AL-SC Money Transmitter License Transition Checklist (Company)

CHECKLIST SECTIONS
- General Information
- License Fees
- Requirements Completed in NMLS
- Requirements/Documents Uploaded in NMLS
- Requirements Submitted Outside of NMLS

GENERAL INFORMATION

Transition to NMLS
Companies holding the Alabama Money Transmission License are able to submit a license transition request through NMLS by filing a Company Form MU1 beginning February 1, 2019. If you currently hold the Alabama Money Transmission License and would like transition to NMLS, you must do so prior to March 15, 2019, as this transition will also serve as your license renewal with the Alabama Securities Commission. The transition to NMLS for this license is optional.

Note: If you already have a record in NMLS and have submitted these forms in the past, you do not need to re-enter your company information into NMLS. You will only need to identify the business activities your company conducts and the states in which the various activities are conducted. Then, you will select the appropriate license in AL, and complete a few state-specific fields.

It is important that current licensees have the appropriate transition number available when completing and submitting their Company Form (MU1), so they are not charged a new application fee. Please enter your three-digit license number exactly as the Alabama Securities Commission has issued it.

AL encourages current licensees to update their information with AL at least two weeks before they intend to transition to NMLS, so there will be no pending changes to submit at the time of transition.

Activities Authorized Under This License
This license authorizes the following activities...
- Debt Management/Credit Counseling
- Electronic money transmitting
- Issuing traveler’s checks
- Selling Traveler’s checks
- Issuing money orders
- Selling money orders
- Bill payment
- Issuing and/or selling drafts
- Transporting currency
- Issuing prepaid access/stored value
- Selling prepaid access/stored value
- Foreign currency dealing or exchanging
- Virtual currency exchanging and trading services
Document Uploads Guidance

Documents that must be uploaded to the Document Uploads section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in Document Upload Descriptions and Examples.
- Only upload documents relevant to the company transition.
- Only upload documents where there is a selectable document category. If inappropriate documents are uploaded that should not be, you will be contacted by your regulator and asked to remove them from NMLS.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

Helpful Resources

- Transitioning an Existing Company License Quick Guide
- Document Upload Descriptions and Examples
- Individual Form (MU2) Filing Quick Guide
- Financial Statements Quick Guide
- Payment Options Quick Guide
- License Status Definitions Quick Guide

Agency Contact Information

Contact Registration staff by phone at 334-242-2984 or send your questions via email to asc@asc.alabama.gov for additional assistance.

For U.S. Postal Service:

Alabama Securities Commission
Attn: Registration
P.O. Box 304700
Montgomery, AL 36130-4700

For Overnight Delivery:

Alabama Securities Commission
Attn: Registration
445 Dexter Ave., Suite 12000
Montgomery, AL

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.
<table>
<thead>
<tr>
<th>Complete</th>
<th>AL-SC Money Transmitter License</th>
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</table>
|          | **AL-SC License Transition Fee**: $500.00  
*This is the 2019 License Renewal Fee**  
**NMLS Initial Processing Fee**: $0 | NMLS (Filing submission) |
| Note     | **Uniform Authorized Agent Reporting Annual Processing Fee**: An annual fee of twenty-five cents ($0.25) for each active authorized agent/delegate location reported through NMLS is invoiced on November 1st.  
There is no fee for the first 100 active agents reported (Companies with 100 agents or less are not subject to the UAAR Processing Fee).  
The fee is capped at $25,000 per licensee in any one year.  
The invoiced amount is based on the number of active agents in the system as of August 16th, (day after third quarter reporting deadline).  
See the [Uniform Authorized Agent Reporting Processing Fee Fact Sheet](#) for more information. | NMLS (Agency Fee Invoice) |
## REQUIREMENTS COMPLETED IN NMLS

<table>
<thead>
<tr>
<th>Complete</th>
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<tbody>
<tr>
<td>□</td>
<td>Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the transition/registration request for the license/registration through NMLS. See the <a href="#">Transitioning an Existing License Quick Guide</a> for instructions on how to submit the transition request. <strong>When selecting your license in the Company Form (MU1), you will be asked to enter your existing license number. Be sure to enter your Alabama Money Transmission License Number.</strong> All current licensees/registrants have the option to transition their license onto NMLS on or before the current renewal deadline of March 15, 2019. You will have the option to transition your license after renewal ends on March 31, 2019, should you choose to do so.</td>
<td>NMLS</td>
</tr>
<tr>
<td>□</td>
<td>Financial Statements: Upload an audited financial statement prepared by a Certified Public Accountant. in accordance with Generally Accepted Accounting Principles dated within 90 days of your fiscal year end. Financial statements should include a balance sheet, income statement, and statement of cash flows and all relevant notes thereto. If applicant is a start-up company, only an attested financial statement is required. <strong>If available, please provide audited financial statements for the two-year period preceding the submission of the application</strong> The financial statement must illustrate a company net worth of $25,000.00 Note: Financial statements are uploaded separately under the Filing tab and Financial Statement submenu link. See the <a href="#">Financial Statements Quick Guide</a> for instructions.</td>
<td>NMLS</td>
</tr>
<tr>
<td>□</td>
<td>Authorized Agents (Delegates) Locations: Licensees must use the <a href="#">NMLS Uniform Authorized Agent Reporting (UAAR) functionality</a> to report Authorized Agents. Upon license transition approval, licensees are required to utilize the UAAR to upload a list of agents who are authorized to conduct money transmission business in the state of Alabama on the licensee’s behalf. Agent adjustments (additions, deletions, and modifications) must be submitted through the UAAR on a quarterly basis, even if there are no changes to report. For more information, consult the <a href="#">NMLS Resource Center</a>.</td>
<td>NMLS</td>
</tr>
</tbody>
</table>
### Other Trade Name:
If operating under a name that is different from the applicant’s legal name, that name (“Trade Name”, “Assumed Name” or “DBA”) must be listed under the Other Trade Names section of the Company Form (MU1). Alabama Securities Commission does not limit the number of other trade names.

If operating under an “Other Trade Name”, upload registration from the Secretary of State regarding ability to do business under that trade name.

This document should be named [State-License Type] Trade Name – Assumed Name.

**NMLS**
Upload in NMLS: under the Document Type Trade Name/Assumed Name Registration Certificates in the Document Uploads section of the Company Form (MU1).

### Resident/Registered Agent:
The Resident/Registered Agent must be listed under the Resident/Registered Agent section of the Company Form (MU1).

**NMLS**

### Primary Contact Employees:
The following individuals must be entered into the Contact Employees section of the Company Form (MU1).

1. Primary Company Contact.
2. Primary Consumer Complaint Contact.

**NMLS**

### Non-Primary Contact Employees:
Alabama Securities Commission does not require any non-primary contacts to be listed in the Contact Employees section of the Company Form (MU1).

**N/A**

### Approvals and Designations:
Enter the company’s FinCEN Registration Confirmation Number and Filing Date in the Approvals and Designation section of the Company Form (MU1).

**NMLS**

### Bank Account:
The following bank account information must be completed in the Bank Account section of the Company Form (MU1) if a separate bank account will be used for the deposit of the obligor’s money and the transmittal of money to other parties:

- Name and Address of Bank
- Account No.

**NMLS**

### Disclosure Questions:
Provide a complete and detailed explanation and document upload for each “Yes” response to Disclosure Questions made by the company or related control persons (MU2).

See the Company Disclosure Explanations Quick Guide for instructions.

**Upload in NMLS** in the Disclosure Explanations section of the Company Form (MU1) or Individual Form (MU2).

### Qualifying Individual:
The Qualifying Individual section is not required to be completed for AL on the Company Form (MU1).

**N/A**

### Control Person (MU2) Attestation:
Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable control person before it is able to be submitted along with the Company Form (MU1).

**NMLS**
| Note | Credit Report: Individuals in a position of control are NOT required to authorize a credit report through NMLS. | N/A |
| Note | MU2 Individual FBI Criminal Background Check Not Required Through NMLS: Direct Owners/Executive Officers, Indirect Owners, and Qualifying Individuals are NOT required to authorize an FBI criminal background check (CBC) through NMLS. | N/A |

## REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

<table>
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<tr>
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</table>
|          | **Business Plan:** Upload a business plan outlining the following information:  
  - Description of your current business  
  - Detail of your prior business activities  
  - If you are now engaged in the business of selling or issuing payment instruments, stored value, or receiving money or monetary value for transmission, please provide details of this business.  
This document should be named *[Company Legal Name]* Business Plan.  
**Note:** If the existing uploaded business plan already includes the above information, an additional document does not need to be uploaded. A company should only upload a single business plan. If state-specific material is required, this information should be added to the existing uploaded business plan. | **Upload in NMLS:** under the Document Type Business Plan in the Document Uploads section of the Company Form (MU1). |
|          | **Certificate of Authority/Good Standing Certificate:** Upload a State-issued and approved document (typically by the Secretary of State’s office), dated not more than 60 days prior to the filing of the application through NMLS that demonstrates authorization to do business in the state of AL.  
This document should be named *[State prefix] Certificate of Authority OR [State prefix] Certificate of Good Standing]. | **Upload in NMLS:** under the Document Type Certificate of Authority/Good Standing Certificate in the Document Uploads section of the Company Form (MU1). |
|          | **Company Staffing and Internal Policies:** Upload document(s) including information on staffing and internal organizational policies and procedures. If submitting multiple policies, upload and name each policy separately. The document must include the following information:  
  - If you maintain any form of General Procedures Manual, please provide.  
This document should be named *[Name of Policy]*. | **Upload in NMLS:** under the Document Type Company Staffing and Internal Policies in the Document Uploads section of the Company Form (MU1). |
<table>
<thead>
<tr>
<th><strong>Document Samples:</strong> Upload copies of the following sample documents used in the regular course of business in connection with this license:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Sample contracts for consultants, solicitors, and other third-party providers.</td>
</tr>
<tr>
<td>- Sample contracts of any authorized agents/delegates contracts; money transmission contracts – i.e. stored value, payment instruments, cryptocurrency, bill payment, etc.</td>
</tr>
<tr>
<td>This document should be named <em>[Name of Document Sample]</em>.</td>
</tr>
</tbody>
</table>

| **Upload in NMLS:** under Document Samples in the Document Uploads section of the Company Form (MU1). |

<table>
<thead>
<tr>
<th><strong>Flow of Funds Structure:</strong> Submit a description of each type of transaction or service to be conducted. For each type, describe each step starting with the first encounter with the consumer and ending at the completion of the transaction when money is received by the beneficiary.</th>
</tr>
</thead>
<tbody>
<tr>
<td>This document should be named <em>Flow of Funds Structure</em>.</td>
</tr>
<tr>
<td><strong>Note:</strong> If submitting multiple types of transactions or services to be conducted, combine in single document for upload.</td>
</tr>
</tbody>
</table>

| **Upload in NMLS:** under Flow of Funds Structure in the Document Uploads section of the Company Form (MU1). |
**Formation Documents:** Determine classification of applicant’s legal status and submit a State certified copy of the requested applicable documentation detailed below. Original formation documents and all subsequent amendments, thereto including a list of any name changes.

**Sole Proprietor**
- Registration with Secretary of State

**Unincorporated Association:**
- By-Laws or constitution (including all amendments).

**General Partnership:**
- Partnership Agreement (including all amendments).

**Limited Liability Partnership:**
- Certificate of Limited Liability Partnership; and
- Partnership Agreement (including all amendments).

**Limited Partnership:**
- Certificate of Limited Partnership; and
- Partnership Agreement (including all amendments).

**Limited Liability Limited Partnership:**
- Certificate of Limited Liability Limited Partnership; and
- Partnership Agreement (including all amendments).

**Limited Liability Company ("LLC"):**
- Articles of Organization (including all amendments);
- Operating Agreement (including all amendments);
- IRS Form 2553 or IRS Form 8832 if S-corp treatment elected; and
- LLC resolution if authority not in operating agreement.

**Corporation:**
- Articles of Incorporation (including all amendments);
- By-laws (including all amendments), if applicable;
- Shareholder Agreement (including all amendments), if applicable;
- IRS Form 2553 if S-corp treatment elected; and
- Corporate resolution if authority to complete application not in By-Laws or Shareholder Agreement, as amended, as applicable.

**Not for Profit Corporation**
- Documents requested of a Corporation; and
- Proof of nonprofit status
  - Internal Revenue Service ("IRS") 501(c)(3) designation letter; or
  - statement from a State taxing body or the State attorney general certifying that: (i) the entity is a nonprofit organization operating within the State; and (ii) no part of the entity’s net earnings may lawfully benefit any private shareholder or individual; or
  - entity’s certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or
  - Any of the three preceding items described, if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate.

**Trust (Statutory)**
- Certificate of Trust; and
- Governing instrument (all amendments).

This document should be named *Formation Documentation [Date of Creation (MM-DD-YYYY)].*

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**Upload in NMLS:** under Formation Document in the Document Uploads section of the Company Form (MU1).
**Organizational Chart/Description:** Submit a chart showing (or a description which includes) the percentage of ownership of:
- Direct Owners (total direct ownership percentage must equate to 100%)
- Indirect Owners
- Subsidiaries and Affiliates of the licensee

This document should be named *[Company Legal Name]* Organizational Chart – Description.

**Note:** If the existing uploaded Organizational Chart/Description already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.

<table>
<thead>
<tr>
<th><strong>Surety Bond or Other Security Device:</strong> Each licensee must upload proof of an adequate surety bond, letter of credit or other similar security device, in an amount, determined by rule order of the Alabama Securities Commission, sufficient to secure faithful performance of the obligations of the licensee with respect to money transmission in Alabama. In no event, shall the bond be set less than $100,000. or the average daily outstanding obligations for money received for transmission in Alabama plus 50 percent of the average daily outstanding payment instrument and stored value obligations in Alabama, whichever is greater. See Code of Alabama, 1975, Section 8-7A-7.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SURETY BOND:</strong> Upload a surety bond in the amount not less than $100,000 and furnished by a surety company authorized to conduct business in the state of Alabama. <a href="#">Click to download the Alabama Money Transmitter Surety Bond Form.</a></td>
</tr>
<tr>
<td><strong>LETTER OF CREDIT OR OTHER SECURITY DEVICE:</strong> Upload a Letter of Credit or other similar security in the amount the Alabama Securities Commission. The Alabama Securities Commission has the discretion to accept other forms of security in lieu of the bond.</td>
</tr>
</tbody>
</table>

Upload proof of an adequate security device in an amount not less than $100,000.

<table>
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<tr>
<th><strong>Verification of Experience:</strong> If not previously submitted and for new officers, provide a license specific resume with detailed job descriptions and/or duties performed evidencing experience in the industry the company is applying for a license. Detailed job descriptions and duties with all employers need to be incorporated into a resume to demonstrate experience related to the specific state license being applied for. State specific requirements include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>If engaged in the business of selling or issuing payment instruments, stored value, or receiving money or monetary value for transmission, please provide detail concerning your experience in this type of business.</td>
</tr>
</tbody>
</table>

This document should be named *[Document Type]* – License Name.
### REQUIREMENTS SUBMITTED OUTSIDE OF NMLS

<table>
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<tbody>
<tr>
<td>❌</td>
<td>Monetary Value of Payments Sold: Submit the number and monetary value of payment and stored-value instruments sold by the licensee in this state which have not been included in a previous renewal report, and the monetary amount of payment and stored-value instruments currently outstanding.</td>
<td>Email to Alabama Securities Commission: <a href="mailto:asc@asc.alabama.gov">asc@asc.alabama.gov</a></td>
</tr>
<tr>
<td></td>
<td>Debt Management Company: Submit a list of the undisbursed funds at year end.</td>
<td></td>
</tr>
</tbody>
</table>