

533C.401 Acquisition of control.

1. Any person, or group of persons acting in concert, seeking to acquire control of a licensee shall obtain the written approval of the superintendent prior to acquiring control. An individual is not deemed to acquire control of a licensee and is not subject to acquisition of control provisions when that individual becomes a key individual in the ordinary course of business.

2. A person is presumed to exercise a controlling influence when the person holds the power to vote, directly or indirectly, at least ten percent of the outstanding voting shares or voting interests of a licensee or person in control of a licensee. A person presumed to exercise a controlling influence can rebut the presumption of control if the person is a passive investor.

3. For purposes of determining the percentage of a person controlled by any other person, the person's interest shall be aggregated with the interest of any other immediate family member, including the person's spouse, parents, children, siblings, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and any other person who shares such person's home.

4. A person, or group of persons acting in concert, seeking to acquire control of a licensee shall, in cooperation with the licensee, submit an application in a form and in a medium prescribed by the superintendent and a nonrefundable fee of one thousand dollars with the request for approval.

5. Upon request, the superintendent may permit a licensee or the person, or group of persons acting in concert, to submit some or all information required by the superintendent pursuant to [subsection 4](#) without using NMLS.

6. The application required by [subsection 4](#) shall include information required by [section 533C.304](#) for a licensee, including for any new key individuals that have not previously completed the requirements.

7. When an application for acquisition of control under [this section](#) appears to include all the items and address all of the matters that are required, the application shall be considered complete and the superintendent shall promptly notify the applicant in a record of the date on which the application was determined to be complete. The application is approved and the person, or group of persons acting in concert, are permitted to acquire control sixty-one days after application completion, unless denied or approved earlier by the superintendent. The superintendent may for good cause extend the application period.

8. A determination by the superintendent that an application is complete and is accepted for processing means only that the application, on its face, appears to include all of the items and address all of the matters that are required, and is not an assessment of the substance of the application or of the sufficiency of the information provided.

9. When an application is filed and considered complete under [subsection 7](#), the superintendent shall investigate the financial condition and responsibility, financial and business experience, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control. The superintendent shall approve an acquisition of control pursuant to [this section](#) if the superintendent finds that all of the following conditions have been fulfilled:

a. The requirements of [subsections 4 and 6](#) have been met, as applicable.

b. The financial condition and responsibility, financial and business experience, competence, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control, and of the key individuals and persons that would be in control of the licensee indicate that it is in the interest of the public to permit the applicant to control the licensee.

10. If an applicant avails itself or is otherwise subject to a multistate licensing process, the superintendent is authorized and encouraged to accept the investigation results of a lead investigative state for the purpose of [subsection 9](#) if the lead investigative state has sufficient staffing, expertise, and minimum standards. If this state is a lead investigative state, the superintendent is authorized and encouraged to investigate the applicant pursuant to [subsection 9](#) and the time frames established by agreement through the multistate licensing process.

11. The superintendent shall issue a formal written notice of the denial of an application to

acquire control within thirty days of the decision to deny the application. The superintendent shall set forth in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the superintendent under [this section](#) may appeal within thirty days after receipt of the written notice of the denial.

12. The requirements of [subsections 1 and 4](#) shall not apply to any of the following:

a. A person that acts as a proxy for the sole purpose of voting at a designated meeting of the shareholders or holders of voting shares or voting interests of a licensee or a person in control of a licensee.

b. A person that acquires control of a licensee by devise or descent.

c. A person that acquires control of a licensee as a personal representative, custodian, guardian, conservator, or trustee, or as an officer appointed by a court of competent jurisdiction or by operation of law.

d. A person that is exempt under [section 533C.103, subsection 4](#).

e. A person that the superintendent determines is not subject to [subsection 1](#) based on the public interest.

f. A public offering of securities of a licensee or a person in control of a licensee.

g. An internal reorganization of a person in control of the licensee where the ultimate person in control of the licensee remains the same.

13. Persons specified in [subsection 12](#), paragraphs “b”, “c”, “d”, “f”, and “g”, in cooperation with the licensee, shall notify the superintendent within fifteen days after the acquisition of control.

14. The requirements of [subsections 1 and 4](#) shall not apply to a person that has complied with and received approval to engage in money transmission under [this chapter](#) or was identified as a person in control in a prior application filed with and approved by the superintendent or by an MSB accredited state pursuant to a multistate licensing process, provided all of the following apply:

a. The person has not had a license revoked or suspended.

b. The person has not controlled a licensee that has had a license revoked or suspended while the person was in control of the licensee in the previous five years.

c. If the person is a licensee, the person is well-managed and has received at least a satisfactory rating for compliance at its most recent examination by an MSB accredited state if such rating was given.

d. The licensee to be acquired is projected to meet the requirements of [sections 533C.801, 533C.802, and 533C.803](#) after the acquisition of control is completed.

e. If the person acquiring control is a licensee, that licensee is projected to meet the requirements of [sections 533C.801, 533C.802, and 533C.803](#) after the acquisition of control is completed.

f. The licensee to be acquired will not implement any material changes to its business plan as a result of the acquisition of control.

g. If the person acquiring control is a licensee, that licensee will not implement any material changes to its business plan as a result of the acquisition of control.

h. The person provides notice of the acquisition in cooperation with the licensee and attests to the provisions in [this subsection](#) in a form and in a medium prescribed by the superintendent. If the notice is not disapproved within thirty days after the date on which the notice was determined to be complete, the notice is deemed approved.

15. Before filing an application for approval to acquire control of a licensee, a person may request in writing a determination from the superintendent as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the superintendent determines that the person would not be a person in control of a licensee, the proposed person and transaction are not subject to the requirements of [subsections 1 and 4](#).

16. If a multistate licensing process includes a determination pursuant to [subsection 15](#) and an applicant avails itself or is otherwise subject to the multistate licensing process, the superintendent is authorized and encouraged to accept the control determination of a lead investigative state with sufficient staffing, expertise, and minimum standards for the purpose of [subsection 15](#). If this state is a lead investigative state, the superintendent is authorized

and encouraged to investigate the applicant pursuant to [subsection 15](#) and the time frames established by agreement through the multistate licensing process.

[2003 Acts, ch 96, §14, 42](#); [2023 Acts, ch 83, §17](#)