

VIRGINIA ACTS OF ASSEMBLY -- 1998 SESSION

CHAPTER 10

An Act to amend and reenact § 6.1-370 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 6.1-378.2, relating to money order sales and money transmission services; acquisition of control.

[H 444]

Approved March 8, 1998

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-370 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 6.1-378.2 as follows:

§ 6.1-370. Definitions.

As used in this chapter:

"Money order" means a check, traveler's check, draft, or other instrument for the transmission or payment of money;

"Money transmission" means receiving money from a person for transmission by wire, facsimile, electronic means or other means.

"Money transmitter", or "licensee" means a person who is authorized pursuant to this chapter to engage in the business of selling money orders or the business of money transmission, or both.

"Principal" means any person who, directly or indirectly, owns or controls a ten percent or greater interest in any form of business organization.

§ 6.1-378.2. Acquisition of control; application.

A. Except as provided in this section, no person shall acquire directly or indirectly twenty-five percent or more of the voting shares of a corporation or twenty-five percent or more of the ownership of any other entity licensed to conduct business under this chapter unless such person first:

1. Files an application with the Commission in such form as the Commission may prescribe from time to time;

2. Delivers such information as the Commission may require concerning the financial responsibility, background, experience, and activities of the applicant, its directors, senior officers, principals and members, and of any proposed new directors, senior officers, principals or members of the licensee; and

3. Pays such application fee as the Commission may prescribe.

B. Upon the filing and investigation of an application, the Commission shall permit the applicant to acquire the interest in the licensee if it finds that the applicant, its members if applicable, its directors, senior officers and principals, and any proposed new directors, members, senior officers and principals have the financial responsibility, character, reputation, experience, and general fitness to warrant belief that the business will be operated efficiently and fairly, in the public interest, and in accordance with the law. The Commission shall grant or deny the application within sixty days from the date a completed application accompanied by the required fee is filed unless the period is extended by the Commission. If the application is denied, the Commission shall notify the applicant of the denial and the reasons for the denial.

C. The provisions of this section shall not apply to the acquisition of an interest in a licensee directly or indirectly by merger, consolidation, or otherwise, (i) by or with a person licensed under this chapter, (ii) by or with a person affiliated through common ownership with the licensee, or (iii) by bequest, descent, survivorship or by operation of law. The person acquiring an interest in a licensee in a transaction which is exempt from filing an application by this subsection shall send written notice to the Commission of such acquisition within thirty days after its closing.