

RCW 19.230.055 Online currency exchangers—Surety bond. (1)

Each online currency exchanger licensee shall maintain a surety bond in an amount based on the previous year's currency exchange dollar volume. The minimum surety bond must be at least ten thousand dollars, and not to exceed fifty thousand dollars. The director may adopt rules to implement this section.

(2) The surety bond shall run to the state of Washington as obligee, and shall run to the benefit of the state and any person or persons who suffer loss by reason of a licensee's violation of this chapter or the rules adopted under this chapter. A claimant against the bond may maintain an action on the bond, or the director may maintain an action on behalf of the claimant.

(3) The surety bond must be continuous and may be canceled by the surety upon the surety giving written notice to the director of its intent to cancel the bond. The cancellation is effective thirty days after the notice of cancellation is received by the director or the director's designee. Whether or not the bond is renewed, continued, replaced, or modified, including increases or decreases in the penal sum, it is considered one continuous obligation, and the surety upon the bond is not liable in an aggregate or cumulative amount exceeding the penal sum set forth on the face of the bond. In no event may the penal sum, or any portion thereof, at two or more points in time, be added together in determining the surety's liability.

(4) A surety bond must cover claims for at least one year after the date of an online currency exchanger licensee's violation of this chapter, or at least one year after the date the online currency exchanger licensee ceases to provide online currency exchange services in this state, whichever is longer. However, the director may permit the amount of the surety bond to be reduced or eliminated before the expiration of that time to the extent the amount of the licensee's obligations outstanding in this state are reduced.

(5) In the event that an online currency exchanger licensee does not maintain a surety bond in the amount required under subsection (1) of this section, the director may issue a temporary cease and desist order under RCW 19.230.260.

(6) The director may increase the amount of the bond required up to a maximum of one million dollars based on the nature and volume of the business activities, the financial health of the company, and other criteria specified by the director in rule. [2017 c 30 s 7.]