

MO4 Qualification of License Applicant ~~[Section 12-52-108, C.R.S.]~~ [\[Section 11-110-107, C.R.S.\]](#)

- A. To qualify for a license, the applicant must demonstrate to the Banking Board such qualifications as to command the confidence of the public and warrant the belief that the license applicant's business will be operated lawfully and fairly.
- B. ~~Applicant~~ ~~Each application must be submitted, using the NMLS portal, all the required information, to the Banking Board on such forms as the Board requires.~~ The application ~~information forms~~ shall, at a minimum, ~~include~~ [require](#):
1. For all applicants:
 - a. The exact name of the applicant, the applicant's principal address, any fictitious or trade name used by the applicant in the conduct of its business and the location of the applicant's business records.
 - b. The history of the applicant's material litigation and criminal convictions for the five (5) year period prior to the date of the application.
 - c. A description of the activities conducted by the applicant and a history of operations.
 - d. A description of the business activities in which the applicant seeks to be engaged in the State.
 - e. A list identifying the applicant's proposed agents in the State, if any, at the time of the filing of the license application.
 - f. A sample agent contract, if applicable.
 - g. A sample form of payment instrument, if applicable.
 - h. The location(s) at which the applicant and its agents, if any, propose to conduct the licensed activities in the State.
 - i. The name and address of the clearing bank or banks on which the applicant's payment instruments will be payable.
 2. If the applicant is a corporation, the applicant must also provide:
 - a. The date of the applicant's incorporation and state of incorporation.
 - b. A certificate of good standing from the state in which the applicant was incorporated.
 - c. A description of the corporate structure of the applicant, including the identity of any parent or subsidiary of the applicant, and the disclosure of whether any parent or subsidiary is publicly traded on any stock exchange.
 - d. The name, business and residence addresses, and employment history for the past five (5) years of the applicant's executive officers and the officer(s) or managers who will be in charge of the applicant's activities to be licensed hereunder.
 - e. The name, business and residence address and employment history for the period of five (5) years prior to the date of the application of any key shareholder of the applicant.
 - f. The history of material litigation and criminal convictions for the five (5) year period

prior to the date of the application of every current director, executive director, or key shareholder of the applicant.

- g. A copy of the applicant's most recent audited financial statement (including balance sheet, state of income or loss, statement or changes in shareholder equity and statement of changes in financial position) and, if available, the applicant's audited financial statements for the immediately preceding two (2) year period. However, if the applicant is a wholly-owned subsidiary of another corporation, the applicant may submit either the parent corporation's consolidated audited financial statements for the current year and for the immediately preceding two (2) year period or the parent corporation's form 10K reports filed with the United States Securities and Exchange Commission for the prior three (3) years in lieu of the applicant's financial statements. If the applicant is a wholly-owned subsidiary of a corporation having its principal place of business outside the United States, similar documentation filed with the parent corporation's non-United States regulator may be submitted to satisfy this provision.
- h. Copies of all filings, if any, made by the applicant with the United States Securities and Exchange Commission, or with a similar regulator in a country other than the United States, within the year preceding the date of filing of the application.

3. If the applicant is not a corporation, the applicant must also provide:

- a. The name, business and residence address, personal financial statement, and employment history, for the past five (5) years, of each principal of the applicant and the name, business and resident address, and employment history for the past five (5) years of any other person or persons who will be in charge of the applicant's activities to be licensed hereunder.
- b. The place and date of the applicant's registration or qualification to do business in this Sstate.
- c. The history of material litigation and criminal convictions for the five (5) year period prior to the date of the application for each individual having any ownership interest in the applicant and each individual who exercises supervisory responsibility with respect to the applicant's activities.
- d. Copies of the applicant's audited financial statements (including balance sheet, statement of income or loss, and statement of changes in financial position) for the current year and, if available, for the immediately preceding two (2) year period.

4. a. Each licensee under the ~~is~~ Colorado Money Transmitters Act (Act) shall at all times have a net worth of not less than ~~\$~~ \$50,000, calculated in accordance with GAAP ~~generally accepted accounting principles~~. Licensees engaging in money transmission at more than one location, or through authorized agents, shall have an additional net worth of \$25,000 per location or authorized agent in this Sstate, as applicable, to a maximum of \$100,000.

b. The Banking Board may require a net worth of up to \$100,000, regardless of the number of locations or agents in this Sstate, subject to consideration of the following:

- (1) The nature and volume of the business or proposed business of the applicant;
- (2) The amount, nature, quality, and liquidity of the assets of the applicant;
- (3) The amount and nature of the liabilities, including contingent liabilities, of the applicant;

- (4) The history of, and prospect for, the applicant to earn and retain income;
- (5) The quality of the operations of the applicant;
- (6) The quality of the management of the applicant; and
- (7) Any other factor the Banking Board deems relevant.

~~c. — A license that is in effect immediately before the effective date of this Paragraph of this Rule remains in force as a license under the Colorado Money Transmitters Act until the license expiration date. Thereafter, the licensee is subject to the renewal requirements of Section 12-52-109, C.R.S., and upon renewal, shall meet the net worth requirements of this Rule.~~

5. The Banking Board is authorized, for good cause shown to waive any requirement of this section with respect to any license application or to permit a license application to submit substituted information in its license application in lieu of the information required by this section.