



IMPORTANT INFORMATION REGARDING REGULATORY REQUIREMENTS AND YOUR AGENT AGREEMENT FOR STATE OF OREGON AGENTS

The Compliance with Laws section of your contract with CheckFreePay Corporation is hereby amended to include the following:

“Agent understands and agrees that it is subject to the Oregon Revised Statutes, Sections 717.270 thru 717.280 that are included herein and are hereby made appendices to the agreement between Agent and CheckFreePay. Agent shall operate in full compliance with the Oregon Revised Statutes.”

717.270 Conduct of money transmission business through authorized delegates; contracts. Licensees desiring to conduct a money transmission business through authorized delegates shall authorize each delegate to operate pursuant to an express written contract. The contract shall specify the following:

- (1) That the licensee appoints the person as the licensee’s delegate with authority to engage in money transmission on behalf of the licensee;
- (2) That neither a licensee nor an authorized delegate may authorize subdelegates without the written consent of the Director of the Department of Consumer and Business Services; and
- (3) That licensees, authorized delegates and subdelegates are subject to supervision and regulation by the director. [1999 c.571 §16]

717.275 Requirements for authorized delegates.

- (1) An authorized delegate shall not make any fraudulent or false statement or misrepresentation to a licensee or to the Director of the Department of Consumer and Business Services.
- (2) All money transmission activities conducted by authorized delegates shall be strictly in accordance with the licensee’s written procedures provided to the authorized delegate.
- (3) An authorized delegate shall remit all money owing to the licensee in accordance with the terms of the contract between the licensee and the authorized delegate. The failure of an authorized delegate to remit all money owing to a licensee within the time prescribed shall result in liability of the authorized delegate to the licensee for three times the licensee’s actual damages.
- (4) An authorized delegate is considered to consent to the director’s inspection, with or without prior notice to the licensee or authorized delegate, of the books and records of the authorized delegate when the director has a reasonable basis to believe that the licensee or authorized delegate is in noncompliance with ORS 717.200 to 717.320, 717.900 and 717.905.
- (5) An authorized delegate is under a duty to act only as authorized under the contract with the licensee. An authorized delegate that exceeds the delegate’s authority is subject to cancellation of the delegate’s contract and further disciplinary action by the director.
- (6) All funds, not including fees, received by an authorized delegate from the sale or delivery of a payment instrument issued by a licensee, or received by an authorized delegate for transmission, shall constitute trust funds owned by and belonging to the licensee during the period beginning when the funds are received by the authorized delegate and ending when the funds or an equivalent amount are remitted by the authorized delegate to the licensee. If an authorized delegate commingles any such funds with any other funds or property owned or controlled by the authorized delegate, all commingled proceeds and other property shall be impressed with a trust in favor of the licensee in an amount equal to the amount of the proceeds due the licensee.
- (7) An authorized delegate shall report to the licensee the theft or loss of payment instruments within 24 hours from the time the authorized delegate first knows of the theft or loss. [1999 c.571 §17]

717.280 Order suspending or barring authorized delegate; grounds; appeals.

- (1) For any reason specified in subsection (2) of this section, the Director of the Department of Consumer and Business Services may issue an order suspending or barring an authorized delegate from continuing to be or becoming an authorized delegate during the period specified in the order. An order issued under this section shall require the licensee to terminate the licensee's relationship with the authorized delegate during the period specified in the order.
- (2) The director may issue an order under subsection (1) of this section if the director finds that an authorized delegate or any director, officer, employee or controlling person of the authorized delegate has:
 - (a) Violated any provision of ORS 717.200 to 717.320, 717.900 and 717.905 or of any rule adopted or order issued under ORS 717.200 to 717.320, 717.900 and 717.905;
 - (b) Engaged or participated in any unsafe or unsound act with respect to the business of selling or issuing payment instruments of the licensee or the business of money transmission; or
 - (c) Made or caused to be made in any application or report filed with the director, or in any proceeding before the director, any statement that was, at the time and in the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact that is required to be stated in the application or report.
- (3) Except as provided in subsection (4) of this section, the director shall not issue an order under this section without opportunity for a hearing in accordance with ORS chapter 183.
- (4) If required for the immediate protection of the public interest, an authorized delegate may be suspended without a hearing in accordance with ORS 183.430 (2).
- (5) An order of the director suspending or barring an authorized delegate under this section shall state the grounds upon which the order is based and, except for a summary order issued in accordance with ORS 183.430 (2), shall not become effective for at least 20 days after written notice of the order has been sent by registered or certified mail to the authorized delegate at the authorized delegate's principal place of business.
- (6) Appeals from an order of the director suspending or barring an authorized delegate may be taken to the courts of this state as provided by ORS chapter 183. [1999 c.571 §18]

This Amendment shall be subject to such conditions and limitations as are specified herein, and the rights of the parties under the Agreement shall be otherwise unaffected and all terms and conditions of the Agreement shall remain in full force and effect. In the event of conflicting provisions between this Amendment and the Agreement, the provisions of this Amendment shall govern.

FOR AGENT:

Agent Corporate Name: _____

Signature: _____

Name Printed: _____

Title: _____

Date: _____