

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

In Re:

NetSpend Corporation

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Docket No. 13 - 026 -B

STIPULATION AND CONSENT AGREEMENT

Background

1. Pursuant to 8 V.S.A. Chapters 1 and 79, the Commissioner of the Vermont Department of Financial Regulation is charged with administering and enforcing Vermont law as it pertains to money transmitters in the State of Vermont.

2. NetSpend Corporation ("NetSpend") is a Delaware corporation with its principal place of business at 701 Brazos Street, Suite 1200, Austin, Texas.

3. NetSpend managed and oversaw third-party distributors that sold or offered for sale open loop prepaid cards, including NetSpend-branded cards, issued under one or more programs for which NetSpend served as the program manager and processor ("Prepaid Cards") in Vermont.

4. The Department has alleged that NetSpend and its third-party distributors engaged in the business of money transmission in Vermont without the license or authorization required by 8 V.S.A. Chapter 79.

5. NetSpend has applied for a Vermont money transmitter license.

6. NetSpend has put policies and procedures in place to prevent Prepaid Cards from being sold in Vermont without a Vermont money transmitter license.

7. At all times NetSpend has cooperated with the Department.

8. NetSpend has denied any intentional violation of Vermont law and believes it has valid defenses to the Department's allegations.

9. The parties wish to resolve this matter without administrative or judicial proceedings.

10. NetSpend and the Department expressly agree to enter into this Stipulation and Consent Agreement in full and complete resolution of the alleged violations described herein.

Stipulation and Agreement

NetSpend and the Department hereby stipulate and agree as follows:

11. Although NetSpend neither admits nor denies the Department's allegations, NetSpend does not dispute that there is a factual basis for the Department's allegations in this Stipulation and Consent Agreement.

12. NetSpend agrees to pay: (a) an administrative penalty to the "Department of Financial Regulation" in the amount of \$20,000.00; and (b) a \$5,000.00 payment to the "VT DFR – Financial Services Education & Training Special Fund".

13. NetSpend shall not, either directly or through its third-party distributors, sell Prepaid Cards or otherwise engage in the business of money transmission in Vermont without a Vermont money transmitter license.

14. The Department shall retain continuing jurisdiction in this matter until NetSpend has complied with the terms and conditions of this Stipulation and Consent Agreement.

15. This Stipulation and Consent Agreement shall not prevent any person from pursuing any claim he or she may have against NetSpend, nor shall it be understood as determining whether any such claim may or may not exist in law or equity. Nothing contained herein shall be deemed an admission by NetSpend.

16. Nothing contained in this Stipulation and Consent Agreement shall restrain or limit the Department in responding to and addressing any actual complaint filed with the Department involving NetSpend and the Department reserves the right to pursue restitution in connection with any complaint filed with the Department.

17. NetSpend knowingly and voluntarily waives any right it may have to judicial review by any court of these matters by way of suit, appeal, or extraordinary relief resulting from entry or enforcement of this Stipulation and Consent Agreement.

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

18. NetSpend shall comply with all agreements, stipulations, and undertakings as recited above.

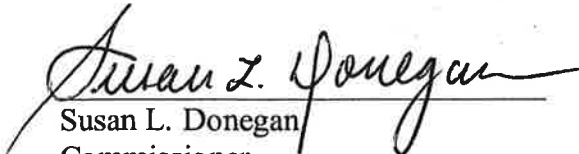
19. NetSpend shall make the payments described in paragraph 12 on or before September 6, 2013.

20. This Stipulation and Consent Agreement shall not prevent any person from pursuing any claim he or she may have against NetSpend.

21. Nothing contained in this Stipulation and Consent Agreement shall restrain the Department from responding to and addressing any complaint involving NetSpend filed with the Department nor shall it preclude the Department from pursuing any other violation of law.

22. This Stipulation and Consent Agreement shall not be construed as an adjudication of any violation of any Vermont law or federal law, except as specifically set forth herein.

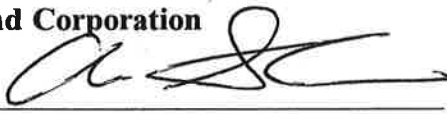
Vermont Department of Financial Regulation


Susan L. Donegan
Commissioner

Dated this 9th day of September, 2013

CONSENTED AND AGREED TO:

NetSpend Corporation


By: 
Austin D. Smithers
Title: Senior Vice President & Deputy
General Counsel

Dated this 5th day of September, 2013

STATE OF TEXAS) SS
COUNTY OF TRAVIS)

On the 5th day of September 2013, personally appeared Austin Smithers, being the SVP & Deputy GC and duly authorized representative **NetSpend Corporation**, signer of the foregoing Stipulation and Consent Agreement and acknowledged the same to be his/her free act and deed and the free act and deed of **NetSpend Corporation**.



Before me, 
Notary Public
My commission expires May 19, 2015