

§6107. Bond or other security device

1. Bond or other security device required. Each application must be accompanied by a surety bond, irrevocable letter of credit or other similar security device, referred to in this section as a "security device," in the amount of \$100,000. The security device must be in a form satisfactory to the administrator and must run to the administrator for the benefit of any claimants against the licensee to secure the faithful performance of the obligations of the licensee with respect to the receipt, handling, transmission and payment of money in connection with the sale and issuance of payment instruments and transmission of money. In the case of a bond, the aggregate liability of the surety may not exceed the principal sum of the bond. Any claim against the bond or security device may be the subject of an administrative hearing and order pursuant to section 6121.

[PL 1997, c. 155, Pt. A, §2 (NEW).]

2. Deposit in lieu of security device. In lieu of a security device or of any portion of the principal of the security device, as required by this section, the licensee may deposit with the administrator, or with such banks in this State as the licensee may designate and the administrator may approve, cash, interest-bearing stocks and bonds, notes, debentures or other obligations of the United States or any agency or instrumentality of the United States, or guaranteed by the United States, or of this State, or of a city, county, town, village, school district or instrumentality of this State, or guaranteed by this State, to an aggregate amount, based upon principal amount or market value, whichever is lower, of not less than the amount of the security device or portion of the security device. The securities or cash must be deposited as and held to secure the same obligations as would the security device, but the depositor is entitled to receive all interest and dividends on the security device, has the right, with the approval of the administrator, to substitute other securities for those deposited, and is required to do so on written order of the administrator made for good cause shown.

[PL 1997, c. 155, Pt. A, §2 (NEW).]

3. Cancellation. The security device remains in effect until cancellation, which may occur only after 30 days' written notice to the administrator. Cancellation does not affect any liability incurred or accrued during that period.

[PL 1997, c. 155, Pt. A, §2 (NEW).]

4. Five-year limit. The security device remains in place for 5 years after the licensee ceases money transmission operations in the State. Notwithstanding this provision, the administrator may permit the security device to be reduced or eliminated prior to that time to the extent that the amount of the licensee's payment instruments outstanding in this State are reduced. The administrator may also permit a licensee to substitute a letter of credit or other form of security device acceptable to the administrator for the security device in place at the time the licensee ceases money transmission operations in the State.

[PL 1997, c. 155, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 1997, c. 155, §A2 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Regular and First Special Session of the 131st Maine Legislature and is current through November 1, 2023. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.