# WEST VIRGINIA CODE: §32A-2-27

**§32A-2-27. Authorized delegates.**

(a) A licensee may conduct the business of money transmission and currency exchange regulated by this article at one or more locations through authorized delegates designated by the licensee to conduct business on its behalf, including the physical locations of money transmission kiosks and virtual currency kiosks.

(b) A licensee may not knowingly authorize a person to act as its delegate who has, within the previous 10 years, a disqualifying criminal conviction of the type set forth in §32A-2-8(c)(2) of this code.

(c) A licensee shall enter into a contract with its authorized delegate detailing the nature and scope of the relationship between the licensee and the authorized delegate. The contract shall require that the authorized delegate operate in full compliance with the laws of this state and of the United States. The licensee shall, upon request, provide the commissioner with the sample written contract.

(d) The financial responsibility of a licensee for the actions of its authorized delegate shall not exceed the amount of funds received by the authorized delegate on behalf of its licensee for the business regulated under this article.

(e) An authorized delegate has an affirmative duty not to: (i) Commit fraud or misrepresentation; or (ii) submit fraudulent statements to the licensee. A licensee shall promptly report to the commissioner and to any other appropriate state or federal official when it has probable cause to believe that an authorized delegate has violated the affirmative duty set forth in this subsection.

(f) The licensee shall require the authorized delegate to hold in trust for the licensee from the moment of receipt of the proceeds of any business transacted under this article in an amount equal to the amount of proceeds due the licensee less the amount due the authorized delegate. The funds shall remain the property of the licensee whether or not commingled by the authorized delegate with its own funds. In the event that the license is revoked by the commissioner, all proceeds held in trust by the authorized delegate of that licensee are considered to be assigned to the commissioner. If an authorized delegate fails to remit funds to the licensee in accordance with the time specified in the contract with the licensee, the licensee may bring a civil action against the authorized delegate for three times the actual damages. The commissioner may by rule set a maximum remittance time for authorized delegates.

(g) An authorized delegate shall report to the licensee the theft or loss of payment instruments within 24 hours from the time the authorized delegate knew or should have known of the theft or loss.

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(h) Upon any suspension or revocation of a license, the failure of a licensee to renew a license, or the denial of the renewal of a license, the licensee shall notify its authorized delegates of the event and demand that they immediately cease operations as authorized delegates.

(i) A licensee shall report the removal of an authorized delegate location, or the termination of operations of an authorized delegate location, including money transmission kiosks and virtual currency kiosks, to the commissioner on a quarterly basis, and shall in the report list any new authorized delegate locations, including money transmission kiosks and virtual currency kiosks, in this state.

(j) No authorized delegate shall act outside its scope of authority as defined under this article and by its contract with the licensee to act on behalf of the licensee with regard to any transaction regulated by this article.

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