

Dear Money Transmitter:

The Department of Financial Institutions (DFI) is proposing to introduce a bill in the 2011 legislative session that will amend the Uniform Money Services Act. The proposal would authorize the DFI to obtain a court-issued subpoena for third party records in the course of an agency investigation. Although this is a technical amendment that will not likely have a direct impact on your business, DFI is providing you this notice because the proposal will modify the statute that governs Money Services Businesses like yours.

The agency is seeking this amendment as a result of a recent court decision. Before 2007, DFI could access third party records by issuing an administrative subpoena through our own authority. Now, however, the courts require judicial action to obtain a subpoena for third party records. The proposed legislation would establish a process for this to occur. The proposal requires a judge to objectively review the agency's request for third party records and to decide if the request has merit.

This proposed legislation will only apply to individuals who are under investigation because DFI believes that the individual is keeping monies in personal or other non-related business accounts. In addition to the Uniform Money Services Act, the proposal will amend other statutes administered by DFI, including: Escrow Agents (RCW 18.44); Franchise Investment Protections(RCW 19.100); Business Opportunity Frauds (RCW 19.110); Mortgage Broker Practices Act (RCW 19.146); Uniform Money Services Act (RCW 19.230); Securities Act (RCW 21.20); Commodity Transactions Act (RCW 21.30); Consumer Loan Act (RCW 31.04); and Check Cashers and Sellers Act (RCW 31.45).

We have discussed this proposal with Representative Santos who has indicated that she is supportive of our objective. If you have any concerns, questions, or need additional information about this proposed legislation, please email us at [cmele@dfi.wa.gov](mailto:cmele@dfi.wa.gov), or [dbortner@dfi.wa.gov](mailto:dbortner@dfi.wa.gov)