of 31 C.F.R. ss. 103.20, 103.22, 102.23, 103.27, 103.28, 103.29, 103.33, 103.37, 103.41, and 103.125, and United States Treasury Interpretative Release 2004-1. Note: For purposes of the application of this violation, the distinct federal codes referenced shall be treated as separate violations and penalties shall</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>

		<u>be applied separately for each code violation cited.</u>			
(36)	560.114(1)(z)	<u>Engaging in any practice or conduct that creates the likelihood of material loss, insolvency, or dissipation of assets of a money services business or otherwise materially prejudices the interests of its customers.</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(37)	560.114(2)	<u>Immediate Suspension for failure to provide required records upon written request.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(38)	560.118(1)	<u>Failure to file annual financial audit reports with the Office pursuant to this Chapter 560, F.S. or related rules.</u>	<u>Fine: C</u> <u>Revocation if</u> <u>later than 90</u> <u>days from due</u> <u>date</u>	<u>Fine: C</u> <u>Revocation if</u> <u>later than 90</u> <u>days from due</u> <u>date</u>	<u>Fine: C</u> <u>Revocation if</u> <u>later than 90</u> <u>days from due</u> <u>date</u>
(39)	560.118(2)	<u>Failure to submit quarterly reports to the Office in the format specified by rule.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(40)	560.123(3)	<u>Failure to maintain a record of every transaction, which occurs in this state that involves currency greater than \$10,000, in one or in aggregate in one day, and involves the proceeds of unlawful activity or is designed to evade reporting requirements of Section 560.123, F.S. or Chapter 896, F.S.</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>	<u>N/A</u>
(41)	560.123(3)(c)	<u>Failure to file a currency transaction report for every transaction noted in Section 560.123(3), F.S.</u>	<u>Fine: A</u> <u>Suspension: A</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(42)	560.123(4)	<u>Failure to comply with the money laundering, enforcement, and reporting provisions of Section 655.50, F.S. involving currency</u>	<u>Fine: A</u> <u>Suspension: A</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>

		<u>transactions and payment instruments, and Chapter 896, F.S., concerning offenses relating to financial transactions.</u>			
(43)	560.1235(1)	<u>Failure to comply with all state and federal laws and rules relating to money laundering, including Section 560.123, F.S.; and 31 C.F.R. ss. 103.20, 103.22, 103.23, 103.27, 103.28, 103.29, 103.33, 103.37, and 103.41.</u>	<u>Fine: A</u> <u>Suspension: A</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(44)	560.1235(2)	<u>Failure to maintain, review, and update an anti-money laundering program.</u>	<u>Fine: A</u> <u>Suspension: A</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(45)	560.1235(3)	<u>Failure to comply with United States Treasury Interpretive Release 2004-1.</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(46)	560.126(1)(a)	<u>Failure to provide the Office notice within 30 days after occurrence of a bankruptcy filing.</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>
(47)	560.126(1)(b)	<u>Failure to provide the Office notice within 30 days after occurrence of the commencement of an administrative or judicial suspension, revocation, or denial of a license from any other state in the United States.</u>	<u>Fine: A</u> <u>Suspension: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(48)	560.126(1)(c)	<u>Failure to provide the office notice within 30 days after occurrence of a felony indictment relating to a money services business or deferred presentment provider involving the licensee, a vendor, or affiliated party. Note: Any licensee suspended under this</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>

		<u>provision shall be suspended until a final disposition has been reached by the court for the case defined in the suspension order. Any rights to appeal with not be considered in the application of this section.</u>			
(49)	<u>560.126(1)(d)</u>	<u>Failure to provide the office notice within 30 days after occurrence of a felony conviction, guilty plea, or plea of nolo contendere, regardless of adjudication, of a licensee, vendor, or affiliated party.</u>	<u>Revocation</u>	<u>Revocation</u>	<u>Revocation</u>
(50)	<u>560.126(1)(e)</u>	<u>Failure to provide the office notice within 30 days after occurrence of an interruption of any corporate surety bond required.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(51)	<u>560.126(1)(g)</u>	<u>Failure to provide the office with written notice sent by registered mail within 30 days after the occurrence or knowledge of the notification by law enforcement or a prosecutorial agency that the licensee or vendor is under criminal investigation.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Revocation</u>
(52)	<u>560.126(2)</u>	<u>Failure to report to the Office any change in application or renewal information on Form OFR 560-01, which is incorporated by reference in Rule 69V-560.1012, within 30 days after the change.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(53)	<u>560.126(3)</u>	<u>Failure to report any change in ownership, control, or responsible persons of the licensee.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(54)	<u>560.128(1)</u>	<u>Failure to provide each</u>	<u>Fine: A</u>	<u>Fine: A</u>	<u>Fine: B</u>

		<u>customer with a toll-free number or the office's toll-free number and address for consumer contact.</u>			
(55)	<u>560.208(4)</u>	<u>Failure to place assets that are the property of a customer in a segregated account in a federally insured institution or the failure to maintain separate accounts for operating capital and the clearing of customer funds.</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Revocation</u>
(56)	<u>560.208(5)</u>	<u>Failure to ensure that money transmitted is available to the designated recipient within 10 business days after receipt.</u>	<u>Fine: B</u>	<u>Fine: C</u>	<u>Fine: C</u> <u>Suspension: C</u>
(57)	<u>560.208(6)</u>	<u>Failure to immediately upon receipt of currency or payment instrument provide a confirmation or sequence number to the customer verbally, by paper, or electronically.</u>	<u>Fine: A</u>	<u>Fine: C</u>	<u>Fine: C</u> <u>Suspension: C</u>
(58)	<u>560.2085(1)</u>	<u>Failure to notify the Office within 60 days after a vendor commences or terminates licensed activity.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(59)	<u>560.2085(2)</u>	<u>Failure to enter into a written contract with an authorized vendor, signed by the licensee and the authorized vendor.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(60)	<u>560.2085(2)(a)</u>	<u>The vendor contract must set forth the nature and scope of the relationship between the licensee and the vendor, including rights and responsibilities of the parties</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(61)	<u>560.2085(2)(b)</u>	<u>Failure to enter into a written contract that includes requirements of Section 560.2085(2)(b) (1-8), F.S.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(62)	<u>560.2085(3)</u>	<u>Failure to develop and</u>	<u>Fine: B</u>	<u>Fine: B</u>	<u>Fine: C</u>



		<u>implement written policies and procedures to monitor compliance with applicable state and federal law by a licensee's authorized vendors.</u>			<u>Suspension: C</u>
(63)	<u>560.209(1)</u>	<u>Failure to maintain at all times net worth of at least \$100,000 plus and additional \$10,000 for each location up to \$2 million. Note: Suspension will be ordered until adequate net worth has been obtained and accepted by the Office</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(64)	<u>560.209(2)</u>	<u>Failure to obtain an annual financial audit report and submit it to the Office within 120 days after the end of the licensee's fiscal year end.</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: B</u> <u>Suspension: B</u> <u>Revocation</u>	<u>Fine: C</u> <u>Suspension: C</u> <u>Revocation</u>
(65)	<u>560.209(3)(a-b)</u>	<u>Failure to provide and pledge to the Office a surety bond not less than \$50,000 or more than \$2 million.</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>	<u>N/A</u>
(66)	<u>560.209(3)(c)</u>	<u>Canceling a surety bond without written notice to the Office by registered mail or a canceling a bond within 30 days after receipt by the Office of the written notice. Note: Suspension will be ordered until adequate surety device has been obtained and accepted by the Office</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>
(67)	<u>560.209(3)(e)</u>	<u>Failure to furnish a new or additional surety bond so that the total or aggregate principal sum of the bond equals the required bond under Section 560.209(3)(e), F.S.</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>
(68)	<u>560.209(4)(a-b)</u>	<u>Failure to deposit collateral cash, securities, or alternative</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>

		<u>security devices as provided by Rule 69V-560.402 in at least the amount required by Form OFR-560-07.</u>			
(69)	<u>560.209(4)(c)</u>	<u>Failure to pledge collateral cash, securities, or alternative security devices on Form OFR-560-05, which is incorporated by reference in Rule 69V-560.1012, or to maintain such collateral in an insured financial institution as set forth in Rule 69V-560.402.</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Suspension: C</u>
(70)	<u>560.210(1)</u>	<u>Failure to possess, at all times, permissible investments with an aggregate market value of at least the aggregate face amount of all outstanding money transmissions and payment instruments issued or sold by the licensee or authorized vendor in the United States.</u>	<u>Fine: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(71)	<u>560.211(1)</u>	<u>Failure to maintain all records required to be kept by Section 560.211, F.S. for 5 years.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(72)	<u>560.211(1)(a)</u>	<u>Failure to maintain a daily record of payment instruments sold and money transmitted.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(73)	<u>560.211(1)(b)</u>	<u>Failure to maintain a general ledger containing all asset, liability, capital, income, and expense accounts, which must be posted at least monthly.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(74)	<u>560.211(1)(c)</u>	<u>Failure to maintain daily settlement records received from authorized vendors.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(75)	<u>560.211(1)(d)</u>	<u>Failure to maintain monthly</u>	<u>Fine: B</u>	<u>Fine: B</u>	<u>Fine: C</u>

		<u>financial institution statements and reconciliation records.</u>	<u>Suspension: B</u>	<u>Suspension: B</u>	<u>Revocation</u>
(76)	<u>560.211(1)(e)</u>	<u>Failure to maintain records of outstanding payment instruments and money transmitted.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(77)	<u>560.211(1)(f)</u>	<u>Failure to maintain records of each payment instrument paid and money transmission delivered.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(78)	<u>560.211(1)(g)</u>	<u>Failure to maintain a list of the names and addresses of all of the licensee's authorized vendors.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(79)	<u>560.211(1)(h)</u>	<u>Failure to maintain records that document the establishment, monitoring, and termination of relationships with authorized vendors and foreign affiliates.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(80)	<u>560.211(1)(i)</u>	<u>Failure to maintain any records, as prescribed by rule, designed to detect and prevent money laundering as set forth in Rules 69V-560.608, 69V-560.609, 69V-560.610, 69V-560.702, 69V-560.703, and 69V-560.706.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(81)	<u>560.213</u>	<u>Failure of each payment instrument sold or issued by a licensee, directly or through its authorized vendor, to bear the name of the licensee.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(82)	<u>560.303(3)</u>	<u>Charging fees in excess of those provided by Section 560.309, F.S. by a person exempt from licensure under Chapter 560 part III.</u>	<u>Fine: A</u> <u>Restitution</u>	<u>Fine: B</u> <u>Restitution</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(83)	<u>560.309(1)</u>	<u>Failure to transact business under Chapter 560, part III,</u>	<u>Fine: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>

		<u>F.S. under the legal name under which the person is licensed.</u>			
(84)	<u>560.309(2)</u>	<u>Failure to endorse a payment instrument that is accepted or cashed by the licensee using the legal name under which the licensee is licensed.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>
(85)	<u>560.309(3)</u>	<u>Failure to deposit payment instruments into a commercial account at a federally insured financial institution or sell payment instruments within 5 business days after the acceptance of the payment instrument.</u>	<u>Fine: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(86)	<u>560.309(4)</u>	<u>Accepting or cashing multiple payment instruments from a person who is not the original payee, unless the person is licensed to cash payment instruments pursuant to Chapter 560, Part III, F.S., and all payment instruments accepted are endorsed with the legal name of the person.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>	<u>N/A</u>
(87)	<u>560.309(5)</u>	<u>Failure to report all suspicious activity to the office in accordance with the criteria set forth in 31 C.F.R. s. 103.20.</u>	<u>Fine: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(88)	<u>560.309(6)</u>	<u>Failure to equip each location of a licensee where checks are cashed with a security camera system that is capable of recording and retrieving an image in order to assist in identifying and apprehending an offender unless the licensee has installed a bulletproof or bullet-resistant partition or enclosure in the area where checks are cashed.</u>	<u>Fine: B</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>

(89)	<u>560.309(7)</u>	<u>Failure to post a notice listing the charges for cashing payment instruments.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(90)	<u>560.309(8)(a)</u>	<u>Charged fees, except otherwise provided by Section 560.309, F.S., and exclusive of the direct costs of verification in excess of 5 percent of the face amount of the payment instrument, or \$5, whichever is greater.</u>	<u>Fine: A</u> <u>Restitution</u>	<u>Fine: B</u> <u>Restitution</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Restitution</u> <u>Revocation</u>
(91)	<u>560.309(8)(b)</u>	<u>Charged fees, except otherwise provided by Section 560.309, F.S., and exclusive of the direct costs of verification in excess of 3 percent of the face amount of the payment instrument, or \$5, whichever is greater for a payment instrument that is any kind of state public assistance or federal social security benefit payable to the bearer of the payment instrument.</u>	<u>Fine: A</u> <u>Restitution</u>	<u>Fine: B</u> <u>Restitution</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Restitution</u> <u>Revocation</u>
(92)	<u>560.309(8)(c)</u>	<u>Charged fees, except otherwise provided by Section 560.309, F.S., and exclusive of the direct costs of verification in excess of 10 percent of the face amount for personal checks or money orders, or \$5, whichever is greater.</u>	<u>Fine: C</u> <u>Restitution</u>	<u>Fine: C</u> <u>Restitution</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Restitution</u> <u>Revocation</u>
(93)	<u>560.309(9)</u>	<u>Assessed the cost of collections, other than fees for insufficient funds provided by law, without judgment from a court of competent jurisdiction.</u>	<u>Fine: A</u> <u>Restitution</u>	<u>Fine: B</u> <u>Restitution</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Restitution</u> <u>Revocation</u>
(94)	<u>560.309(10)</u>	<u>Failed to comply with the provisions of Section 68.065, F.S. and failed to comply</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Revocation</u>

		<u>with the prohibitions against harassment or abuse, false or misleading representations, and unfair practices in the Fair Debt Collections Act, U.S.C. ss. 1692d, 1692d, 1962f.</u>			
(95)	<u>560.310(1)(a)</u>	<u>Failed to maintain customer files on all customers who cash corporate or third-party payment instruments exceeding \$1,000, as required by paragraph 69V-560.704(4)(d), F.A.C.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Revocation</u>
(96)	<u>560.310(1)(b)(1)</u>	<u>Failed to maintain a copy of the personal identification as used as identification as presented by the customer for a payment instrument accepted having a face value of \$1,000 or more.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Revocation</u>
(97)	<u>560.310(1)(b)(2)</u>	<u>Failed to maintain a thumbprint of the customer, taken by the licensee, for a payment instrument accepted having a face value of \$1,000 or more.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(98)	<u>560.310(1)(c)</u>	<u>Failed to maintain an electronic payment instrument log which reports aggregate payment instruments whose total cashed is greater than \$1,000.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(99)	<u>460.404(1)</u>	<u>Failed to document each deferred presentment transaction in a written agreement signed by the deferred presentment provider and the drawer.</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Revocation</u>
(100)	<u>560.404(2)</u>	<u>Each deferred presentment transaction agreement failed to be executed on the day the</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>

		<u>deferred presentment provider furnishes currency or a payment instrument to the drawer.</u>			
(101)	<u>560.404(3)(a)</u>	<u>Each deferred presentment transaction agreement failed to contain the name or trade name, address, and telephone number of the deferred presentment provider and the name and title of the person who signs the agreement on behalf of the provider.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(102)	<u>560.404(3)(b)</u>	<u>Each deferred presentment transaction agreement failed to contain the date the deferred presentment transaction was made.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(103)	<u>560.404(3)(c)</u>	<u>Each deferred presentment agreement failed to contain the amount of the drawer's check.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(104)	<u>560.404(3)(d)</u>	<u>Each deferred presentment agreement failed to contain the length of the deferment period.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(105)	<u>560.404(3)(e)</u>	<u>Each deferred presentment agreement failed to contain the last day of the deferment period.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(106)	<u>560.404(3)(f)</u>	<u>Each deferred presentment agreement failed to contain the address and telephone number of the office.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(107)	<u>560.404(3)(g)</u>	<u>Each deferred presentment agreement failed to contain a clear description of the drawer's payment obligations under the deferred presentment transaction.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(108)	<u>560.404(3)(h)</u>	<u>Each deferred presentment agreement failed to contain</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>

		<u>the transaction number assigned by the office's database.</u>			
(109)	560.404(4)	<u>Failed to furnish a copy of the deferred presentment transaction agreement to the drawer.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(110)	560.404(5)	<u>Accepting a check for a deferred presentment transaction where the face amount of the check taken exceeds \$500 exclusive of the fees allowed under Part IV of Chapter 560,F.S.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(111)	560.404(6)	<u>Charging fees that exceed 10 percent of the currency or payment instrument provided for a deferred presentment transaction.</u>	<u>Fine: A</u> <u>Restitution</u>	<u>Fine: B</u> <u>Restitution</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Restitution</u> <u>Revocation</u>
(112)	560.404(7)	<u>Collecting the fees authorized for a deferred presentment transaction before the drawer's check is presented or redeemed.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(113)	560.404(8)	<u>Accepting a deferred presentment transaction for a term longer than 31 days or less than 7 days.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(114)	560.404(9)	<u>Requiring a drawer to provide additional security or guaranty for a deferred presentment transaction.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(115)	560.404(10)(a)	<u>Including a hold harmless clause in a deferred presentment agreement.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: B</u>
(116)	560.404(10)(b)	<u>Including a confession of judgment clause in a deferred presentment agreement.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(117)	560.404(10)(c)	<u>Including an assignment of or order for a payment of wages or other compensation for services in a deferred</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>



		<u>presentment agreement.</u>			
(118)	560.404(10)(d)	<u>Including a provision in which the drawer agrees not to assert any claim or defense arising out of the agreement in a deferred presentment agreement.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(119)	560.404(10)(e)	<u>Including a waiver of any provision of Chapter 560, Part IV, F.S in a deferred presentment agreement.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(120)	560.404(11)	<u>A deferred presentment provider shall immediately provide the drawer with the full amount of any check to be held, less only the fee allowed by Section 560.404, F.S.</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Revocation</u>
(121)	560.404(12)	<u>Holding a deferred presentment agreement or a drawer's check that is altered, the date is deleted, or fails to bear the same date for a deferred presentment transaction.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(122)	560.404(13)	<u>Failure to ensure that each deferred presentment transaction complies with the disclosure requirements of 12 C.F.R., part 226, relating to the federal Truth-in-Lending Act, and Regulation Z of the Board of Governors of the Federal Reserve Board.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(123)	560.404(14)	<u>Accepting or holding an undated check or a check dated on a date other than the date on which the deferred presentment provider agreed to hold the check and signed the deferred presentment transaction agreement.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>

(124)	560.404(15)	<u>Failure to hold the drawer's check for the agreed number of days, unless the drawer chose to redeem the check before the presentment date.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(125)	560.404(16)	<u>Charging an additional fee for issuing or cashing a deferred presentment provider's payment instrument, if licensed under Part II of Chapter 560, F.S.</u>	<u>Fine: B</u> <u>Restitution</u>	<u>Fine: B</u> <u>Restitution</u> <u>Suspension: B</u>	<u>Fine: B</u> <u>Restitution</u> <u>Revocation</u>
(126)	560.404(17)	<u>Requiring a drawer to accept a payment instrument issued by the licensee in lieu of currency in a deferred presentment transaction.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(127)	560.404(18)	<u>Engaging in the rollover of a deferred presentment agreement. Redeeming, extending, or otherwise consolidating a deferred presentment agreement with the proceeds of another deferred presentment transaction made by the same deferred presentment provider or an affiliate.</u>	<u>Fine: B</u> <u>Restitution of any fees received for each subsequent rollover</u>	<u>Fine: B</u> <u>Restitution of any fees received for each subsequent rollover</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Restitution of any fees received for each subsequent rollover</u> <u>Revocation</u>
(128)	560.404(19)	<u>Entering into a deferred presentment transaction with a drawer who has an outstanding deferred presentment transaction with that provider or with any other deferred presentment provider, or with a person whose previous deferred presentment transaction with that provider or with any other provider has been terminated for less than 24 hours.</u>	<u>Fine: B</u> <u>Restitution of any fees received for each subsequent rollover</u>	<u>Fine: B</u> <u>Restitution of any fees received for each subsequent rollover</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Restitution of any fees received for each subsequent rollover</u> <u>Revocation</u>
(129)	560.404(19)(a)	<u>Failure to verify whether the</u>	<u>Fine: B</u>	<u>Fine: B</u>	<u>Fine: C</u>

		<u>deferred presentment provider or an affiliate has an outstanding deferred presentment transaction with a particular person or has terminated a transaction with that person within the previous 24 hours.</u>	<u>Restitution of any fees received for each subsequent rollover</u>	<u>Restitution of any fees received for each subsequent rollover</u> Suspension: B	<u>Restitution of any fees received for each subsequent rollover</u> Revocation
(130)	560.404(19)(b)	<u>Failure to access the office's database and verify whether any other deferred presentment provider has an outstanding deferred presentment transaction with a particular person or has terminated a transaction with that person within the previous 24 hours.</u>	Fine: B <u>Restitution of any fees received for each subsequent rollover</u>	Fine: B <u>Restitution of any fees received for each subsequent rollover</u> Suspension: B	Fine: C <u>Restitution of any fees received for each subsequent rollover</u> Revocation
(131)	560.404(20)	<u>Failure to provide the notice defined in Section 560.404(20), F.S., in a prominent place on each deferred presentment agreement in at least 14-point type in substantially the form provided by Section 560.404(20), F.S., and must obtain the signature of the drawer where indicated.</u>	Fine: A	Fine: B	Fine: C Suspension: C
(132)	560.404(21)	<u>Presenting a drawer's check if the drawer informs the provider in person that the drawer cannot redeem or pay in full in cash the amount due and owing the deferred presentment provider or charging an additional fee or penalty by virtue of any misrepresentation made by the drawer as to the sufficiency of funds in the drawer's account.</u>	Fine: A <u>Restitution</u>	Fine: B <u>Restitution</u> Suspension: B	Fine: C <u>Restitution</u> Revocation
(133)	560.404(22)	<u>Failure to provide a grace</u>	Fine: B	Fine: C	Fine: C

		<u>period extending the term of an agreement for an additional 60 days after the original termination date, without any additional charge if by the end of the deferment period, the drawer informs the deferred presentment provider in person that the drawer cannot redeem or pay in full in cash the amount due and owing.</u>	<u>Restitution</u>	<u>Restitution</u> <u>Suspension: C</u>	<u>Restitution</u> <u>Revocation</u>
(134)	<u>560.404(22)(a)</u>	<u>Failure to comply with and adhere to, including depositing the drawer's check before the end of the 60-day grace period, a repayment plan that a drawer agrees to comply with and adhere to, which was approved by a credit counseling agency. Discouraging a drawer from using the 60-day grace period.</u>	<u>Fine: B</u> <u>Restitution</u>	<u>Fine: C</u> <u>Restitution</u> <u>Suspension: C</u>	<u>Fine: C</u> <u>Restitution</u> <u>Revocation</u>
(135)	<u>560.404(22)(b)(1)</u>	<u>Failure to provide verbal notice of the availability of the 60-day grace period consistent with the written notice in Section 560.404(20), F.S.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(136)	<u>560.404(22)(b)(2)</u>	<u>Failure to provide a drawer a list of approved consumer credit counseling agencies prepared by the office.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(137)	<u>560.404(22)(b)(3)</u>	<u>Failure to provide a drawer the written notice in Section 560.404(22)(b)(3), F.S., in at least 14-point type in substantially the form in the section detailing the drawer's rights under the 60-day grace period.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>

(138)	<u>560.404(22)(c)</u>	<u>Failure to pay one-half of the drawer's fee for a deferred presentment agreement to the consumer credit counseling agency if a drawer completes an approved payment plan.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(139)	<u>560.404(23)</u>	<u>Failure to submit data, including but not limited to the drawer's name, social security number or employment authorization alien number, address, driver's license number, amount of the transaction, date of transaction, the date that the transaction is closed, and such additional information as is required by rule before entering into each deferred presentment transaction in order to verify whether any deferred presentment transactions are outstanding for a particular person.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(140)	<u>560.404(24)</u>	<u>Accepting more than one check or authorization to initiate more than one automated clearinghouse transaction to collect on a deferred presentment transaction for a single deferred presentment transaction.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(141)	<u>560.405(1)</u>	<u>Presenting a drawer's check before the end of the deferment period, as reflected in the deferred presentment transaction agreement.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(142)	<u>560.405(2)</u>	<u>Failure to endorse a drawer's check with the name under which the deferred presentment provider is doing</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>

		<u>business before the deferred presentment provider presents the drawer's check.</u>			
(143)	560.405(3)	<u>Failure to return a drawer's check, upon redemption, and provide a signed, dated receipt showing that the drawer's check has been redeemed.</u>	<u>Fine: A</u>	<u>Fine: B</u>	<u>Fine: C</u> <u>Suspension: C</u>
(144)	560.406(1)	<u>Sending or collecting on collection notices containing references to treble damages and criminal prosecution used for the collection of worthless check in a deferred presentment transaction.</u>	<u>Fine: A</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(145)	560.406(2)	<u>Failure to comply with the prohibitions against harassment or abuse, false or misleading representations, and unfair practices that are contained in the Fair Debt Collections Practices Act, 15 U.S.C. ss. 1692d, 1692e, 1692f.</u>	<u>Fine: B</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Revocation</u>
(146)	560.406(3)	<u>Assessing the cost of collection, other than charges for insufficient funds as allowed by law, without a judgment from a court of competent jurisdiction for a deferred presentment transaction.</u>	<u>Fine: A</u> <u>Restitution</u>	<u>Fine: B</u> <u>Restitution</u> <u>Suspension: B</u>	<u>Fine: C</u> <u>Restitution</u> <u>Revocation</u>

(147) In accordance with this rule:

(a) Depending on the severity and repetition of specific violations, the Office may impose an administrative fine, suspension of a license, or revocation of a license or any combination thereof;

(b) The Office may impose a cease and desist order in conjunction with and in addition to any of the designated sanctions set forth in this rule when appropriate under the circumstances;

(c) Notwithstanding this rule, the Office may, when appropriate, enter orders of removal or prohibition or orders denying applications, and may seek the entry of an injunction and appointment of a receiver by a court of competent jurisdiction; and

(d) The Office will consider the licensee's disciplinary history for the past five years in determining an appropriate penalty, and may impose a more severe penalty when the disciplinary history includes past violations.

(148) In accordance with Section 560.1141(3), F.S., when sufficient evidence is available, the Office shall consider the following circumstances in determining a penalty within the range of penalties provided in this rule and may impose a penalty that deviates from the range of penalties herein as a result of such circumstances:

(a) Whether the violation rate is less than 5% when compared to the overall sample size reviewed;

(b) The degree of harm to the customers or the public;

(c) The disciplinary history of the licensee;

(d) Whether the licensee detected and voluntarily instituted corrective responses or measures to avoid the recurrence of a violation prior to detection and intervention by the Office;

(e) Whether the licensee's violation was the result of willful misconduct or recklessness;

(f) Whether at the time of the violation, the licensee had developed and implemented reasonable supervisory, operational or technical procedures, or controls to avoid the violation;

(g) Where the violation is attributable to an individual officer, director, responsible person, or authorized vendor, whether the licensee removed or otherwise disciplined the individual prior to detection and intervention by the Office;

(h) Whether the licensee attempted to conceal the violation or mislead or deceive the Office;

(i) The length of time over which the licensee engaged in the violations;

(j) Whether the licensee engaged in numerous violations or a pattern of misconduct;

(k) The number, size and character of the transactions in question;

(l) Whether the licensee provided substantial assistance to the Office in its examination or investigation of the underlying misconduct;

(m) Other relevant, case-specific circumstances.

(149) The list of violations cited in this rule is intended to be comprehensive, but the omission of a violation from the list does not preclude the Office from taking any action authorized by Section 560.114, F.S.

(150) The ranges for administrative fines imposed by this rule are \$1,000 – \$3,500 for an "A" level fine; \$3,500 – \$7,500 for a "B" level fine; and \$7,500 – \$10,000 for a "C" level fine.

(151) The ranges for suspensions imposed by this rule are 3 to 10 days for an "A" level suspension; 10 to 20 days for a "B" level suspension; and 20 to 30 days for a "C" level suspension.

Rulemaking Authority 560.105, 560.1141 FS. Law Implemented 560.109, 560.1105, 560.111, 560.114, 560.1141, 560.118, 560.123, 560.1235, 560.125, 560.126, 560.128, 560.204, 560.208, 560.2085, 560.209, 560.210, 560.211, 560.213, 560.303, 560.309, 560.310, 560.403, 560.404, 560.405, 560.406 FS. History—New \_\_\_\_\_.



**BILL McCOLLUM**  
**ATTORNEY GENERAL**  
**STATE OF FLORIDA**

**OFFICE OF THE ATTORNEY GENERAL**  
**Office of Statewide Prosecution**  
**William N. Shepherd**  
**Statewide Prosecutor**

**OSCAR GELPI**  
**Assistant Statewide Prosecutor**  
**110 SE 6<sup>th</sup> Street (9<sup>th</sup> Floor)**  
**Fort Lauderdale, FL 33301**  
**Phone (954) 712-4600 Fax (954) 712-4958**  
**<http://www.myfloridalegal.com>**

March 5, 2009

Andrea Moreland, Executive Senior Attorney  
Office of Financial Regulations  
P.O. Box 15813  
Tallahassee, Florida 32317-5813

Dear Andrea:

It was a pleasure meeting with you over the last few days. I wanted to follow up on our discussion concerning the proposed penalty matrix for MSBs and thank you right up front for offering to incorporate the changes I suggested yesterday. Though the changes might be small, they are very important as they go to the core of the Grand Jury's findings that many Florida check cashers are involved in blatant money laundering.

To reiterate, the penalty matrix in cells 95-98 calls for fines of \$3,500- \$7,500 and a suspension of 10-20 days for the first offense. Fines and suspensions are increased one level for a second offense and only on the third offense does revocation become a presumptive penalty. The violations in questions are of those statutes recently passed last year in response to the 18<sup>th</sup> Statewide Grand Jury's recommendations. These requirements are at the heart of the effort to combat money laundering by identifying individuals cashing large checks at check cashing stores.

Failure of the MSBs to maintain these records undermines the State's ability to identify, track and prosecute those individuals engaged in money laundering and frankly is usually a strong indication that the MSB is complicit in the money laundering as well. That is why it is so important for OFR to have the ability to revoke a license even on the first offense, if warranted.

Thank you again for your agreeing to these changes, I look forward to working with you and your agency on this and other matters in the future.

Regards,

Oscar Gelpi  
Assistant Statewide Prosecutor

OG/nph

cc: Kent Perez, Associate Deputy & General Counsel  
Kimberly Case, Director of Legislative Affairs  
William Shepherd, Statewide Prosecutor  
Rob Johnson, Director of Cabinet Affairs



Charles L. Stutts  
813 227 6466  
charles.stutts@hklaw.com

March 13, 2009

VIA EMAIL AND FIRST CLASS MAIL

Andrea Moreland, Director  
Cabinet and Legislative Affairs  
Office of Financial Regulation  
200 East Gaines Street  
Tallahassee, FL 32399-0370

Re: Rule 69V-560.1000; Disciplinary Guidelines

Dear Andrea:

We take this opportunity to provide the Office of Financial Regulation (the "Office") with additional comments to the disciplinary guidelines the Office is developing pursuant to Section 560.1141, Florida Statutes. We will also address the comments of the Office of Statewide Prosecution (the "Statewide Prosecutor") to the proposed guidelines, as set forth in its letter of March 5, 2009.

At the outset, it is important to recognize that the vast majority of licensed check cashing companies strive to conduct their businesses in strict compliance with applicable state and federal law. Most of the larger companies, in fact, maintain compliance departments and operating policies and procedures equal to those of banks and other financial institutions. These companies process hundreds of thousands of financial transactions aggregating millions of dollars each week and employ thousands of Florida citizens. They are also audited regularly by the Internal Revenue Service, the Federal Trade Commission, the Office, and even their bankers for compliance with the law.<sup>1</sup>

Our concern arises from the harsh penalties provided by the guidelines for isolated, inadvertent, first-time offenses. For many violations of Chapter 560 which do not require (i) willfulness or an intent to violate the law, (ii) harm to consumers, (iii) deception or concealment

<sup>1</sup> We take exception to the Statewide Prosecutor's claim that "many check cashers are involved in blatant money laundering." We acknowledge that the Second Interim Report of the Statewide Grand Jury dated March 2008 found "money laundering by illicit check cashers" to be a "significant and growing problem." However, this conclusion appears based upon the actions of a handful of check cashing companies who were part of larger criminal enterprises. It is not representative of the check cashing industry as a whole, as audits by the Office have shown.

of material information, or (iv) the violation of criminal laws or similar serious offenses, the guidelines provide for revocation of the check casher's license upon a single, first-time offense.<sup>2</sup> We wholeheartedly agree, as stated by the Statewide Prosecutor, that the Office should have ability to revoke a license, even on the first offense, if the facts and circumstances warrant such action. However, the Office's authority to take such action already exists, and derives from application of the aggravating factors the Office enumerates in the guidelines. If in connection with a recordkeeping violation the Office has evidence that a licensee intentionally failed to make or maintain these critical records, committed additional violations of the recordkeeping requirements (or other provisions of law), harmed the public, or sought to deceive the Office, these aggravating factors allow the Office to impose a more severe penalty, i.e., revocation, than set out in the guidelines. On the other hand, to propose that a licensee should face the revocation of its license, and corresponding loss of its business and livelihood, for a single, first-time recordkeeping error where none of the aggravating circumstances is present, is unwarranted and unfair.

For example, one of the larger licensed check cashing companies operating in Florida may cash 45,000 checks of \$1,000 or more in a month. For each of these thousands of checks, the check casher is required to maintain records of the customer's name, street address, date of birth, identification number (tax ID number, passport number, etc.), transaction date, payor's name, payee's name, amount of the check, type of check (personal, payroll, government, etc.), fee charged, location where check was cashed, and type of identification presented by the customer. The company must also maintain copies of the check itself, both front and back, and obtain a thumbprint of the customer on the original items. In addition to these requirements, for corporate or 3<sup>rd</sup> party checks, the check cashing company must obtain documentation from the Secretary of State verifying registration, articles of incorporation, documentation of the occupational license of the customer, copies of records from the Florida Department of Insurance Regulation's Workers Compensation website, and corporate resolutions or powers of attorney identifying those persons authorized to cash checks. The company must maintain all of these records for 5 years.

Under the proposed guidelines, if for one time this company inadvertently fails to obtain a thumbprint on a single check over \$1,000 or fails to maintain all of the above-referenced records for 5 years, the Office may revoke its license. In other words, the guidelines propose that a licensed check cashing company that has otherwise conducted business in compliance with all laws, that provides a legitimate and valuable service to thousands of consumers, and that has built a substantial business employing hundreds of employees, should face the same penalty for a single, inadvertent, first-time recordkeeping violation as a company that commits fraud, theft, money laundering, or multiple offenses. We reiterate our belief that such harsh treatment is unwarranted and unfair.

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<sup>2</sup> Indeed, such presumptive penalties are exactly what the Statewide Prosecutor requests for a first-time violation of certain recordkeeping requirements that just became effective on January 1, 2009.

Andrea Moreland  
March 13, 2009  
Page 3

Thank you for your consideration of these matters. We would appreciate the opportunity to meet with you or participate in an informal workshop with all interested parties at your earliest convenience to further discuss these issues and answer any questions that you might have.

Sincerely yours,

HOLLAND & KNIGHT LLP



Charles L. Stutts

cc: Financial Service Centers of Florida  
Oscar Gelpi, Esq., Assistant Statewide Prosecutor

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