

**PROPOSED REGULATION OF THE  
COMMISSIONER OF FINANCIAL INSTITUTIONS**

**LCB File No. R150-05**

October 20, 2005

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§1-19, 23, 24 and 25, section 28 of chapter 414, Statutes of Nevada 2005, at page 1688 (NRS 604A.300); §20, section 48 of chapter 414, Statutes of Nevada 2005, at page 1699 (NRS 604A.600), section 55 of chapter 414, Statutes of Nevada 2005, at page 1703, as amended by section 9 of chapter 6, Statutes of Nevada 2005, 22nd Special Session, at page 100 (NRS 604A.640), section 65 of chapter 414, Statutes of Nevada 2005, at page 1706, as amended by section 10 of chapter 6, Statutes of Nevada 2005, 22nd Special Session, at page 100 (NRS 604A.640), section 71.5 chapter 414, Statutes of Nevada 2005, as added by section 12 of chapter 6, Statutes of Nevada 2005 Special Session, at page 101 (NRS 604A.760); §§ 21 and 22, section 30 of chapter 414, Statutes of Nevada 2005, at page 1688 (NRS 604A.405).

A REGULATION relating to financial services; establishing standards and procedures for the licensing and regulation of check-services, deferred deposit loan services, certain short-term loan services and title loan services; establishing the amount of certain fees; repealing certain regulatory provisions governing check-cashing services and deferred deposit loans; and providing other matters properly relating thereto.

**Section 1.** Chapter 604A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 23, inclusive, of this regulation.

**Sec. 2.** *As used in this chapter, unless the context otherwise requires:*

- 1. The words and terms defined in sections 2.5 to 21.5, inclusive, of chapter 414 of Statutes of Nevada 2005, at page 1683, have the meanings ascribed to them in those sections.*
- 2. “License” means a license to operate a check-cashing service, deferred deposit loan service, short-term loan service or title loan service pursuant to the provisions of this chapter*

*and sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97.*

**Sec. 3.** *An application for a license must, in addition to the requirements set forth in section 48 of chapter 414, Statutes of Nevada 2005, at page 1699, include:*

- 1. The name under which the applicant proposes to conduct his business.*
- 2. A financial statement for the applicant's most recent fiscal year or a copy of the applicant's federal income tax return for each of the preceding 2 years, or both.*
- 3. For each person who owns at least 25 percent of the voting stock, partnership or member interests of the business of the applicant, a record of the personal history of the person. The record must be submitted on a form provided by the Commissioner.*

**Sec. 4.** *For the purposes of subsection 3 of section 54 of chapter 414, Statutes of Nevada 2005, at page 1702, the Commissioner interprets:*

- 1. "License" to mean an original license.*
- 2. "Location where he does business" to include each branch location where the licensee does business.*

**Sec. 5.** *A licensee shall not conduct any business under his license unless:*

- 1. He possesses each license and permit required by this State or a local government as a condition to conducting business; and*
- 2. The business location complies with the provisions of all applicable planning and zoning ordinances.*

**Sec. 6.** *If the Commissioner, pursuant to section 51 of chapter 414, Statutes of Nevada 2005, at page 1701, issues a license for an office or other place of business located outside of this State from which the licensee may conduct business in this State, the place of business is:*

- 1. Not required to be open to the public.*
- 2. Subject to any audit, examination or investigation authorized pursuant to the provisions of this chapter or sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97. The Commissioner will conduct the audit, examination or investigation in accordance with the terms of the agreement entered into with the licensee pursuant to section 51 of chapter 414, Statutes of Nevada 2005, at page 1701.*

*Sec. 7. The grounds for revocation or suspension of a license, in addition to the grounds set forth in section 68 of chapter 414, Statutes of Nevada 2005, at page 1707, as amended by section 11 of chapter 6, Statutes of Nevada 2005 Special Session, at page 100, are that the licensee:*

- 1. Is insolvent or in such financial condition that he cannot continue his business and ensure the financial safety of his customers;*
- 2. Issues a check to a customer that is not paid upon presentment because the account of the licensee contains insufficient funds or has been closed or the licensee has stopped payment on the check;*
- 3. Is grossly negligent or incompetent in performing any act for which he is required to have a license;*
- 4. Does not conduct his business in accordance with law;*
- 5. Makes a material misrepresentation of fact or fails to disclose a material fact that he knows or should have known concerning a transaction governed by this chapter and sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97;*

*6. Knowingly makes or causes to be made to the Commissioner any false representation of material fact;*

*7. Suppresses or withholds from the Commissioner any information that the licensee possesses concerning the existence of a fact or condition which would have justified the Commissioner in denying the licensee's original application for a license;*

*8. Refuses to submit to an audit, examination, investigation or hearing ordered by the Commissioner;*

*9. Fails to provide the Commissioner with any information requested by the Commissioner pursuant to this chapter or sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97;*

*10. Fails to pay any fees or assessments imposed on him pursuant to this chapter or sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97, or NRS 658.055 or 658.098;*

*11. Fails to maintain the surety bond as set forth in section 49 of chapter 414, Statutes of Nevada 2005, at page 1700, as amended by section 6 of chapter 6, Statutes of Nevada 2005 Special Session, at page 97, or the security in lieu of a surety bond as set forth in section 50 of chapter 414, Statutes of Nevada 2005, at page 1700, as amended by section 7 of chapter 6, Statutes of Nevada 2005 Special Session, at page 98; or*

*12. Engages in any other conduct that constitutes a deceitful, fraudulent or dishonest business practice, including, without limitation, a deceptive trade practice as defined in chapter 598 of NRS.*

*Sec. 8. The Commissioner may refuse to renew a licensee if the licensee violates any provision of this chapter or sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97, or NRS 658.055 or 658.098, including, without limitation, a provision that imposes a fee or assessment on the licensee.*

*Sec. 9. 1. A licensee who uses a form or standard loan agreement written in Spanish as required by section 31 of chapter 414, Statutes of Nevada 2005, at page 1689, notice of opportunity to enter into a repayment plan written in Spanish as required by section 42 of chapter 414, Statutes of Nevada 2005, at page 1694, or other form or standard document written in a language other than English shall cause the document to be translated into English and maintain together a copy of the document and its English translation.*

*2. A document translated pursuant to this section must be:*

*(a) Translated by a court interpreter who is certified by the Court Administrator in accordance with the provisions of NRS 1.510 and regulations adopted pursuant thereto.*

*(b) Accompanied by a certificate issued by the interpreter. The certificate must:*

*(1) Declare that the translated document is a true and complete translation of the document written in the language other than English;*

*(2) Identify the document written in a language other than English and its English translation;*

*(3) Include the date of translation; and*

*(4) Include the name, address, telephone number and e-mail address, if any, of the interpreter.*

3. *The Commissioner may require a licensee to provide a translation of any nonstandard document that is written in a language other than English.*

4. *The Commissioner may assess a licensee for all costs incurred by the Commissioner to verify the licensee's compliance with this section.*

**Sec. 10.** 1. *A licensee shall maintain written documentation to establish that, except as otherwise provided in section 33.5 of chapter 414, Statutes of Nevada 2005, at page 1690, and section 34 of chapter 414, Statutes of Nevada 2005, at page 1690, he has not made a:*

*(a) Deferred deposit loan that exceeds 25 percent of the expected gross monthly income of the customer when the loan is made; or*

*(b) Short-term loan that, under the terms of the loan agreement, requires any monthly payment that exceeds 25 percent of the expected gross monthly income of the customer.*

2. *A licensee shall maintain separate written documentation for each deferred deposit loan or short-term loan the licensee makes to a customer.*

3. *A licensee who fails to provide the Commissioner with the documentation required by this section is presumed to have violated section 33.5 of chapter 414, Statutes of Nevada 2005, at page 1690.*

**Sec. 11.** *Any document, notice, receipt or record for which a signature is required pursuant to the provisions of this chapter or sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97, may be signed electronically or digitally in accordance with the provisions of chapters 719 and 720 of NRS and any regulations adopted pursuant thereto.*

**Sec. 12.** *For the purposes of this chapter and sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97, the Commissioner interprets the term “licensee” to include:*

- 1. A branch office of a licensee conducting business at any location, including a place of business located outside this State from which the licensee conducts business in this State.*
- 2. An agent, employee, manager or officer of a licensee.*

**Sec. 13.** *A licensee who accepts a check as security for a short-term loan or title loan violates section 35 of chapter 414, Statutes of Nevada 2005, at page 1691, even if:*

- 1. The check is not negotiable; or*
- 2. The licensee does not negotiate the check.*

**Sec. 14.** *For the purposes of this chapter and sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97, the Commissioner interprets the term “books and accounting records” as used in section 60 of chapter 414, Statutes of Nevada 2005, at page 1705, to include, without limitation:*

- 1. A copy of each receipt given by a licensee to a customer pursuant to sections 39 to 42, inclusive, and 46 of chapter 414, Statutes of Nevada 2005, at pages 1693, 1694 and 1698.*
- 2. A record of each event that increases or decreases a customer’s indebtedness to the licensee. The record must include sufficient information to enable the Commissioner to reconcile the amount of the customer’s beginning balance with his ending or outstanding balance.*

**Sec. 15. 1.** *A licensee who is required to provide a customer with written notice of the opportunity to enter into a repayment plan pursuant to section 42 of chapter 414, Statutes of Nevada 2005, at page 1694, may deliver the written notice to the customer using any method of delivery that generates a record of the delivery.*

*2. A person who delivers a notice to a customer in person must execute an affidavit of delivery.*

**Sec. 16. 1.** *Except as otherwise provided in section 60 of chapter 414, Statutes of Nevada 2005, at page 1705, a licensee shall maintain for at least 3 years the original or a copy of each account, book, paper, written or electronic record or other document that concerns each loan or other transaction involving a customer in this State.*

*2. Except as otherwise provided in section 51 of chapter 414, Statutes of Nevada 2005, at page 1701, those records must be maintained at a place of business in this State designated by the licensee.*

**Sec. 17. 1.** *A licensee shall not:*

*(a) Require or accept a guarantor to a transaction entered into with a customer.*

*(b) Issue his own check to a customer unless the check is drawn on an account that is:*

*(1) Insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755;*

*(2) Identified as belonging to the licensee; and*

*(3) Maintained in a depository institution authorized to do business in this State.*

*(c) Use any device, subterfuge, pretense or deceptive means or representations to collect on a check.*

*(d) Collect or attempt to collect any interest incidental to the check other than the fees set forth in this chapter and sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97.*

*(e) Operate his business from any location other than the location listed on his license.*

*(f) Harass the employer of a customer in attempting to collect on a check.*

*(g) Advertise for sale or threaten to advertise for sale any check as a means to enforce payment of the check, unless the licensee is acting pursuant to a court order.*

*(h) Except as otherwise provided in this paragraph, publish or post, or cause to be published or posted, a list of customers who have not paid on their checks. A licensee may publish or post such a list for the benefit of his agents, employees, officers, managers, stockholders or membership in connection with the internal affairs of the licensee. This provision does not prevent a licensee from providing information concerning a customer to a consumer reporting agency.*

*2. This section does not prohibit a licensee from selling his receivables or assigning past due receivables to a collection agent for collection.*

*3. As used in this section, "consumer reporting agency" has the meaning ascribed to it in section 603(f) of the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f).*

**Sec. 18.** *A foreign corporation, association, trust or other business entity shall not operate a check-cashing service, deferred deposit loan service, short-term loan service or title loan service in this State unless the foreign business entity:*

*1. Qualifies to do business in this State pursuant to chapter 80 of NRS; and*

*2. Complies with the provisions of this chapter and sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97.*

**Sec. 19.** *A licensee shall not advertise in any manner that:*

- 1. May tend to confuse the identity of the licensee with any other unrelated licensee.*
- 2. States or implies that a loan of a prospective borrower with another licensee will be paid or increased if the loan is transferred to the advertising licensee.*

**Sec. 20.** *1. The nonrefundable application fee required pursuant to section 48 of chapter 414, Statutes of Nevada 2005, at page 1699, is \$400 plus \$100 for each additional license for a branch location at which the applicant proposes to operate under his license.*

*2. The additional application fee required pursuant to section 48 of chapter 414, Statutes of Nevada 2005, at page 1699, is \$375 plus \$75 for each additional license for a branch location at which the applicant proposes to operate under his license. The Commissioner may refund the fee on a prorated basis if:*

- (a) An applicant withdraws his application before the Commissioner acts on the application;*
- (b) The Commissioner deems an application to be withdrawn because the applicant fails to submit all information and fees required to complete the application within the period set forth in section 48 of chapter 414 of Statutes of Nevada 2005, at page 1699; or*
- (c) A licensee surrenders his license pursuant to section 69 of chapter 414 of Statutes of Nevada 2005, at page 1708, during his first year of licensure.*

*3. The fee to renew a license required pursuant to section 55 of chapter 414, Statutes of Nevada 2005, at page 1703, as amended by section 9 of chapter 6, Statutes of Nevada 2005*

*Special Session, at page 100, is \$375 plus \$75 for each branch location at which the licensee is authorized to operate under the license.*

*4. The fee for reinstatement of an expired license as set forth in section 55 of chapter 414, Statutes of Nevada 2005, at page 1703, as amended by section 9 of chapter 6, Statutes of Nevada 2005 Special Session, at page 100, is \$150 plus \$50 for each branch location at which the licensee is authorized to operate under the license.*

*5. The hourly fee authorized in section 65 of chapter 414, Statutes of Nevada 2005, at page 1706, as amended by section 10 of chapter 6, Statutes of Nevada 2005 Special Session, at page 100, for supervision, audit, examination, investigation or hearing is \$60.*

*6. The late fee for each a day a licensee fails to submit a report required pursuant to the provisions of sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97, as set forth in section 71.5 of chapter 414, Statutes of Nevada 2005, as added by section 12 of chapter 6, Statutes of Nevada 2005 Special Session, at page 101, is \$10.*

*7. The Commissioner shall bill each licensee for any fee or assessment imposed pursuant to the provisions of this chapter and sections 2 to 74, inclusive, of chapter 414, Statutes of Nevada 2005, at page 1683, and sections 5 to 14, inclusive, of chapter 6, Statutes of Nevada 2005 Special Session, at page 97. The licensee shall pay the fee within 30 days after the date the licensee receives the bill. Except as otherwise provided in this subsection, any payment received after the date due must include a penalty of 10 percent of the fee, plus an additional 1 percent of the fee for each month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.*

**Sec. 21. 1.** *The notice required by paragraph (a) of subsection 1 of section 30 of chapter 414, Statutes of Nevada 2005, at page 1688, must:*

- (a) Comply with the applicable provisions of Regulation Z and the Truth in Lending Act.*
- (b) Set forth the actual fees charged for each service.*
- (c) Except as otherwise provided in subsection 2, be in substantially the following form:*

***NOTICE OF FEES CHARGED FOR SERVICES***

*Check-cashing fee:..... \$\_\_\_\_.*

*Deferred deposit loan fee: ... \$\_\_\_\_.*

*Short-term loan fee: ..... \$\_\_\_\_.*

*Title loan fee: ..... \$\_\_\_\_.*

*(d) If printed, be in boldface type. Information that must be printed in all upper case letters must be printed in at least 18-point type. All other information must be printed in at least 16-point type.*

*(e) If handwritten or displayed digitally or by other electronic means, be in characters that are equivalent in intensity, legibility and size to the characters required for printed matter.*

*2. A licensee shall not include in this notice a fee for any service that he is not licensed to provide.*

**Sec. 22. 1.** *The notice required pursuant to paragraph (b) of subsection 1 of section 30 of chapter 414, Statutes of Nevada 2005, at page 1688, must:*

- (a) Be in substantially the following form:*

***NOTICE OF RIGHT TO CONTACT THE OFFICE OF THE COMMISSIONER OF  
FINANCIAL INSTITUTIONS REGARDING CONCERNS OR COMPLAINTS***

*You may contact the Office of the Commissioner of Financial Institutions regarding concerns or complaints about the service provider with whom you are dealing by calling the following toll free telephone number in Nevada: 1 (866) 858-8951.*

*(b) If printed, be in boldface type. Information that must be printed in all upper case letters, and the telephone number, must be printed in at least 18-point type. All other information must be printed in at least 16-point type.*

*(c) If handwritten or displayed digitally or by other electronic means, be in characters that are equivalent in intensity, legibility and size to the characters required for printed matter.*

*2. Before making a loan to a customer, a licensee shall provide the customer with a printed disclosure that includes the information set forth in this notice. The notice must be printed in boldface type. Information that must be printed in all upper case letters, and the telephone number, must be printed in at least 14-point type. All other information must be printed in at least 12-point type.*

**Sec. 23.** *1. A licensee shall prominently display at each location where he does business a notice that sets forth the days of the week and the hours of the day that the location is open for business.*

*2. A customer who is entitled or required to perform an act within a prescribed period, including a customer entitled to rescind a loan pursuant to section 39 of chapter 414 of*

*Statutes of Nevada 2005, at page 1693, may perform the act at any time before the close of business on the last day within the prescribed period. If the last day is not a business day, or the location is not otherwise open for business on that day, the period during which the customer may perform the act is extended until the next business day at that location.*

*3. If a licensee closes a business location earlier than the time of day set forth in the licensee's notice, the period during which the customer may perform the act is extended until the close of business on the next business day on which the location remains open for business until the time set forth in the notice.*

*4. For the purposes of this section, the business day of a location that is open for business after midnight shall be deemed to end at midnight.*

**Sec. 24.** Chapter 658 of NAC is hereby amended by adding thereto a new section to read as follows:

*The Commissioner of Financial Institutions interprets the term "financial institution" as used in NRS 658.055 to have the meaning ascribed to it in NRS 232.545.*

**Sec. 25.** NAC 604.010, 604.020, 604.030, 604.040, 604.050, 604.060, 604.070, 604.080, 604.090, 604.100, 604.110, 604.120, 604.130, 604.140, 604.150, 604.160, 604.170, 604.200, 604.210, 604.220 and 604.250 are hereby repealed.

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## TEXT OF REPEALED SECTIONS

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**604.010 Definitions. (NRS 604.170)** As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 604.020 to 604.090, inclusive, have the meanings ascribed to them in those sections.

**604.020 “Cashing” defined. (NRS 604.170)** “Cashing” has the meaning ascribed to it in NRS 604.020.

**604.030 “Check” defined. (NRS 604.170)** “Check” has the meaning ascribed to it in NRS 604.030.

**604.040 “Check-cashing service” defined. (NRS 604.170)** “Check-cashing service” has the meaning ascribed to it in NRS 604.040.

**604.050 “Commissioner” defined. (NRS 604.170)** “Commissioner” means the Commissioner of Financial Institutions.

**604.060 “Deferred deposit” defined. (NRS 604.170)** “Deferred deposit” has the meaning ascribed to it in NRS 604.060.

**604.070 “Deferred deposit service” defined. (NRS 604.170)** “Deferred deposit service” has the meaning ascribed to it in NRS 604.070.

**604.080 “Division” defined. (NRS 604.170)** “Division” means the Division of Financial Institutions of the Department of Business and Industry.

**604.090 “Registrant” defined. (NRS 604.170)** “Registrant” has the meaning ascribed to it in NRS 604.080.

**604.100 Application for registration. (NRS 604.170)** An application for registration as a check-cashing service or deferred deposit service must:

1. Be verified;
2. State the location of the principal office and any branch offices in this state of the applicant;
3. State the name under which the applicant will conduct business;
4. List the name, capacity, title, residential address and business address and phone number of each person having an interest in the business, including, without limitation, any principal, partner, officer, manager, trustee and director;
5. Include, on a form provided by the Division, a record of the personal history of each person having at least 25 percent ownership of the voting stock, partnership or member interest of the entity seeking registration;
6. Indicate the general plan and character of the business, including, without limitation, whether the company engages in check-cashing only or deferred deposit service only, or both;
7. State the length of time the applicant has provided check-cashing services or deferred deposit services, or both;
8. Include a financial statement of the applicant;
9. Include evidence:
  - (a) On a form provided by the Commissioner, that the applicant has obtained a \$50,000 surety bond made payable to the State of Nevada pursuant to NRS 604.110; or

(b) That the applicant has deposited cash or securities in lieu of a surety bond pursuant to NRS 604.120;

10. Include the name of the manager or other person responsible for the operation of any office of the applicant that the applicant is seeking to register; and

11. If required by the Commissioner, include a set of fingerprints of the applicant pursuant to NAC 657.010.

**604.110 Requirements for issuance of certificate; display of certificate. (NRS 604.170)**

1. The Commissioner will issue a certificate of registration to an applicant to operate a check-cashing service or deferred deposit service if the applicant:

(a) Submits an application with the contents set forth in NRS 604.100 and NAC 604.100;

(b) Submits an application for the principal office and lists each branch that he wishes to operate in this state;

(c) Demonstrates in his financial statement that he is financially solvent; and

(d) Submits the information required pursuant to subsection 2.

2. An applicant, or each general partner, manager, officer and director of an applicant that is a partnership, corporation or other business entity, must submit with his application satisfactory proof that he:

(a) Has a reputation for honesty, trustworthiness and integrity;

(b) Is competent to operate a check-cashing service or deferred deposit service in a manner that safeguards the interests of the general public;

(c) Has not been convicted of a felony or any crime involving fraud, misrepresentation or moral turpitude;

(d) Has not made a false statement of material fact on his application;

(e) Has not had a certificate of registration issued pursuant to chapter 604 of NRS suspended or revoked within the 10 years immediately preceding the date of his application;

(f) Has not had a certificate of registration or similar certification or license that was issued in any other jurisdiction suspended or revoked within the 10 years immediately preceding the date of his application; and

(g) Has not violated any provision of chapter 604 of NRS or this chapter.

3. The Commissioner will issue a separate certificate of registration for each office at which an applicant will operate a check-cashing service or a deferred deposit service. Such an applicant shall prominently display the certificate of registration at the office for which the certificate was issued.

4. A certificate of registration entitles the holder to engage in the activities authorized by chapter 604 of NRS and this chapter at the address set forth on the certificate.

**604.120 Refusal to issue and order to suspend certificate; request for hearing. (NRS 604.170)**

1. The Commissioner will provide that written notice of a refusal to issue a certificate of registration to an applicant or of an order to suspend the certificate of registration of a registrant will be served personally upon or sent by certified mail or by telegraph to the applicant or registrant.

2. The applicant or registrant may, not more than 20 days after the applicant or registrant receives notice pursuant to subsection 1, request in writing that the Commissioner hold a hearing concerning the refusal or suspension. If the applicant or registrant fails to make a written request within 20 days after he receives notice, the Commissioner will enter a final order concerning the refusal or suspension.

**604.130 Grounds for denial, suspension or revocation of or placement of conditions on certificate; administrative fine. (NRS 604.170)**

1. The Commissioner may:

(a) Suspend, revoke or place conditions upon the certificate of registration of a registrant, if the registrant:

(1) Is insolvent or in such financial condition that he cannot continue his business and ensure the financial safety of his customers;

(2) Is grossly negligent or incompetent in performing any act for which he is required to register pursuant to chapter 604 of NRS;

(3) Does not conduct his business in accordance with law;

(4) Violates any provision of chapter 604 of NRS or this chapter;

(5) Makes a material misrepresentation of fact or fails to disclose a material fact that he knew or should have known concerning a transaction governed by chapter 604 of NRS or this chapter;

(6) Knowingly makes or causes to be made to the Commissioner any false representation of material fact;

(7) Suppresses or withholds from the Commissioner any information that the registrant possesses, which, if submitted to the Commissioner, would have rendered the registrant ineligible to be registered pursuant to chapter 604 of NRS or this chapter;

(8) Refuses to permit an examination of his books and affairs by the Commissioner;

(9) Refuses or fails within a reasonable time to provide the Commissioner with any information that the Commissioner requires pursuant to chapter 604 of NRS or this chapter;

(10) Is convicted of a felony or any crime involving fraud, misrepresentation or moral turpitude;

(11) Refuses or fails to pay within a reasonable time any expenses assessed to registrants pursuant to chapter 604 of NRS or this chapter; or

(12) Engages in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(b) Require a registrant to pay an administrative fine of not more than \$1,000 for each violation of a provision of chapter 604 of NRS or this chapter; or

(c) Impose upon a registrant any combination of the penalties set forth in paragraphs (a) and (b).

2. It is sufficient cause for the Commissioner to refuse to issue or to revoke a certificate of registration of a registrant that is a partnership, corporation or other business entity if any member of the partnership or business entity or any officer or director of the corporation has been found to have committed an act or omission which would be cause for refusing or revoking the registration of a natural person.

3. Each day on which a person violates a provision of chapter 604 of NRS or this chapter is a separate violation under this section.

**604.140 Suspension of registration for failure to provide surety bond or securities; hearing. (NRS 604.170)**

1. The Commissioner may suspend the registration of a registrant who fails to:

(a) Provide the surety bond required pursuant to NRS 604.110; or

(b) Deposit cash or securities pursuant to NRS 604.120.

2. If requested by the registrant in writing, a hearing on the suspension must be held as soon as practicable, but in no event later than 10 business days after the request for a hearing.

**604.150 Contents of form for entering into deferred deposit transaction; general information application. (NRS 604.170)**

1. A registrant shall use a form for entering into a deferred deposit transaction with a customer. The registrant may use one form to enter into more than one transaction with a customer.

2. The form must include, without limitation, for each transaction:

(a) Notification of:

(1) The fee that the registrant will charge; and

(2) The service that the registrant will provide for the fee;

(b) An explanation of how the registrant will:

(1) Collect the fee;

(2) Apply the fee to any existing obligations of the customer; and

(3) Apply any payment the customer makes on a check to the obligation of the customer;

and

(c) Space for the customer to sign for each transaction.

3. A registrant may require a customer to:

(a) Complete an initial general information application to determine the credit worthiness and feasibility of conducting business with the customer; and

(b) Periodically update the information on the initial general information application.

**604.160 Maintenance of records by registrant. (NRS 604.170)** A registrant shall maintain for a period of 3 years at an office in this state designated by the registrant a copy or the

original of all records pertaining to each transaction with a customer that occurs in this state, including, without limitation, all of the following:

1. The documentation for each deferred deposit transaction with a customer that is required pursuant to NRS 604.060.
2. The written notice of the fees charged for cashing a check or entering into a deferred deposit transaction signed by each customer. The registrant shall have a customer sign a separate notice for a transaction in which the fee charged is different from the fee described in any notice previously signed by the customer.
3. A written agreement for each agreement with a customer, which may include, without limitation, an agreement to extend the time of a deposit; and
4. Any disclosures given to customers to comply with federal law.

**604.170 Public inspection of records filed with Commissioner. (NRS 604.170)** Except as otherwise provided by law, all papers, documents, reports and other written instruments filed with the Commissioner pursuant to chapter 604 of NRS and this chapter are open to public inspection, except that the Commissioner may withhold from public inspection, for such time as he considers necessary, information that in his judgment is required to be withheld to protect the public welfare or the welfare of a registrant.

**604.200 Prohibited acts. (NRS 604.170)**

1. A registrant or his employee shall not:
  - (a) Take any form of collateral as a condition for entering into a transaction with a customer.
  - (b) Require or accept a guarantor to a transaction entered into with a customer, except that the registrant may require, as a condition of providing a check-cashing service, that the customer provide a check guarantee card issued by a depository institution.

(c) Cash a check of the customer in any manner other than by providing the customer with cash or by issuing the customer a check from the registrant. If the registrant issues the customer his own check, the registrant shall draw the check on an insured account that is identified as belonging to the registrant and is maintained in a depository institution authorized to do business in this state. If a check that is issued by a registrant is not paid upon presentation because of insufficient funds, the registrant will be subject to disciplinary action provided for within this chapter.

(d) Use any device, subterfuge, pretense or deceptive means or representations to collect on a check.

(e) Collect or attempt to collect any interest incidental to the check other than the fees disclosed pursuant to NRS 604.160.

(f) Operate his business from any location, address or post office box other than the location listed on his license.

(g) Harass the employer of a customer in attempting to collect on a check.

(h) Advertise for sale or threaten to advertise for sale any check as a means to enforce payment of the check, unless the registrant is acting pursuant to a court order.

(i) Publish or post, or cause to be published or posted, a list of customers who have not paid on their checks, except that the registrant may publish or post such a list for the benefit of his stockholders or membership in relation to the internal affairs of the registrant.

2. This section does not prohibit a registrant from selling his receivables or assigning past due receivables to a collection agent for collection.

**604.210 Action by Commissioner for suspected misconduct of business after investigation. (NRS 604.170)**

1. If upon investigation it appears that a check-cashing service or deferred deposit service is conducting its business in violation of chapter 604 of NRS or this chapter or when it appears that a person is engaging in the business of a check-cashing service or deferred deposit service without being registered pursuant to the provisions of chapter 604 of NRS and this chapter, the Commissioner may:

(a) Advise the district attorney of the county in which the business is conducted. The district attorney shall cause the appropriate legal action to be taken to enjoin the operation of the business or prosecute the violation of chapter 604 of NRS.

(b) Bring suit in the name and on behalf of the State of Nevada against such a person and any other person concerned in or in any way participating in or about to participate in such unsafe or injurious practices or action in violation of chapter 604 of NRS or this chapter to enjoin any such person from continuing or engaging in such practices or doing any such act.

2. If the Commissioner brings suit, the district court of any county of this state may grant an injunction to prevent and restrain such practices or transactions. The court may, during the pendency of the proceedings before it, issue such temporary restraining orders as may appear to be just and proper. The findings of the Commissioner shall be deemed to be prima facie evidence and sufficient ground, in the discretion of the court, for the issuance ex parte of a temporary restraining order. In any such court proceedings the Commissioner may apply for and on due showing is entitled to have issued the court's subpoena requiring forthwith the appearance of any defendant and his employees and the production of documents, books and records as appear necessary for the hearing of the petition, to testify and give evidence concerning the acts or conduct or things complained of in the application for an injunction.

**604.220 Responsibilities of Commissioner for administration and enforcement of chapter. (NRS 604.170)** The Commissioner may:

1. Conduct investigations to determine whether a registrant has violated a provision of chapter 604 of NRS or this chapter.
2. Conduct any other examination, periodic or special audit, investigation or hearing that is necessary for the efficient administration of the provisions of chapter 604 of NRS and this chapter.
3. Classify as confidential any records or information that the Division obtains from a governmental agency upon the express condition that the records or information remain confidential or are confidential pursuant to any other state or federal law. This subsection does not in any way limit examination by the Legislative Auditor.
4. Conduct any examination or investigation that is necessary to ensure that an applicant satisfies the requirements set forth in chapter 604 of NRS and this chapter for obtaining a certificate of registration at the time the applicant submits the application.

**604.250 Operation prohibited without compliance with certain requirements. (NRS 604.170)** A foreign corporation, association or business trust shall not operate a check-cashing service or deferred deposit service in this state unless the foreign corporation, association or business trust:

1. Qualifies to do business in this state pursuant to chapter 80 of NRS; and
2. Complies with the provisions of chapter 604 of NRS and this chapter.