

Minnesota Department of Commerce

# Bullion Product Dealer Procedures Guide

2017

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## **INTRODUCTION**

This guide is intended to help bullion product dealers understand how to register with the Minnesota Department of Commerce ("Commerce Department") and maintain their registration.

Every effort was made to ensure the accuracy of the material in this guide, but nothing in it should be construed as legal advice, and Minnesota state law always governs the matters discussed in these pages.

The information in this guide was current as of April 2017, but always check [Minnesota Statutes, Chapter 80G](#) and the [Commerce Department website](#) for updates to laws and procedures.

## **QUICK OVERVIEW**

To operate in Minnesota, a bullion product dealer must:

- establish procedures for criminal history and judgment screening of each of its owners, officers, and dealer representatives
- register itself and each of its dealer representatives
- maintain a current, valid surety bond
- follow specified practices and procedures
- annually renew its registration and the registration of each of its dealer representatives

### **Fees**

The fee for a bullion product dealer registration is \$25. The renewal fee is also \$25.

The fee for a dealer representative registration is \$10. The renewal fee is also \$10.

## **APPLICABLE LAWS**

The primary statute governing bullion product dealers and dealer representatives in Minnesota is [Minnesota Statutes Chapter 80G, Bullion Products Dealers](#). But you must be familiar with many other Minnesota laws as well, including the following:

[Chapter 45, Department of Commerce: General Powers](#)

[Chapter 325D, Restraint of Trade](#)

[Chapter 325F, Consumer Protection: Products and Sales](#)

## **PULSE**

Most licensing services, including applications, renewals, address changes, and others, are performed online via PULSE ([pulseportal.com](https://pulseportal.com)), the electronic system used by the Commerce Department to administer its licensing, registration, and enforcement programs for bullion product and other industries. For assistance using PULSE, please contact Pulse Support at 1-866-274-4756.

## **BECOMING A REGISTERED BULLION PRODUCT DEALER**

To become a registered bullion product dealer in Minnesota, you must:

- Establish procedures for criminal history and judgment screening of each of the dealer's owners, officers, and dealer representatives
- Submit the required application
- Pay the associated fee
- Receive notice that your registration has been approved by the Commerce Department

## **CRIMINAL HISTORY SCREENING PROCEDURES**

You must establish procedures to screen each of the dealer's owners, officers, and dealer representatives before you register and each time you renew your registration. You must keep the results of the screening on file and provide them to the Commerce Department if the Commerce Department requests them.

**Initial Screening.** The screening process for your initial registration must be done no more than 60 days before you submit an application for registration. The process must include:

- a national criminal history record search;
- a judgment search; and
- a county criminal history search for all counties where the individual has resided within the immediately preceding ten years.

You must use a reputable, reliable, and accurate vendor authorized to do business in any state to conduct the background screening process.

**Renewal Screening.** The screening process for the renewal of a registration must take place no more than 60 days before you submit an application for renewal of a registration. The process must include:

- a national criminal history record search;
- a judgment search; and
- a county criminal history search for all counties where the individual has resided since satisfactorily completing the last screening process conducted to comply with the bullion product registration law ([Minnesota Statutes Chapter 80G](#)).



## REGISTRATION APPLICATION PROCEDURES

The steps for submitting bullion product dealer and dealer representative registration applications are explained in the following pages. Before starting the application process, make sure that you have the following information; you will need it in order to complete the application.

For the company:

- Full legal Minnesota business name
- Employer Identification Number (EIN)
- Minnesota Tax ID Number (TIN)
- Business organization type
- Business organization date
- State of domicile
- Assumed names and doing business as names (DBAs), and the associated Certificate of Assumed Name filed with the Minnesota Secretary of State's office
- Business addresses, including all business addresses at which the dealer or its dealer representatives conduct business
- E-mail addresses
- Primary telephone number used by the dealer or its dealer representatives to buy, sell, solicit, or market to consumers bullion products or investments in bullion products
- Web site domain names and website address(es)
- A list of all officers and directors of the business entity, including (if applicable) members or managers (for a limited liability company) or partners, including their full name, official title, and Social Security Number or EIN
- A list of all persons who have an ownership interest of more than 10%, whether directly or indirectly, including their full name, official title, percentage of ownership, and Social Security Number or EIN
- A current, valid Minnesota surety bond (see page 15)
- A list of any unclaimed property that must be reported under [Minnesota Statutes, Chapter 345.37](#)

For each listed officer, director, member, manager, partner, and owner, and each dealer representative:

- All applicable background documentation (see page 9)

## BACKGROUND DOCUMENTATION

The registration applications ask questions about the applicant's criminal history. Any bullion product dealer, owner, officer, director, member, manager, partner, or dealer representative who has a background item that needs to be explained is required to submit certain official documents to show the extent of the issues and how they were ultimately resolved. The table below (which continues on page 10) shows the correct documentation for the most common items.

Item	What should be submitted
<p><b>For each of the following:</b></p> <p><b>Criminal conviction</b> (felony, misdemeanor, or military offense)</p> <p><b>Criminal charge</b> (felony, misdemeanor, or military offense)</p> <p><b>Withheld or deferred judgment</b> (felony, misdemeanor, or military offense)</p>	<ul style="list-style-type: none"> <li>• A written statement explaining the circumstances of each incident; AND</li> <li>• A copy of the charging document; AND</li> <li>• A copy of the official document that demonstrates the resolution of the charges or any final judgment—often called a Sentencing Order</li> </ul> <p><b>Do NOT submit:</b></p> <ul style="list-style-type: none"> <li>• A Register of Actions (unless it contains an official court stamp confirming that it is the only document available)</li> <li>• A case summary printout</li> </ul>
<p><b>Administrative action</b> associated with any professional or occupational license or registration</p>	<ul style="list-style-type: none"> <li>• A written statement identifying the type of license and explaining the circumstances of each incident; AND</li> <li>• A copy of the Notice of Hearing or other document that states the charges and allegations; AND</li> <li>• A copy of the official document that demonstrates the resolution of the charges or any final judgment—often called a Consent Order or Final Order</li> </ul>

Item	What should be submitted
<p><b>Civil judgments or orders</b> entered, filed, or issued by a government entity for violation of consumer protection laws or unfair trade practices laws or for failure to account to a consumer for money or property received from the consumer</p>	<ul style="list-style-type: none"> <li>• A written statement identifying all parties involved (including their percentage of ownership, if any) and explaining the circumstances of each incident; AND</li> <li>• A copy of the Petition, Complaint, or other document that commenced the action by the government entity; AND</li> <li>• A copy of the official document that demonstrates the resolution of the charges or any final judgment—often called a Consent Order or Final Order</li> </ul>
<p><b>For each of the following:</b></p> <p><b>Settlements or other agreements</b> entered into with any government entity resolving concerns involving violation of consumer protection laws or unfair trade practices laws, or failure to account to a consumer for money or property received from the consumer</p> <p><b>Cease and desist orders or other prohibitions</b> against buying, selling, soliciting, or marketing of bullion product, investments in bullion product, or precious metal</p> <p><b>Any finding of liability</b> in any lawsuit or arbitration proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation, or breach of fiduciary duty</p>	<ul style="list-style-type: none"> <li>• A written statement identifying all parties involved (including their percentage of ownership, if any) and explaining the circumstances of each incident; AND</li> <li>• A copy of the Petition, Complaint, or other document that commenced the action by the government entity; AND</li> <li>• A copy of the official document that demonstrates the settlement or other agreement with the government entity</li> </ul>

# APPLYING FOR REGISTRATION AS A BULLION PRODUCT DEALER

You can submit the necessary application by following these steps.

- ▶ Visit [pulseportal.com](http://pulseportal.com). Make sure the pop-up blocker in your browser is turned off. **Do not use your web browser’s “Back” button at any point or the data you enter will be lost.**
- ▶ Select the specified item from the associated dropdown menu or list.

Menu or List	Item to Select
Choose a Program	Minnesota Department of Commerce
Choose a Board	Bullion Product Dealers
Licensing Services	Submit License Application
Entity Type	Organization
License Type	Bullion Product Dealer
Resident State	The resident state of the business entity that you are registering

- ▶ Enter the specified item in the associated field.

Field	Item to Enter
EIN	The business entity's Federal Employer Identification Number
Previous License Number and Previous License Type	The requested information, but only if the business entity was previously licensed
Company Name	The business entity’s full legal name

- ▶ Click the "Next" button. Review and print the "Bullion Product Registration General Requirements." Click the “Close” button, and then click the "Next" button.

- ▶ Enter your primary and secondary e-mail addresses for business use by following these steps. (If you do not have a secondary e-mail address for business use, enter your primary e-mail address both times.)
  - Under **New E-mail Address Information**, select "All Boards" from the Board dropdown menu.
  - Select "General Organization Email" from the "E-mail Address Type" dropdown menu.
  - Enter your e-mail address for business use in the "E-mail Address" box and the "Confirm e-mail address" box.
  - Click the "Add Another" button.
  - Under **New E-mail Address Information**, select "Bullion Product Dealers" from the "Board" dropdown menu.
  - Select "Business Organization Email" from the "E-mail Address Type" dropdown menu.
  - Enter your secondary e-mail address for business use in the "E-mail Address" box and the "Confirm e-mail address" box. If you do not have a secondary e-mail address for business use, enter the same e-mail address for business use that you previously entered.
  - Click the "Next" button.
  
- ▶ Continue entering the requested demographic information and answering the background questions for the company.

At the end of the application, you will receive a confirmation number that can be used to check the status of the application on PULSE as part of the "Application/Renewal Status Inquiry" service.

**The registration expires on June 30 and must be renewed before the deadline. See "Mass License Renewal" on page 16.**

## SUBMITTING A REGISTRATION APPLICATION FOR A DEALER REPRESENTATIVE

Applications for dealer representatives are submitted by the bullion product dealer that the representative will be associated with. The bullion product dealer can submit an application by following these steps:

- ▶ Visit [pulseportal.com](http://pulseportal.com). Make sure the pop-up blocker in your browser is turned off. **Do not use your web browser's "Back" button at any point or the data you enter will be lost.**
- ▶ Select the specified item from the associated dropdown menu or list.

Menu or List	Item to Select
Choose a Program	Minnesota Department of Commerce
Choose a Board	Bullion Product Dealers
Licensing Services	Submit License Application
Entity Type	Individual
License Type	Bullion Product Dealer Rep
Resident State	The resident state of the individual that you are registering

- ▶ Click the "Next" button. You will then be asked to log in using the user name and password of the registered bullion product dealer that the individual will be associated with.
- ▶ After successfully logging in you will be able to follow the necessary steps to complete the application.

The registered bullion product dealer can also use PULSE to check the status of a registration application. After the application has been approved, the registered bullion product dealer can print a copy of the registration.

**The registration expires on June 30 and must be renewed before the deadline. See "Mass License Renewal" on page 16.**

## **Incomplete Applications**

Under state law, an application that is incomplete is considered withdrawn if the applicant does not submit a complete application within six months of the date the application was received, and the application fee under these circumstances is nonrefundable.



## SURETY BOND

You must maintain a current, valid surety bond issued by a surety company admitted to do business in Minnesota in an amount based on the transactions (purchases from and sales to consumers at retail) during the 12-month period prior to registration or renewal, whichever applies. See the table below.

Transaction Amount in Preceding 12-month Period	Surety Bond Required
\$25,000 to \$200,000	\$25,000
\$200,000.01 to \$500,000	\$50,000
\$500,000.01 to \$1,000,000	\$100,000
\$1,000,000.01 to \$2,000,000	\$150,000
Over \$2,000,000	\$200,000

The required form is available from the Commerce Department website on the [Bullion Product page](#) under the “Surety Bond” tab.

## MASS LICENSE RENEWAL

The bullion product dealer must renew the company registration and the associated dealer representative registrations before the renewal deadline. Dealer representatives do not submit their own registration renewal application; the bullion product dealer that they are associated with must submit it. Once the applications have been approved by the Commerce Department, the dealer will be able to print out the renewed registrations.

**The registration renewal application is available from early May** through the June 30 deadline.

You will need your user name and password to access the mass renewal application. If you do not have that information, please contact PULSE Support for assistance at 1-866-274-4756.

### Fees

The fee for a renewal of a bullion product dealer registration is \$25.

The fee for a renewal of a dealer representative registration is \$10.

### Submitting Registration Renewal Applications

A bullion product dealer can submit registration renewal applications by following these steps:

- ▶ Visit [pulseportal.com](http://pulseportal.com). Make sure the pop-up blocker in your browser is turned off. **Do not use your web browser's "Back" button at any point or the data you enter will be lost.**
- ▶ Select the specified item from the associated dropdown menu or list.

Menu or List	Item to Select
Choose a Program	Minnesota Department of Commerce
Choose a Board	Bullion Product Dealers
License Renewals	Mass License Renewals

- ▶ Enter the dealer's PULSE user name and password.
- ▶ Click the "Login" button.
- ▶ Next to "License Type," click the "Bullion Product Dealer" radio button, then click the "Submit" button.

You will be presented with a list of all dealer representatives associated with your company whose registrations are due for renewal. At the front of each row in the list is a checkbox, which is checked by default. If there are any representatives whose registrations you do not want to renew, uncheck the box at the front of their row. Click the "Submit" button.

- ▶ Read the Attestation and then click the appropriate button.
- ▶ Review the "Selected Individual License Renewals" list. After you have confirmed that it is correct, click the "Submit" button.
- ▶ The Credit Card Information screen will appear. Enter all requested information. (Note: If your mailing address is in the United States, you do not need to enter anything in the "Country" field.) Click the "Continue" button.
- ▶ Verify your information on the next screen. If something needs to be added or corrected, click the "Back" button (the one on the page, not the one for your browser). If everything is correct, click the "Submit Credit Card Info" button.

The confirmation page will appear. Please write down the Confirmation ID number and print the page for your records. The Confirmation ID number can be used to check the status of your renewals.

You can view and print the renewed registrations by clicking the indicated link beneath the list of renewed registrations.

## **Incomplete Applications**

Under state law, an application that is incomplete is considered withdrawn if the applicant does not submit a complete application within six months of the date the application was received, and the application fee under these circumstances is nonrefundable.

## **REPORTING CHANGES IN REGISTRATION INFORMATION**

Registered bullion product dealers must notify the Commerce Department in writing, no later than 30 days after the change occurs, of any change in any of the following for the dealer:

- Name
- Assumed names
- Doing business as names
- Business addresses, including all business addresses at which the dealer or its dealer representatives conduct business
- Owners
- E-mail addresses
- Web site domain names
- Primary telephone number used by the dealer or its dealer representatives to buy, sell, solicit, or market to consumers bullion products or investments in bullion products

## **PROHIBITED PRACTICES**

Your bullion product dealer registration gives you the ability to perform various services that unregistered individuals and businesses are legally forbidden to perform. But state law also prohibits bullion product dealers from performing certain acts and practices. For example, you may not misrepresent your professional qualifications, affiliations, or registration, and you may not fail to investigate any consumer complaint. There are many other prohibitions.

Review [Minnesota Statutes Chapter 80G, Bullion Product Dealers](#), as well as the other items listed under "Applicable Laws" above. If you have any questions, consult with your attorney. You may also contact the Commerce Department Enforcement Division at [consumer.protection@state.mn.us](mailto:consumer.protection@state.mn.us) with questions about permissible acts and practices.

## REFUNDS

If you submit an application in error or want to withdraw an application for some other reason, state law provides very limited circumstances under which you may request a refund of the associated registration fee. In general, you cannot receive a refund unless you do not qualify for the registration, and you must request a refund within six months of the date that you submitted the fee payment.

To request a refund, send an e-mail to [licensing.commerce@state.mn.us](mailto:licensing.commerce@state.mn.us) with "BULLION PRODUCT APPLICATION REFUND REQUEST" in the subject field.

**Include your mailing address in the body of the message** because we are not able to issue a refund to your credit card or bank account directly.

If we are able to approve your refund request, a refund check will be mailed to you within 4-6 weeks.

Please note that we can only refund the fees that the Commerce Department charges for the application; we cannot refund any vendor or credit card processing fees.

## **QUESTIONS?**

If you have questions about anything in this guide, please contact the Commerce Department at [licensing.commerce@state.mn.us](mailto:licensing.commerce@state.mn.us) or 651-539-1599.