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MEMORANDUM

April 4, 2011

To Our Clients and Friends

Re: New York Interpretation Requiring Money Transmitter Licensing

The New York State Banking Department (“Department”) has issued a new interpretation requiring any person transmitting money on behalf of customers residing or located in New York to be licensed as a money transmitter under New York law even if the person does not have a physical location in New York.

The Department’s interpretation supersedes longstanding interpretations that had held that a money transmission license was not required if the money transmitter did not have a physical presence in New York. The Department concluded that its prior interpretations could no longer be justified in light of the growth of the Internet and global economy.

Persons who are now subject to the New York money transmitter licensing law and not currently licensed will have until September 30, 2011 to submit a completed application for a license.

A copy of the Banking Department’s interpretation can be found at our website at <http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker or Lauren Bianchini at (202) 776-0700.