

(This Newsletter is a quarterly publication containing topics of interest to the categories of MSBs regulated by the Georgia Department of Banking and Finance. We hope that you will find this publication to be informative and valuable for providing information about the issues affecting your industry. If there are any issues you would like for the Department to highlight or address in future editions, please e-mail your questions or suggestions to dbfmort@dbf.state.ga.us.)

REGULATORY MATTERS

DEPARTMENT OF REVENUE REGULATIONS

As some of you may remember, the check cashing statutes previously contained a provision for an **exemption** category that 1) was limited in the amount which could be charged for cashing a check (\$2.00 or 2% of the face amount of the check); 2) required that the check could only be cashed if there was a simultaneous retail sale of goods or services; and 3) limited the gross check cashing fee income to an annual amount of \$25,000 per retail location.

In 2007, the check cashing statutes were simplified to clarify that **exempted** companies are those that do not charge a fee to cash a check, that **registered** entities were those that charged \$2.00 or 2% of the face amount of the check and which do not advertise, and **licensees** are those entities which can charge the full amounts allowed by statute and can advertise. The exemption category requiring an incidental sale of goods or services and which limited the check cashing fee income was removed.

However, for those licensees or registrants who are **retail liquor store** owners, the Georgia Department of Revenue's regulations have a provision restricting the secondary business activities of their licensees.

Georgia Department of Revenue Rule 560-2-3-.36 (1) appears to prohibit distilled spirit retailers (liquor store owners) from selling other products, except those specifically allowed in the regulation, and as related to check cashing as noted below:

560-2-3-.36 Products Other than Distilled Spirits for Sale, Display, or Offer.

(1) No retailer shall sell, offer for sale, display or keep in stock for sale or furnish at its licensed premises where distilled spirits are offered for sale, any other products or services **except** the following:

(j) Check cashing services **arising out of the sale of alcoholic beverages**; (emphasis added).

Basically, check cashing services "arising out of", or incidental to, the sale of distilled spirits (liquor) is allowed. However, the cashing of checks independent of a concurrent sale of alcoholic beverages is not permitted, **and any sale of money orders or the transmission of money as an agent for a Georgia seller of checks or money transmitter licensee is not allowed**. If you have questions, you are encouraged to contact the Georgia Department of Revenue at (404) 417-4477 or toll free at 1-(877) 602-8477.

In This Issue:

REGULATORY MATTERS

DOR Regulations	1
IRS Ruling-Tax Refunds	2
Surety Bonds	2
OTHER NEWS	
Semi-Annual Reporting: International Transfers	3
Action on Applications During the Previous Quarter/Closed Licensees	3 to 5
Department Contact Information	6




E-MAIL UPDATES!!! <https://bkgfin.dbf.state.ga.us/MSBUpdate.html>

A reminder – renewals are fast approaching – make certain we have the correct e-mail address for your license or registration so that you will receive the notices and correspondence!

FEDERAL REGULATORY ISSUES

FinCEN Clarifies Check Cashing

In January of this year, FinCEN clarified the requirements for registration with their agency as a check casher for purposes of compliance under the Bank Secrecy Act. They determined that a company that only cashes loan checks for customers who are obtaining loans would not be considered a money services business. This was published by the Financial Crimes Enforcement Network in an interpretative letter on Jan. 8, 2008. The unidentified company in the letter offers consumer lending services and tax return preparation. FinCEN said that if the company only cashes a given loan check for the customer who is obtaining the loan, and not for a third party, then the service is in effect disbursing loan proceeds in cash and would not be considered a check cashing business under FinCEN's regulations. FinCEN also noted that the company's registration of its securities with the Securities and Exchange Commission is not a factor in determining whether it is a money services business. Read more <http://www.fincen.gov/FIN-2007-R001.html>

State Regulatory Considerations

What does the FinCEN ruling mean for licensees and registrants? Under **ARTICLE 4A - CASHING CHECKS, DRAFTS, OR MONEY ORDERS FOR CONSIDERATION**, a business that:

- offers consumer lending services and tax return preparation which offers "refund anticipation" loans or similar services, and;
- charges a check cashing fee for cashing the loan or refund anticipation proceeds, and;
- may or may not choose to advertise this service;

is by definition a check cashing company, and a license or registration is required with the Department. The fee may or may not be a separate fee, but reflected as a reduction in the amount of the proceeds of the check. Nonetheless, it is still a fee, and as a check cashing company the fee must be properly

disclosed and reported, and the appropriate license/registration acquired.

SURETY BONDS

O. C. G. A §**7-1-683 License application; fee; bonding; alternative deposit of assets for check sellers.** Paragraph (b) (2), requires that licensees obtain and maintain financial standards in order to maintain their license.

The purpose of Surety Bonds is to provide a measure of performance protection on the part of the licensee to the consumer. For sellers of checks and money transmitters, the bond must be large enough to cover all outstanding transactions (outstanding checks or orders to transmit, but not yet paid) at any given time up to a given maximum within the code. These bonds are written to cover a specific time period and are generally renewed annually. If the licensee decides to stop doing business, they no longer need to provide a bond renewal. However, the existing bond up until the time of withdrawal or expiration of the license must be maintained with the Department for a period of two years (or until all outstanding transmission orders or checks have paid) to cover the outstanding transactions. For example, a money transmitter may have outstanding transactions that have been sent but not picked up by the beneficiary. The money transmitter must maintain coverage until those transactions are complete and all parties receive their funds.

The Department does not release bonds. The bond continues to exist to cover any claims that may be brought against the licensee for transactions that occurred in the timeframe that the bond covered. However, if the licensee's outstanding orders to transmit, but not yet paid for the time period covered are zero, the liability is also zero.

AGENTS

A reminder to all money transmitters and check sellers – when you enter agents into the system during the semi-annual reporting periods (next due June 2008), ALL agents have to have their own UNIQUE, separate, identifying number. NO SHARING OF AGENT NUMBERS IS ALLOWED, and possible fines could be assessed for failure to assign unique numbers for recordkeeping purposes.

A report of issues and topics of interest to Money Service Businesses licensed and registered by the Department of Banking and Finance

INTERNATIONAL TRANSFER REPORTING

In February, seller of checks/money transmission licensees were requested to report on money transmissions, providing the information as noted below. It has been determined that this information will be collected on a semi-annual basis going forward, along with the standard reporting of agents and average outstandings for the period. Therefore, please remember that when reporting, this additional information will be required.

- Number of transactions and total dollar amounts of money transmitted **from** all Georgia locations during the reporting period.

- Number of transactions and total dollar amounts of money transmitted **from** Georgia **to** international locations during the reporting period.
- A breakdown of transmissions and dollar amounts originated in Georgia **per nation** transmitted to during the reporting period.
- The **range** of fees charged for money transmission.

HOLIDAY CLOSING

The Department will be closed on Monday, April 28, for Confederate Memorial Day.

ACTION ON APPLICATIONS DURING THE PREVIOUS QUARTER

APPROVED CHECK CASHERS (License/Registration) - First Quarter 2008

Lic #	Company Name	DBA Name	City	Type	Approved
23100	Short Stop Grocery	Short Stop Grocery	COLLEGE PARK	L	01/03/2008
23102	Big G Grocery	Big G Grocery	COLLEGE PARK	R	01/03/2008
23105	Super Mercado Carrillo El Guero	Super Mercado Carrillo El Guero	GAINESVILLE	R	01/07/2008
23106	United Consolidated Accounting & Business Services	United Consolidated Accounting & Business Services	SMYRNA	L	01/07/2008
23103	GJD Check Cashing	GJD Check Cashing	GAINESVILLE	L	01/08/2008
23110	Evergreen Pawn	Evergreen Pawn	ADAIRSVILLE	R	01/08/2008
23111	S&R Package Store	S&R Package Store	MILLEDGEVILLE	R	01/09/2008
23112	Modern Agency, Inc./Silos Grocery	Silos Grocery	ALPHARETTA	L	01/09/2008
23107	Northland Title Pawn, LLC	Northland Financial Services	HIAWASSEE	L	01/10/2008
23113	Viva Mexico	Viva Mexico	ELLIJAY	R	01/10/2008
23122	Cash Express of Georgia, Inc.	Cash Express of Georgia	ALBANY	L	01/14/2008
23123	McDuffie Package Store	McDuffie Package Store	THOMSON	R	01/15/2008
23116	Discount Food Mart	Discount Food Mart	ATLANTA	L	01/16/2008
23124	Dixie Beverage Store	Dixie Beverage Store	CALHOUN	R	01/16/2008
23136		Kendra J. Bowen	LYONS	R	01/17/2008
23130	San Jose Tienda Mexicana	San Jose Tienda Mexicana	CARTERSVILLE	L	01/18/2008
23138	Air Digital Cellular	Air Digital Cellular	DORAVILLE	R	01/18/2008
23139	Griffin Package	Griffin Package	GRIFFIN	R	01/18/2008
23141	Shorter BP	Shorter BP	ROME	R	01/23/2008
23144	National Title Pawn of Lafayette, Inc.	National Title Pawn Lafayette	LAFAYETTE	L	01/25/2008
23145	Gorin's Homemade Cafe	Gorin's Homemade Cafe	DULUTH	R	01/25/2008
23161	Southlake Chevron	Southlake Chevron	MORROW	R	02/01/2008
23153	Ajax Liquors	Ajax Liquors	ALBANY	R	02/05/2008
23165	JJ's Liquor Store	JJ's Liquor Store	CARTERSVILLE	L	02/05/2008
23166	Cabanas Salvadorian -Rest #2	Cabanas Salvadorian Restaurant	MARIETTA	R	02/07/2008



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Lic #	Company Name	DBA Name	City	Type	Approved
23164	Morales Income Tax, Inc.	Morales Income Tax	DALTON	L	02/11/2008
23174		Robert Bailey	DUBLIN	R	02/11/2008
23181	Tadmore Food Mart	Tadmore Food Mart	GAINESVILLE	L	02/11/2008
23182	Village Financial Service, LLC	Huh's Check Cashing	GAINESVILLE	L	02/12/2008
23185		William Cumbee	AUGUSTA	R	02/12/2008
23186	Newstart Trucking, Inc.	Newstart	STOCKBRIDGE	R	02/12/2008
23187	Fairburn Food Mart	Fairburn Food Mart	ATLANTA	L	02/12/2008
23195	Mani's Food Mart	Mani's Food Mart	LITHIA SPRINGS	R	02/19/2008
23196	Piggly Wiggly	Piggly Wiggly	EAST POINT	R	02/19/2008
23198	Radium Springs Food Mart	Radium Springs Food Mart	ALBANY	R	02/19/2008
23199	R&R Quick Stop	R&R Quick Stop	DALTON	R	02/19/2008
23213	Fexom, LLC		MARIETTA	L	02/22/2008
23215	Fairburn Food Store	Fairburn Food Store	AUSTELL	R	02/22/2008
23216	Floyd Road Shopette	Floyd Road Shopette	AUSTELL	R	02/22/2008
23219	Anjali Ventrues, Inc.	RK Foods	MACON	L	02/26/2008
23220	Wasifa Enterprises, Inc.		BUFORD	R	02/26/2008
23221	Molino, Inc.	Molino Check Cashing	OAKWOOD	R	02/26/2008
23222	Zahara Enterprises, Inc.	Zee Check Cashing	MARIETTA	L	02/26/2008
23151	Sunny Food Mart	Sunny Food Mart	BROOKFIELD	R	02/28/2008
23238	Shree Jala, LLC	Crossroad #3	COCHRAN	R	02/29/2008
23239	Vaidehi Corporation	Quik Mart	PELHAM	L	02/29/2008
23237	DJHill Enterprises, LLC	Piedmont at Lindbergh Exxon	ATLANTA	L	03/04/2008
23241	Conner Ventures	Conner Ventures	SOPERTON	R	03/04/2008
23242	First Asia	First Asia	FOREST PARK	R	03/05/2008
23251	Saniha & Sameer, Inc.	Shell Food Mart	DOUGLASVILLE	L	03/10/2008
23252	KISS, LLC	Jacks Package Store	MABLETON	R	03/10/2008
23254	Seven Seas Bottle Shop, Inc.	Seven Seas Bottle Shop	POWDER SPRINGS	R	03/10/2008
23257	Sakshi Inc.	Quick Stop	WAYNESBORO	R	03/11/2008
23258	LAK Beverage, LLC	Crazy J's Party Shop	PERRY	R	03/11/2008
23259	Riley's Cellar, LLC	The Check Company	RED OAK	L	03/13/2008
23260	24/7 Enterprises LLC	Marathon Food Mart	ATLANTA	R	03/13/2008
23265	KP One Stop, Inc.	One Stop Food Store	CUTHBERT	R	03/17/2008
23266	Tienda Hidalgo	Tienda Hidalgo	CALHOUN	L	03/17/2008
23268	Krina & Chirag, Inc.	Shivam Food Mart	MACON	R	03/17/2008
23269	Cho's Texaco Food Mart, Inc.		NORCROSS	R	03/17/2008
23270	Sportsman's Package Store #2	Sportsman's Package Store #2	MACON	L	03/17/2008
23267	Global Communications Network, Inc.		VALDOSTA	R	03/24/2008
23292	OGA's Enterprises, Inc.	Big Bear Supermarket #1	ATLANTA	R	03/24/2008
23280	La Estrella Sport & Gift Shop	La Estrella Sport & Gift Shop	CHATSWORTH	R	03/28/2008
23294	Feather Touch, Inc.	Fast Cash	GRIFFIN	L	03/28/2008
23302	Murray Hill Sand, Inc.	B&B Check Cashing	Ellabell	L	03/31/2008
23301	Shlok, Inc.	Stop N Shop	Forsyth	R	03/31/2008
				TOTAL	67

R=Registrant L=Full Service



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EXPIRED/CLOSED CHECK CASHERS (License/Registration)

Lic #	Company	DBA Name	City	Type	Date Closed
23072	UMA Corporation APPdis APPR	Kanta Food Mart	VALDOSTA	RD	01/03/2008
22331	Valued Services of Georgia, LLC	Purpose Money	PEACHTREE CITY	LD	01/07/2008
21140	Junaid, Inc.	Discount Check Cashing & Grocery	ATLANTA	LD	01/15/2008
20485	Dhaban, Inc.	Downtown Beverages	LAVONIA	RD	01/25/2008
21694	Virginia Holdings LLC	Chevron Food Mart	ATLANTA	RD	01/31/2008
18272	Ishan, Inc.	Squire Package	PERRY	RD	02/04/2008
22060	Best Check Cashing, LLC	Best Financial, LLC	ATLANTA	LD	02/27/2008
22605	Wan Hee, Inc.	Jumbo Package Store	STONE MOUNTAIN	LD	03/03/2008
22649	Atlanta Drinks, LLC	Skyland Point Bottle Store	ATLANTA	LD	03/11/2008
Total					9

APPROVED/EXPIRED CHECK SELLERS/ MONEY TRANSMITTERS

Lic #	Company Name	DBA Name	City	ST
Approved Money Transmitters			Approved	
NONE				
Total				0
Closed Money Transmitters			Closed	
20686	Equimoney Transfer Services, Inc.	Equimoney Transfers	03/21/2008	Marietta GA
Total				1

APPROVED NAME CHANGE: CHECK SELLERS/ MONEY TRANSMITTERS

Lic #	Company Name	DBA Name	City	ST
Approved Money Transmitters			Approved	
20306	Americana de Servicios	Girocheck Financial, Inc.	03/17/2008	Miami FL
Total				1

Department Contact Information

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E-MAILING THE DEPARTMENT

The Department would like to encourage you to correspond with us using e-mail. Providing written details in the e-mail regarding any questions or concerns you may have allows the Department to forward the request to the appropriate person who handles that area, and if sufficient details are included in the request, that person can then more efficiently provide you an answer. The main Division e-mail address is dbfmort@dbf.state.ga.us

In the event you still need additional information or you do not receive a timely response to your e-mail, please contact us by phone.

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