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IN THE ___ CIRCUIT COURT OF DAVIDSON COUNTY, TENNESSEE
FOR THE TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

STATE OF TENNESSEE, *ex rel.*	)	
HERBERT H. SLATERY III,	)	
Attorney General and Reporter,	)	**No.** 16C585
	)	
Petitioner,	)	
	)	
v.	)	
	)	
MONEYGRAM PAYMENT SYSTEMS, INC.,	)	
	)	
Respondent.	)	

AGREED FINAL ORDER

This cause came to be heard on the State of Tennessee's Petition and the Parties' Assurance of Voluntary Compliance ("Assurance"), and the Court is of the opinion that said Assurance should be approved.

IT IS THEREFORE, ORDERED, ADJUDGED, and DECREED that the Assurance, attached as Exhibit 1, is incorporated herein by reference as if set forth fully herein, and is, hereby, made a part of this Agreed Final Order ("Order").

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that the Assurance is hereby approved, unless rescinded in writing by agreement of the Parties and approved by the Court or modified by this Court for good cause shown.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that pursuant to Tenn. Code Ann. § 47-18-107, Respondent shall comply with all terms set forth in the Assurance.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that pursuant to Tenn. Code Ann. § 47-18-116, all costs associated with the filing of this action shall be assessed against the Respondent. No costs shall be assessed against the State.

IT IS SO ORDERED.

ENTERED this _____ day of _____, 2016.

CIRCUIT COURT JUDGE

JOINTLY APPROVED AND SUBMITTED FOR ENTRY:

FOR PETITIONER, STATE OF TENNESSEE

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EXHIBIT 1

NO._____

In the matter of:	§
	§
MONEYGRAM	§
PAYMENT SYSTEMS, INC.	§

ASSURANCE OF VOLUNTARY COMPLIANCE

A. PARTIES

1. The signatories to this Assurance of Voluntary Compliance ("Assurance") are MoneyGram Payment Systems, Inc. ("MoneyGram" or "the Company"), a wholly owned subsidiary of MoneyGram International Inc., and the States and Commonwealths listed in Exhibit A (hereafter "the Participating States" or "the States," and, collectively with MoneyGram, may be referred to as "the Parties.").

2. The States are represented by the Consumer Protection Divisions of their respective Attorneys General.[1]

3. MoneyGram International Inc. is a publicly traded corporation in the global money services business, incorporated under the laws of Delaware, and headquartered in Dallas, Texas. Its principal executive offices are located at 2828 N. Harwood St., 15th Floor, Dallas, Texas 75201. MoneyGram provides services that enable Consumers to transfer money to Outlets throughout the United States and around the world. MoneyGram has a global network of approximately 350,000 locations where its Agents send and receive Money Transfers.

[1] The Utah Division of Consumer Protection is statutorily authorized to enforce all statutes listed in Utah Code 13-2-6, including the Utah Consumer Sales Practices Act, Utah Code 13-11-1, *et seq*. Hawaii is represented by its Office of Consumer Protection, an agency that is not part of the State Attorney General's Office, but which is statutorily authorized to undertake consumer protection functions, including legal representation of the State of Hawaii. Massachusetts is represented by the Insurance and Financial Services Division of the State Attorney General's Office which, as part of the State Attorney General's Office, is statutorily authorized to bring consumer protection actions under M.G.L. c. 93A, Section 1 et seq.

B. PREAMBLE

1. MoneyGram and the States are committed to protecting Consumers from fraudulently induced money transfers through a program that includes prominent consumer warnings at locations and platforms offering MoneyGram's products and services, nationwide consumer education, Agent monitoring, training and remediation of any identified issues, interdictions of high-risk transfers, and sharing of complaint information with the States.

2. Pursuant to their respective authority under their state consumer protection statutes ("Acts[2]"), the States conducted an investigation of MoneyGram's Money Transfer services, and in particular the States considered (a) the complaints of Consumers who were contacted by phone, U.S. mail, or the Internet, and were fraudulently induced to send money to third parties involved in schemes to defraud the public using MoneyGram's wire transfer service and (b) MoneyGram's ongoing efforts to implement and maintain effective anti-fraud measures to prevent financial losses to Consumers.

3. The Parties have agreed to resolve the concerns addressed in the Compliance Provisions in Part E below by entering into this Assurance.

4. MoneyGram is willing to enter into this Assurance in order to resolve the concerns of the Attorneys General under the Acts as to the matters addressed in this Assurance. However, (i) nothing in this Assurance shall be construed as authorizing any person or entity other than a State acting through its Attorney General, to enforce or seek remedies under or as the result of this Assurance or a breach thereof and (ii) this Assurance and all negotiations, statements, and proceedings in connection therewith shall not be construed as or deemed to be evidence of an admission or concession on the part of MoneyGram of any violation of law, liability, or wrongdoing by it, and shall not be offered or received in evidence in any action or

[2]Exhibit A attached here lists the Participating States and cites the applicable state consumer protection laws of each.

proceeding or used in any way as an admission, concession, or evidence of any violation of law, liability, or wrongdoing of any nature on the part of MoneyGram.

5. MoneyGram is entering into this Assurance solely for the purpose of resolving the concerns addressed in the Compliance Provisions in Part E below. This Assurance does not create a waiver or limit MoneyGram's legal rights, remedies, or defenses in any other action by the States, and does not waive or limit MoneyGram's right to defend itself from, or make argument in any other matter, claim, or suit, including, but not limited to, any investigation or litigation relating to the subject matter or terms of this Assurance. Nothing in this Assurance shall waive, release, or otherwise affect any claims, defenses, or positions MoneyGram may have in connection with any investigations, claims, or other matters the States are not releasing hereunder.

C. DEFINITIONS

The following definitions shall be used in construing this Assurance:

1. **"AFAS"** means MoneyGram's Anti-Fraud Alert System implemented on or about May 2010. This system alerts, identifies, and then places on hold transactions that are suspected to be Fraud-Induced Money Transfers. MoneyGram employees may then contact the sender by telephone and interview him or her to determine whether the Money Transfer may be fraud-induced or otherwise sent for an improper purpose. If MoneyGram believes the transfer may be fraud-induced or otherwise sent for an improper purpose, the transfer is cancelled and all monies paid by the sender are returned to him or her. This process is referred to as an "AFAS Review." For purposes of construing this Assurance, the term "AFAS" shall apply to any future Money Transfer interdiction system that MoneyGram may implement to augment or replace AFAS as described above, regardless of whether or not such future system is titled "AFAS."

2. **"Agent"** or **"MoneyGram Agent"** means an entity contractually authorized to offer MoneyGram's products and services. MoneyGram's Agents are not employed by MoneyGram but have entered into contractual agreements with MoneyGram. MoneyGram Agents receive a commission from MoneyGram on Money Transfers processed at their Outlets. MoneyGram has the legal right to terminate an Agent for a variety of reasons, including suspected involvement in fraudulent activities such as Fraud-Induced Money Transfers.

3. **"Agent Outlet"** or **"Outlet"** means a specific location owned or operated by an Agent.

4. **"Attorney General"** or **"Attorneys General"** means the Attorneys General or their designees of the Participating States.

5. **"Clear and Conspicuous"** means when referring to a statement or disclosure required by Section E, Paragraphs 11, 13 and 15 of this Assurance, that such statement, disclosure or other information, by whatever medium communicated, is disclosed in such size, color, contrast, location, duration, and/or audibility that it is readily noticeable, readable, understandable, and/or capable of being heard. Further, a disclosure of information is not Clear and Conspicuous if, among other things, it is obscured by the background against which it appears or contradicts or is inconsistent with any other information with which it is presented. If a statement modifies, explains, or clarifies other information with which it is presented, then the statement must be presented in proximity to the information it modifies, explains or clarifies, in a manner that is readily noticeable, readable, and understandable, and not obscured in any manner. In addition (1) an audio disclosure must be delivered in a volume and cadence sufficient for a Consumer to hear and comprehend it, and (2) an Internet disclosure must be of a type size,

location, and shade and remain on the screen for a duration sufficient for a Consumer to read and comprehend it.

6. **"Consumer"** means any person who initiates a Money Transfer through a MoneyGram Agent located in the United States.

7. **"Consumer Fraud Report"** means the document that reflects a Consumer's report of potentially fraudulent activity to MoneyGram, including Consumer complaints received electronically or via MoneyGram's consumer complaint hotline(s).

8. **"Effective Date"** means the date on which a copy of this Assurance is duly executed by MoneyGram and by the States through their respective Attorneys General or designees.

9. **"Fraud-Induced Money Transfer"** means a Money Transfer, the sending of which is induced by fraud or deception by a third party.

10. **"Fuzzy Name Recognition" or "Matching"** means a system under which a Consumer's identity can be more accurately determined within technological limits and utilizing other data points provided by the Consumer, even if the name presented by the Consumer to a MoneyGram Agent is not the same as the name used by the Consumer in previous MoneyGram transactions.

11. **"High-Risk Corridor"** means a destination country or a destination state of the United States that has an elevated incidence of Fraud-Induced Money Transfers from Consumers in the United States as measured by specific risk indicators, including, but not limited to, Consumer Fraud Report statistics, geographical risk, and transaction volume.

12. **"Hotline System"** means a system that allows reports of suspected ethical violations to be received from MoneyGram's employees, its Agents, and the Agents' employees.

13. **"Internal Watch List" or "IWL"** means MoneyGram's lists of individuals, including Consumers, whom the Company blocks from sending or receiving Money Transfers, absent contact with the individual to ascertain if the transaction is for a legitimate purpose. For example, MoneyGram includes certain Consumers on the IWL who have sent fraudulent transactions in the past and the individuals who have received those transactions. This is a dynamic list that is updated as MoneyGram learns information about the identity of a Consumer or the Consumer's behavior.

14. **"Materially Elevated Level of Consumer Fraud Reports"** means a level of Consumer Fraud Reports to MoneyGram related to transactions received at an Agent Outlet that exceeds thresholds set by MoneyGram. This level shall be determined in good faith by MoneyGram, taking into account the number of incidents of Fraud-Induced Money Transfers handled by a given Agent or Agent Outlet in relation to the total number of Money Transfers handled by the Agent or Outlet, any fraud-related information received from Consumers, law enforcement officials and other MoneyGram Agents, and any other fraud-related or risk assessment information deemed relevant by MoneyGram.

15. **"MoneyGram"** or **"the Company"** means MoneyGram Payment Systems, Inc. and all of its subsidiaries, successors, and assigns.

16. **"Money Transfer"** shall mean the sending of money between a Consumer in one location to a recipient in another location using a service offered by MoneyGram, and shall include transfers initiated in person, online, by telephone, or through whatever means made available. The term "Money Transfer" does not include MoneyGram's payment services available to Consumers to pay bills or make payments, such as MoneyGram's urgent or utility

bill payment services and MoneyGram's prepaid services for items such as prepaid cards or cellular phones.

17. **"Monitor"** means the person(s) appointed in *United States of America v. MoneyGram International, Inc.*, Case No. 12-291 (United States District Court for the Middle District of Pennsylvania) and charged with compliance-related responsibilities under the Deferred Prosecution Agreement filed in that case.

18. **"Multiple Transfers"** means a series of Money Transfers sent by the same Consumer within a short period of time.

19. **"Multistate Executive Committee"** means the Attorneys General and their staff representing the following states: Illinois, Massachusetts, New Jersey, North Carolina, Ohio, Texas, Vermont, and Washington.

20. **"Participating States"** or **"States"** refers to the states and commonwealths listed in Exhibit A.[3]

21. **"Pickup Location"** means the Outlet where a Money Transfer is received.

22. **"Rule"** is a component of MoneyGram's compliance programs, is developed by MoneyGram based on information and analytics, and is used in part by MoneyGram to identify and assess the risk of fraud faced by a Consumer in any given transaction.

D. STIPULATIONS

The Parties have entered into the following stipulations:

1. This Assurance does not constitute an approval by the Attorneys General of MoneyGram's business practices, and MoneyGram shall make no representation or claim to the contrary.

[3] With regard to the Commonwealth of Virginia, this document will be titled as an "Agreement." With regard solely to MoneyGram's agreement with the State of Delaware, the parties agree that this Assurance shall operate as a cease and desist by agreement authorized by 29 Del.C. Section 2525(a).

2. This Assurance sets forth the entire agreement between the Parties.

3. In each State which has or will file this Assurance in its respective court, such court retains jurisdiction over the Parties for the purpose of enforcing this Assurance and for the purpose of granting such additional relief as may be necessary and appropriate.

4. This Assurance may be executed in counterparts, each of which shall be deemed to constitute an original counterpart hereof, and all of which shall together constitute one and the same Assurance. One or more counterparts of this Assurance may be delivered by facsimile or electronic transmission with the intent that it, or they, shall constitute an original counterpart hereof.

5. Nothing in this Assurance shall require MoneyGram to:

(a) Take any action inconsistent with recommendations, requirements, or prohibitions of the Monitor appointed in *United States of America v. MoneyGram International, Inc.*, or prohibited by or in conflict with the terms of the Deferred Prosecution Agreement into which MoneyGram entered with the United States Department of Justice and the United States Attorney's Office for the Middle District of Pennsylvania on November 9, 2012, in that same case, or any subsequent modifications thereof; or

(b) Take any action inconsistent with the requirements or prohibitions of the Stipulated Order for Permanent Injunction and Final Judgment entered in *Federal Trade Commission v. MoneyGram International, Inc.*, Civil Action No. 09-cv-6576, in the United States District Court for the Northern District of Illinois, Eastern Division, or any subsequent modifications thereof.

6. The Parties further stipulate that the Compliance Provisions of this Assurance are consistent with MoneyGram's obligations pursuant to the matters listed in paragraph D(5) above. In the event that MoneyGram believes that a conflict exists between the Compliance Provisions of this Assurance and its obligations pursuant to the settlements described in the preceding paragraph D(5), that conflict shall be addressed through the process provided in paragraph J(2) below.

E. COMPLIANCE PROVISIONS

General Anti-Fraud Measures

1. **Comprehensive And Robust Anti-Fraud Compliance Program.** MoneyGram shall continue to enhance and maintain a comprehensive and robust anti-fraud compliance program ("Program") designed to protect Consumers from economic losses resulting from Fraud-Induced Money Transfers and to avoid providing assistance or support to persons engaged in acts or practices in violation of the state or federal consumer protection laws. At a minimum, the Program shall (a) include the elements listed in paragraphs 2 through 22, below; and must (b) be documented in writing; (c) be overseen by a Board of Directors committee responsible for ensuring compliance with this Assurance; and (d) include sufficient budgeted resources for the implementation of the Program, commensurate with a risk-based approach.

2. **Timely and Effective Anti-Fraud Rules.** MoneyGram shall continue to enhance processes to ensure that its AFAS Rules are adopted in a timely manner and implemented effectively. More specifically, MoneyGram shall take measures necessary to automate, to the extent practicable, its AFAS Rule-making process and the placement of "holds" on all Money Transfers that fall within an AFAS Rule. In conjunction with other anti-fraud measures, MoneyGram shall implement AFAS Rules related to High-Risk Corridors that are based on the

dollar amount or other attributes of Money Transfers to such destinations consistent with ongoing fraud risk assessments.

3. **Streamlined Placement of Consumers on IWL.** MoneyGram shall enhance technology solutions that, to the maximum extent practicable, eliminate delays in placing names and other required information of Consumers on MoneyGram's IWL. These solutions shall include the use of Fuzzy Name Recognition (or Matching), where appropriate

4. **Limits on Multiple Transfers.** MoneyGram shall implement additional anti-fraud policies and procedures designed to detect Multiple Transfers to High-Risk Corridors and to block such transactions. Similarly, MoneyGram shall implement additional anti-fraud policies and procedures designed to identify and block Multiple Transfers by Consumers who have previously filed a Consumer Fraud Report with MoneyGram or have been identified by the States pursuant to paragraph E(21) below.

5. **Agents' Ability to Place Money Transfers on Hold.** MoneyGram shall continue to permit sending Agents to place Money Transfers on hold when the Agent suspects the transfer may be fraud-induced, and such holds shall trigger a review of the Consumer's activity. MoneyGram shall include guidelines in its Agent training to assist Agents in identifying Fraud-Induced Money Transfers that should be placed on hold and in effectively communicating with Consumers whose transfers are placed on hold and may be fraud-induced.

6. **Verification of Identification Information.** MoneyGram shall identify and utilize effective tools as part of a risk-based approach to verify the accuracy of sender and receiver identification information entered by Agents in connection with Money Transfers. Further, MoneyGram shall take commercially reasonable steps towards requiring Agents to enter each Money Transfer receiver's identification information into the Company's data system and

to confirm this data against the biographical information provided by the Consumer. These commercially reasonable steps shall be included in the Implementation Timeline discussed in Section J below.

Fostering a Culture of Compliance

7. **Agent and Employee Training.** MoneyGram shall enhance and provide anti-fraud training materials and programs for all Agents and shall require each Agent to provide training to its employees prior to their assuming duties that involve Money Transfers. Such training shall put Agents and their employees on notice of the importance of compliance with anti-fraud policies and procedures, of the consequences for the Agents of noncompliance with anti-fraud policies and procedures, and of MoneyGram's Hotline System. MoneyGram shall provide additional training to Agents as is necessary to ensure that Agents and their employees maintain requisite knowledge and skill with respect to the prevention of Fraud-Induced Money Transfers. MoneyGram shall require Agents and employees who are the subject of a Materially Elevated Level of Consumer Fraud Reports, or whose conduct is otherwise determined to be out of compliance with the Program and who are not terminated, to complete additional targeted training designed to remediate a compliance failing promptly after MoneyGram receives such Consumer Fraud Reports or otherwise learns of the failure to comply. MoneyGram shall require Agents to comply with all training requirements and to maintain documentation of completion of these training requirements. To the extent that MoneyGram permits Agents to develop their own training materials and methods of delivery, MoneyGram shall either develop minimum standards for such training or implement a system to evaluate such training, and confirm that it meets MoneyGram's requirements.

8. **Hotline System.** MoneyGram shall maintain a reasonably designed Hotline System. This system shall include a hotline(s), (telephonic and electronic), to which MoneyGram's employees, its Agents, and the Agents' employees can anonymously report information regarding Fraud-Induced Money Transfers and suspected misconduct by an Agent.

9. **Managerial Accountability.** MoneyGram shall continue to maintain policies and practices that promote a culture of compliance with anti-fraud policies and procedures, including informing managers of the Company that its conduct in connection with implementing, complying with, and promoting compliance with MoneyGram's Program will be considered in connection with such personnel actions as bonuses, promotions, evaluations, and terminations.

10. **Remedial or Supplemental Training.** MoneyGram shall continue to provide person-to-person, online, or telephone training designed to address compliance deficiencies at Agents or Agent Outlets known to have a Materially Elevated Level of Consumer Fraud Reports related to Money Transfers sent from the United States. MoneyGram shall continue to identify Agents and Agent Outlets that have a Materially Elevated Level of Consumer Fraud Reports and enhance this program as appropriate.

11. **Electronic Messaging to Agents.** At least once a month, MoneyGram shall provide its Agents in the United States with an electronic message which is Clear and Conspicuous and designed to highlight the issue of Fraud-Induced Money Transfers and/or new developments relating to such transfers. This paragraph shall apply only to those Outlets that have the technical capability to receive such messages through their MoneyGram point-of-sale systems. In addition, to the extent practicable, MoneyGram shall—on an as-needed basis, to be determined in good faith by MoneyGram—employ this mechanism to provide Agents with compliance tips, reminders, or reference guides.

12. **Termination of Agents.** MoneyGram shall continue to monitor and review the Money Transfers of Agents and Agent Outlets with a Materially Elevated Level of Consumer Fraud Reports and provide appropriate guidance and additional anti-fraud training as necessary to them. If an Agent or Agent Outlet with a Materially Elevated Level of Consumer Fraud Reports fails to take commercially reasonable steps to reduce Fraud-Induced Money Transfers, MoneyGram shall suspend or terminate the Agent or Agent Outlet. MoneyGram shall develop and disseminate to Agents a written policy to include detailed guidelines regarding when an Agent's or Agent Outlet's conduct warrants suspension or termination. These guidelines shall take into consideration factors including whether the Agent's or Agent Outlet's management or employees (a) are knowingly involved in Fraud-Induced Money Transfers; (b) knowingly ignore and fail to take steps to prevent such transfers from occurring; (c) fail to take steps to address any involvement in such fraud by its employees or representatives; (d) maintain documentation of compliance with MoneyGram's training requirements; or (e) have adopted and implemented written anti-fraud compliance policies. After termination, if MoneyGram reasonably believes the Agent or Agent Outlet has taken commercially reasonable steps to reduce the fraud, MoneyGram may consider that Agent or Agent Outlet for reinstatement, provided that MoneyGram's written policy includes guidelines for such reinstatement.

Disclosures to Consumers

13. **Consumer Fraud Warnings.** MoneyGram shall continue to provide a Clear and Conspicuous Consumer fraud warning on the front page of all Money Transfer send forms used by Consumers to initiate Money Transfers. At a minimum, the warning shall disclose (a) the most common schemes being used to fraudulently induce Consumers to send money to third parties using MoneyGram's wire transfer services; (b) notice that the money being sent can be

quickly collected by fraudsters at the Pickup Location; and (c) the toll-free MoneyGram number that Consumers can call to file a Consumer Fraud Report if they later discover that their Money Transfer was the result of fraud. MoneyGram shall provide substantially the same disclosures to Consumers who initiate Money Transfers via the Internet or over the telephone. These disclosures shall be in a format appropriate for the media or platform being used by the Consumer and in substantially the same language used on the send form or other media type or platform.

14. **Disclosure to Transferors.** Upon request of a Consumer whom MoneyGram reasonably believes is a victim of a fraud-induced money transfer, MoneyGram shall expeditiously disclose to the Consumer the stated name of the recipient of the transfer and the Pickup Location.

Notice of Consumer Fraud Report Process

15. **Improved Consumer Fraud Report Information and Process.** MoneyGram shall continue to take measures to facilitate Consumers' ability to report fraud and obtain information about MoneyGram's Consumer Fraud Report process, including placing a hyperlink labeled "Report Fraud" or similar language on the MoneyGram website home page, located at www.moneygram.com, and on MoneyGram's preventfraudmoneygram.com or similar website where a Consumer would initiate a Money Transfer. These links must be Clear and Conspicuous and shall direct Consumers to an online form for filing Consumer Fraud Reports together with a "Frequently Asked Questions" ("FAQ") page with information regarding Fraud-Induced Money Transfers and MoneyGram's Consumer Fraud Report handling process. The FAQ page shall disclose to Consumers that they may also file complaints with the Federal Trade Commission and with State Attorneys General and include Clear and Conspicuous hyperlinks to the website

of the Federal Trade Commission and to the webpage of the National Association of Attorneys General (currently http://www.naag.org/current-attorneys-general.php).[4] In addition, MoneyGram shall, on its website, post current information that is Clear and Conspicuous and warns Consumers about Fraud-Induced Money Transfers. MoneyGram's mobile website shall also provide a Clear and Conspicuous disclosure of contact information, such as a telephone number, which Consumers can contact to report fraud and to obtain information about how to file a Consumer Fraud Report. MoneyGram shall also provide Consumers who have filed a Consumer Fraud Report with information on how to access appropriate fraud education information.

Refunds to Consumers

16. **Refunds to Consumers.** MoneyGram shall promptly refund the full amount of a Money Transfer, including associated fees, whenever either (a) a MoneyGram Agent paid out a Money Transfer in a manner that is inconsistent with the Company's transfer payout policies related to receiver verification; (b) the transfer was wrongfully paid out after being identified as violative of the IWL (e.g., the Consumer was on the IWL) and the transaction was improperly released after the Consumer provided truthful information in response to MoneyGram's questions or other requests for information; (c) the Money Transfer was timely communicated by an Agent to MoneyGram as one that should have been held pending review but was incorrectly released; (d) a Consumer, or his or her authorized representative, requests that MoneyGram stop or reverse the Money Transfer before the funds have been picked up and reasonably claims that the transfer was fraudulently induced, and MoneyGram makes a good faith determination that the Consumer is reasonably claiming that the transfer was fraudulently induced. At or around

[4]The "whos-my-AG" page found at the website of the National Association of Attorneys General lists the name, mailing address and web site of the Attorney General (or chief legal officers) of each of the fifty states and the District of Columbia.

the same time as MoneyGram provides a refund under this paragraph, the Company shall orally inform the Consumer of the reason for the refund.

17. **Consumer Refunds under AFAS.** Once a Money Transfer is alerted and identified as requiring AFAS review, MoneyGram shall hold the intended recipient's collection of the monies until such time as the AFAS review is completed and a determination is made that the Money Transfer is not fraud-induced. In the event that a Money Transfer subject to such a hold is incorrectly released, MoneyGram shall complete its AFAS review and determine whether the transfer was fraud-induced. If the AFAS review reflects that the transfer was, or was likely fraud-induced, MoneyGram shall promptly provide a full refund to the Consumer, including associated fees, and orally inform the Consumer of the reason for the refund.

Additional Measures

18. **Assessment of Actual Fraud Rates.** MoneyGram shall continue to develop and implement sound mechanisms, such as proactively linking Consumer Fraud Reports to other Consumers' Money Transfers, surveys, or other appropriate measures, to evaluate actual fraud rates and losses suffered by MoneyGram Consumers as a result of Fraud-Induced Money Transfers, and utilize information obtained through these mechanisms to evaluate and improve its Program. MoneyGram shall maintain documentation of these efforts, including the basis for its good faith assertion that the mechanism used was a sound one, and its findings.

19. **Consumer Data Sharing.** As permitted by applicable laws, regulations, federal authorities, and agreed upon by other money transfer companies representing at least 50 percent of the Money Transfers sent from the United States, MoneyGram shall exchange data with other money transfer companies for the sole purpose of identifying fraud trends, suspected victims,

and perpetrators of fraud, and if the agreed-upon process so provides, blocking suspected victims or perpetrators of fraud from sending or receiving funds.

20. **Fraud-Induced Money Transfers within the United States.** MoneyGram shall continue to devise a program to specifically address the problem of U.S.-to-U.S. Fraud-Induced Money Transfers, with a focus on states that are High-Risk Corridors.

Continued Cooperation with the States

21. **Blocking of Certain Transfers at State's Request.** If the Attorney General reports to the Company that there are good faith grounds to believe that a Fraud-Induced Money Transfer is occurring or will occur with respect to a particular Consumer, MoneyGram shall use its best efforts to place the Consumer on the IWL to block Money Transfers from that Consumer. The Attorney General's report may be founded on information received by the State from the Consumer, his or her agent, a law enforcement or regulatory agency, or the Company itself and shall contain sufficient information for MoneyGram to place the Consumer on the IWL. The reporting Attorney General shall notify MoneyGram when, if at all, the Consumer may resume Money Transfers using MoneyGram's systems. This process is limited to those situations where there is substantial evidence of a potential Fraud-Induced Money Transfer and is not intended to serve as a vehicle for the Attorney General to submit lists of names of potential senders or receivers to MoneyGram. Nothing in this paragraph shall require a State to provide information on Fraud-Induced Money Transfers to MoneyGram.

22. **Sharing of Complaint Information.** Whenever a Consumer advises MoneyGram that a Money Transfer has been induced by fraud or deception, MoneyGram, where practicable, shall seek the Consumer's permission to share the complaint information with United States law enforcement officials, including the Attorneys General, and shall upon request

of the appropriate Office of the Attorney General, provide the available complaint information in electronic form to the Office of the Attorney General in the State in which the Consumer resides and, if known, where the recipient is located. Notwithstanding this requirement, MoneyGram may decline to provide this information if the Consumer, directly or in response to a question from the Company, says that he or she does not want the information shared with law enforcement or does not provide consent to share such information. "Available complaint information" shall consist of information that is regularly collected and stored in the Company's consumer fraud database, including, but not limited to, the name and address of the Consumer; the date and amount of the Money Transfer; the date and Pickup Location of receipt; the name of the receiver; the nature of the Consumer's complaint; and the sending Agent Outlet.

F. MONETARY TERMS

1. MoneyGram shall pay a total of thirteen million dollars ($13,000,000.00) to the Participating States, to be distributed among such states as agreed by the Attorneys General.

2. The Participating States shall set aside a portion of MoneyGram's payment for consumer restitution and for the costs of the administration of such restitution (Restitution Program). The primary goal of the Restitution Program will be to provide redress to Foreign Wire Transfer Complainants: U.S. consumers who filed complaints that they were victims of fraud induced money transfers involving wire transfers made through MoneyGram from the United States to payees located in foreign countries (other than Canada).

3. The Executive Committee shall select a duly qualified Settlement Administrator who will administer the Restitution Program in accordance with the terms of the Assurance and the direction to be provided by the Executive Committee. Final decisions regarding distribution of restitution will be within the sole discretion of the Executive Committee which will consider factors including the funds available, the number of complainants, the costs of administration

and the redress or restitution funds distributed to consumers through the federal settlements referenced in the preceding paragraph D.5.[5] In the event that any funds remain after restitution is completed, the Executive Committee may distribute any remaining funds to states to defer their costs of the investigation of this matter. At the conclusion of the distribution, the Settlement Administrator shall provide a final report to the Executive Committee and Participating States.

4. The Participating States shall also set aside a portion of MoneyGram's Thirteen Million dollar ($13,000,000.00) payment to be distributed to each participating state as a payment to the state as set forth by the Executive Committee and approved by the Participating States. Each state shall use its portion of funds as compensation for recovery of its costs and attorney's fees in investigating this matter, future monitoring and enforcement of this Assurance, future enforcement of its consumer protection laws[6] or for any lawful purpose including consumer education or redress in the discharge of the Attorney General's duties at the sole discretion of the Attorney General in accordance with applicable state laws and procedures.

5. MoneyGram's payment shall be made no later than thirty (30) days after the Effective Date in accordance with instructions which the Executive Committee will provide to MoneyGram through its counsel.

6. The States acknowledge that MoneyGram's payment to the States is not a fine, penalty, punitive assessment, or forfeiture having a similar punitive purpose. MoneyGram relinquishes all dominion, control, and title to the payment to the States and shall make no claim to such payment, directly or indirectly, through counsel or otherwise.

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[5]The Participating States recognize that as referenced in paragraph D.5, MoneyGram has separately entered into settlements with the Federal Trade Commission and the United States Department of Justice which have resulted in payments to consumers in the total amount of approximately Eighty-Three Million Dollars but which did not include payments to US-based Foreign Wire Transfer Complainants.

[6]See Exhibit A for a list of those laws.

G. REPORTING AND MEETING REQUIREMENTS

1. For a period of three (3) years after the Effective Date of this Assurance, beginning on the first Friday in April 2016 and ending on the first Friday in April 2018 ("Reporting Period"), MoneyGram shall, using an agreed upon format, annually report to the Multistate Executive Committee on its progress in implementing the injunctive provisions of this Assurance ("Annual Report"). However, in the event that the term of the Deferred Prosecution Agreement referenced in paragraph D(5)(a) above is extended, the Reporting Period shall be extended to the first Friday in April 2019. In addition, if so requested during the Reporting Period, MoneyGram shall provide the Multistate Executive Committee with the Monitor's Reports, provided that the Monitor consents. MoneyGram also shall meet with the Multistate Executive Committee and provide updated information on its anti-fraud programs as reasonably requested by the States.

H. RELEASE

1. By execution of this assurance, the Participating States hereby fully release and discharge MoneyGram, its parents, affiliates, subsidiaries, employees, officers, and directors (collectively, the "Released Parties"), from the following: any and all civil and administrative actions, claims, and causes of action that were or could have been asserted against the Released Parties by the States' respective Attorneys General under the States' consumer protection laws, or any amendments thereto, resulting from the matters addressed in this Assurance, up to and including the effective date of this Assurance (collectively, the "Released Claims"). Nothing in this Assurance or in this release shall be construed to alter, waive, or limit any private right of action specifically provided by state law.

2. Notwithstanding any term of this Assurance, any and all of the following forms of liability are specifically reserved and excluded from the Released Claims:

(a) any criminal liability that any person or entity, including MoneyGram, has or may have in the Participating State;

(b) any civil or administrative liability that any person or entity, including MoneyGram has or may have to the Participating State under any statute, regulation or rule not expressly covered by the release in the preceding paragraph (H. 1) above, including but not limited to, any and all of the following claims:

i. state or federal antitrust violations,

ii. state or federal securities violations, and

iii. state or federal tax claims.

I. COMPLIANCE WITH ALL LAWS

Except as expressly provided in this document, nothing in this Assurance shall be construed as:

1. Relieving MoneyGram of its obligation to comply with all applicable State laws, regulations, or rules, or granting permission to engage in any acts or practices prohibited by any law, regulation, or rule; or

2. Limiting or expanding in any way any right the State may otherwise have to enforce applicable state law or obtain information, documents, or testimony from MoneyGram pursuant to any applicable State law, regulation, or rule, or any right MoneyGram may otherwise have to oppose any subpoena, civil investigative demand, motion, or other procedure issued, served, filed, or otherwise employed by the State pursuant to any such State law, regulation, or rule.

J. GENERAL PROVISIONS

1. To the extent that any provisions of this Assurance obligate MoneyGram to change any policy or procedure, and to the extent not already specified, MoneyGram shall implement the terms of this Assurance within one hundred twenty (120) days after the Effective Date or as soon as reasonably practicable. The Parties shall meet within ninety (90) days of the Effective Date to determine a mutually agreed upon timeline for the implementation of the terms of this Assurance ("Implementation Timeline"). MoneyGram's progress towards meeting the Implementation Timeline shall be provided as part of the Annual Report.

2. If, subsequent to the Effective Date of this Assurance, the federal government or any of the States enact or promulgate any law or regulation with respect to matters governed by this Assurance that creates a conflict with any provision of the Assurance, such law or regulation, and not this Assurance, shall apply only to the extent such conflict exists. For purposes of this Assurance, a conflict exists if conduct prohibited by this Assurance is required by such federal or State law or regulation, or if conduct required by this Assurance is prohibited by such federal or State law or regulation.

3. The failure of any party to exercise any rights under this Assurance shall not be deemed a waiver of any right.

4. If any part of this Assurance shall for any reason be found or held invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder hereof, which shall survive and be construed as if such invalid or unenforceable part had not been contained herein.

5. As consideration for the relief agreed to herein, if the Attorney General of a Participating State determines that MoneyGram has failed to comply with any of the terms of this Assurance, the Attorney General will notify MoneyGram in writing of such failure to

comply and MoneyGram shall then have thirty (30) business days from receipt of such written notice to provide a written response to the Attorney General's determination. The response shall include, at a minimum, either

(a) a statement explaining why MoneyGram believes it is in full compliance with the Assurance, or

(b) a detailed explanation of how the alleged violation(s) occurred, and

i. a statement that the alleged breach has been addressed and how, or

ii. a statement that the alleged breach cannot be reasonably addressed within thirty (30) business days from receipt of the notice and such statement shall include a summary of commercially reasonable corrective actions initiated by MoneyGram and an action plan containing reasonably estimated completion dates for addressing the alleged violation(s).

6. Nothing herein shall prevent the Attorney General from agreeing in writing to provide MoneyGram with additional time beyond the thirty (30) business day period to respond to a notice of noncompliance referred to here. MoneyGram's request for additional time to respond shall not be unreasonably refused.

7. Nothing in this Assurance shall be construed to exonerate any failure by MoneyGram to comply with any provision of this Assurance after the date of its entry, or unless expressly provided in this Assurance to limit the authority of the Attorney General to enforce the terms of the Assurance in accordance with the laws of their respective states.

8. To seek a modification of this Assurance for any reason—including that MoneyGram believes that the requirements of this Assurance are in conflict with its obligations

pursuant to the matters described in this Assurance—MoneyGram shall send a written request for modification to the States, including with that request, an explanation of the circumstances which MoneyGram believes warrant the modification. The States shall give such request reasonable consideration and shall respond to MoneyGram within thirty (30) days of receiving the request. At the conclusion of this thirty (30) day period, MoneyGram reserves all rights to pursue any legal or equitable remedies to which it may be entitled. For the purposes of this Assurance, a conflict exists if conduct prohibited by the matters described in paragraph D(5), above, is required by this Assurance, or if conduct required by the matters described in paragraph D(5), above, is prohibited by this Assurance.

9. MoneyGram further agrees to execute and deliver all authorizations, documents, and instruments which are necessary to effectuate the terms and conditions of this Assurance of Voluntary Compliance, whether required prior to, contemporaneous with, or subsequent to the Effective Date. All notices, requests, demands, or other communications required by this Assurance, or given pursuant to its terms, must be in writing. For any such communication to be considered delivered, it must be mailed by registered or certified mail, postage prepaid, or sent by an overnight courier service to the Multistate Executive Committee at the addresses identified in the signature pages of this Assurance, and/or to MoneyGram at:

MoneyGram International, Inc.
F. Aaron Henry
General Counsel
2828 N. Harwood Street, 15th Floor
Dallas, Texas 75201

With a copy to:

Lewis Rose, Esq.
Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178

Date: January 29, 2016

MONEYGRAM PAYMENT SYSTEMS, INC.

By: _____

W. Alexander Holmes
Chief Executive Officer
MoneyGram Payment Systems, Inc.

REPRESENTING MONEYGRAM PAYMENT SYSTEMS, INC.

By: Lewis Rose /ML

Lewis Rose, Esq.
Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178

In the Matter of:
MoneyGram Payments Systems, Inc.

Dated: December 11, 2015

HERBERT H. SLATERY III
Attorney General and Reporter
B.P.R. No. 9077

NATE CASEY
Assistant Attorney General
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Office of the Tennessee Attorney General
Consumer Protection and Advocate Division
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MONEY GRAM EXHIBIT A - List of State Laws

1. **Alabama Deceptive Trade Practices Act, Alabama Code Section 8-19-1, et seq.**
2. **Alaska Unfair Trade Practices and Consumer Protection Act, AS 45.50.471 et seq.**
3. **Arizona Consumer Fraud Act, A.R.S. §§ 44-1521, et seq.**
4. **Arkansas Deceptive Trade Practices Act, Arkansas Code Ann. 4-88-101, et seq.**
5. **California Consumers Legal Remedies Act, Cal. Civ. Code § 1750, et seq.**
6. **Colorado Consumer Protection Act, Colorado Revised Statutes § 6-1-101, et seq.**
7. **Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. § 42-110b, et seq.**
8. **Delaware Code Ann. Tit. 6, §§ 2511 to 2536.**
9. **District of Columbia D.C. Code § 28-3901 et seq. (2001).**
10. **Florida Deceptive and Unfair Trade Practices Act, Fla. Stat. Ann. §§ 501.201 et seq.**
11. **Georgia Fair Business Practices Act of 1975, O.C.G.A. § 10-1-390 et seq.**
12. **Hawaii Unfair and Deceptive Trade Practices Act, Haw. Rev. Stat. §§ 480-1 et seq.**
13. **Idaho Consumer Protection Act, Idaho Code Section 48-601 et seq.**
14. **Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1, et seq.**
15. **Indiana Deceptive Consumer Sales Act, Indiana Code 24-5-0.5-1 et. seq.**
16. **Iowa Consumer Fraud Act, Iowa Code § 714.16.**
17. **Kansas Consumer Protection Act, K.S.A. 50-623 et seq.**
18. **Kentucky Consumer Protection Act, K.R.S. 367.110 et seq.**
19. **Louisiana Unfair Trade Practices and Consumer Protection Law, La. R.S. 51:1401, et seq.**
20. **Maine Unfair Trade Practices Act, 5 M.R.S. §§ 207 and 209.**
21. **Maryland Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101 through 13- 501 (2013 Repl. Vol. and 2015 Supp.)**
22. **Massachusetts M.G.L. c. 93A, Section 1 et seq.**
22. **Michigan Consumer Protection Act, MCL 445.901, et seq.**
23. **Minnesota Consumer Fraud Act, Minn. Stat. §§ 325F.68 and 325F.69, Minnesota Deceptive Trade Practices Act, Minn. Stat. § 325D.43-.48, and Minnesota False Statement in Advertising Act, Minn. Stat. § 325F.67.**
24. **Mississippi Consumer Protection Act, § 75-24-1 through § 75-24-27 (1972, as amended).**
25. **Missouri Merchandising Practices Act, Mo. Rev. Stat. § 407.010, et seq.**
26. **Montana Unfair Trade Practices and Consumer Protection Act (MUTCPA), Mont. Code Ann. § 30-l4-101 et seq.**
27. **Nebraska Consumer Protection Act, Neb. Rev. Stat. § 59-1601 et seq., and the Uniform Deceptive Trade Practices Act, Neb. Rev. Stat. § 87-301 et seq.**
28. **Nevada Deceptive Trade Practices Act, NRS 598.0903 et seq.**
29. **New Hampshire Rev. Stat. Ann. 358-A.**
30. **New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq.**
31. **New Mexico Unfair Practices Act, NMSA § 57-12-1 et seq. (1967), NMSA § 57-15-1, et seq., and N. M. Admin. Code 12.2.11.**
32. **N.Y. Gen. Bus. Law §§ 349 and 350.**
33. **North Carolina Unfair and Deceptive Trade Practices Act, N.C.G.S. 75-1.1 et seq.**
34. **N.D.C.C. §§ 51-12-08 et seq. and 51-15-01 et seq.**

35. **Ohio Consumer Sales Practices Act, R.C. 1345.01 et seq.**
36. **Oklahoma Consumer Protection Act, 15 O.S. §§ 751 et seq. ("OCPA")**
37. **Oregon Unlawful Trade Practices Act, ORS §§ 646.605 et seq.**
38. **Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. § 201-1, et seq.**
39. **Rhode Island Deceptive Trade Practices Act, R.I. Gen. Laws § 6-13.1-1, et seq.**
40. **South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10 et seq.**
41. **South Dakota Codified Laws 37-24-1, et. seq**
42. **Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. § 47-18-101 et seq.**
43. **Texas - Tex. Bus. & Com. Code Ann. § 17.41 et seq.**
44. **Utah Consumer Sales Practices Act, Utah Code Ann. § 13-11-(4)1, 13-11-5**
45. **Vermont Consumer Fraud Act, 9 V.S.A. §§ 2451-2466.**
46. **Virginia Consumer Protection Act, Va. Code §§ 59.1-196 through 59.1-207.**
47. **Washington Revised Code of Washington RCW 19.86.020.**
48. **West Virginia Consumer Credit and Protection Act, W.Va. Code §§ 46A-1-101 et seq.**
49. **Wisconsin Stat. §§ 100.18(1) fraudulent representations**
50. **Wyoming Consumer Protection Act, Wyo. Stat. Ann. §§ 40-12-101 through 114.**