

1969 Senate Bill 461

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**CHAPTER 323, LAWS OF 1969**

AN ACT to amend 217.05 (5) (b), 217.06 (3) (a), 217.08 (2), 217.10 (2) and 217.11 (4) of the statutes, relating to bonding requirements for and investigations of sellers of checks.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 217.05 (5) (b) of the statutes is amended to read:

217.05 (5) (b) A list of the locations in this state at which the applicant or its authorized agents, listing them by name, is engaged or proposes to engage in the business of selling checks but such list shall not be required of an applicant which tenders the maximum license fee and agrees to file or deposit, and does file or deposit, a bond or securities in the maximum sum of ~~\$20,000~~ \$300,000 as provided in 217.06.

SECTION 2. 217.06 (3) (a) of the statutes is amended to read:

217.06 (3) (a) A surety bond issued by a bonding company or insurance company authorized to do business in this state has been filed in the minimum principal sum of \$10,000 for the first location and an additional sum of \$5,000 for each additional location unless the department determines that a bond in such amount is insufficient in which event it may require a bond in a larger sum, but in no event shall the bond exceed ~~\$20,000~~ \$300,000. The bond shall be in a form satisfactory to the department and shall run to the state for the benefit of any claimants against the applicant or his agents to secure the faithful performance of the obligations of the applicant and his agents with respect to the receipt, handling, transmission and payment of money in connection with the sale of checks and to reimburse the department for any examination or liquidation expense. The aggregate liability of the surety in no event shall exceed the principal

sum of the bond. The surety shall have the right to cancel such bond upon giving not less than 60 days' written notice to the department, but such cancellation shall not release the surety from any liability that may arise with respect to obligations of the licensee outstanding on or prior to the effective day that such bond is canceled. Such claimants against the applicant or his agents may themselves bring suit directly on the bond, or the attorney in general may bring suit thereon in behalf of such claimants, either in one action or successive actions.

SECTION 3. 217.08 (2) of the statutes is amended to read:

217.08 (2) Each licensee shall file with the department on or before December 1 of each year a statement listing the locations of the offices of the licensee and the names and locations of the agents authorized by the licensee. Every licensee shall also on or before December 1 of each year file a financial statement of its assets and liabilities as of a date not earlier than the preceding August 31 or, if the licensee is audited annually by an independent public accountant at the end of each fiscal year, the licensee may submit financial statements certified by said accountant for the licensee's latest fiscal year. Such statement shall be accompanied by the annual licensee fee for the calendar year beginning the following January 1 in an amount determined under s. 217.05. The amount of the surety bond or deposit of securities required by s. 217.06 shall be adjusted to reflect the number of such locations. Licensees which do not pay the maximum license fee under s. 217.05 and which do not maintain a bond or deposit of securities in the maximum sum of ~~\$30,000~~ \$300,000 as provided in s. 217.06 shall also file a supplemental statement setting forth any changes in the list of offices and agents with the department on or before April 1, July 1 and October 1 of each year, and the principal sum of the corporate surety bond or deposit of securities required by s. 217.06 shall be adjusted to reflect any increase or decrease in the number of such locations. Any additional license fees which may become due under s. 217.05 shall be paid to the department.

SECTION 4. 217.10 (2) of the statutes is amended to read:

217.10 (2) Investigate, *at any time*, the business and examine the books, accounts, records and files used therein of every licensee or agent thereof ~~whenever it has reasonable cause to believe that there are grounds for revocation or suspension of license~~. The cost of each such examination shall be paid by every licensee so examined within 30 days after demand therefor by the ~~department~~ office, and the state may maintain an action for recovery of such costs in any court of competent jurisdiction;

SECTION 5. 217.11 (4) of the statutes is amended to read:

217.11 (4) Each licensee shall have at all times a minimum of \$1,000 of its own cash funds available for the uses and purposes of its business which minimum sum shall be exclusive of and in addition to funds received for exchange or transfer and in addition thereto each such licensee who does not maintain a bond in the maximum sum of ~~\$30,000~~ \$300,000 or securities in lieu of such bond as required by s. 217.06 (3) shall have at all times an amount of liquid funds which may include investments readily convertible into cash sufficient to pay on demand all outstanding money orders issued by it.

Approved December 15, 1969.

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