DEPARTMENT OF BUSINESS OVERSIGHT

Ensuring a Fair and Secure Financial Services Marketplace for all Californians

Jan Lynn Owen
Commissioner of Business Oversight

February 20, 2018

Re: Request for a legal opinion under Financial Code section 2010, subdivision (l)

Dear _____:

Thank you for your letter dated July 20, 2017, to Robert Venchiarutti, the Deputy Commissioner of the Money Transmitter Division in the Department of Business Oversight. As counsel for the Legal Division, I have been asked to respond to this matter.

Your letter asks whether the California Money Transmission Act ("MTA") applies to the payment services to be offered by _____. Your letter states that _____'s proposed business practices should be exempt from the MTA under the agent-of-payee exemption.[1] You provide sample contracts for _____'s services with your letter.

The Department intends to propose a regulation concerning the agent-of-payee exemption in the near future. While the Department engages in the rulemaking process, we decline to opine on the applicability of the exemption to _____'s proposed payment activity. However, the Department will not require _____ to be licensed under the MTA while the rulemaking is pending.

This letter is limited to the facts and circumstances presented to the Department in the correspondence listed above. If any of the facts or circumstances change, the Department's opinion may also change.

[1] Fin. Code § 2010, subd. (l).

If you have any questions, please contact the undersigned at _____.

Sincerely,

Jan Lynn Owen
Commissioner
Department of Business Oversight

By

_____
Manuela Ramsey
Senior Counsel

MR:bkn