



State of Wisconsin
Department of Financial Institutions

Tony Evers, **Governor**

Cheryll Olson-Collins, **Secretary**

June 24, 2022

Sasha Hodder
Hodder Law Firm, P.A.
sasha@hodder.law

RE: Hourly, Inc. Licensing Determination

Dear Ms. Hodder:

The Wisconsin Department of Financial Institutions, Division of Banking ("Division") received your correspondence dated June 8, 2022, asking for confirmation that your client Hourly, Inc. ("Hourly") is not required to be licensed as a seller of checks company. To avoid reciting or summarizing the facts you have presented, a copy of your June 8, 2022, correspondence is attached.

In Wisconsin, money transmission is subject to Chapter 217 of the Wisconsin Statutes, also known as the Seller of Checks Law. The only licensing exemptions to Chapter 217 are explicitly disclosed in s. 217.04(1) through (5), Wis. Stats. A payroll processor is not one of the license exemptions. To be required to be licensed as a seller of checks company though, an entity must have one or more "locations" in this state. Section 217.02(5), Wis. Stats., defines a location as "each place in this state where business is conducted, including any office of the licensee and the place of business of any authorized agent of the licensee." Assuming Hourly will not have a physical location in Wisconsin nor operate using authorized agents in Wisconsin, **Hourly is not required to be licensed as a seller of checks company.**

Separate from the potential lack of a physical presence within the state which would allow operation in Wisconsin without a Seller of Checks license, we note that the contract between Hourly and the bank states that customers of Hourly are not customers of the bank and further indicates that Hourly's authorized representatives can control the movement of those funds as directed by their customers. Considering these facts, it appears to the Division that Hourly is titled on the FBO account where ultimate ownership is Hourly's customers thus these are not transactions of the Bank and are not exempt from licensing. If this is not the case and you would like for us to further evaluate Hourly's business model, please provide documentation of the accounts that have been established at Atlantic Capital Bank to serve this purpose for Wisconsin activity. The documentation should clearly disclose account ownership/titling.

This opinion can only be relied upon for the specific situation and set of facts set forth in your June 8, 2022, correspondence. If the facts set forth change, you are encouraged to revisit this matter with the Division. Also, please be advised that this opinion is given subject to any

Division of Banking

Mail: PO Box 7876 Madison, WI 53707-7876
Courier: 4822 Madison Yards Way, Madison, WI 53705
Voice: (608) 261-7578 Fax: (608) 267-6889 Web: www.wdfi.org

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subsequent changes required by any regulations or any interpretations by the Division under Chapter 217.

Sincerely,

/s/Nancy Schreiber

Nancy Schreiber, Examiner
Licensed Financial Services

Attachment