



COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF BANKS

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COMMISSIONER

December 19, 2017

Stephen M. Lorusso
Basly, LLC
245 First St., Riverview II, 18th Floor
Cambridge, MA 02142

Dear Mr. Lorusso:

The Division is in receipt of your correspondence dated October 7, 2017 to the Division of Banks (Division) in which you request an opinion relative to the licensing requirements applicable to Basly, LLC (Basly) and its proposed activities within the Commonwealth.

According to your correspondence, Basly is a Boston-based company that is developing a mobile phone application for use by home improvement contractors. The application, identified as FAZTA, will operate to allow a home improvement contractor to send an invoice to a homeowner, permit a homeowner to pay an invoice through the FAZTA application by credit card, debit card, or ACH transfer, and will allow a contractor to refund monies to a homeowner where needed. Your letter clarifies that the payments between homeowners and contractors will be facilitated by a third party payment provider, Stripe, Inc., and that Basly will obtain a fee for each payment made through the FAZTA application. Notably, your letter confirms that the payment services of the FAZTA application will only be available within the United States.

The Division licenses entities in the Commonwealth engaged in the business of receiving deposits of money for the purpose of transmitting the same or equivalents thereof to foreign countries. *See* Massachusetts General Laws Chapter 169. Presently, the Commonwealth's licensing statutes do not apply to the receipt of money for transmission to recipients within the United States. Based on the information provided, Basly does not receive deposits of money for transmission to foreign countries, as your correspondence indicates that Basly will offer its FAZTA payment services only within the United States. Accordingly, it is the Division's position that Basly does not require a foreign transmittal license for the services conducted through its FAZTA application. Please note, however, that there is currently a bill before the Massachusetts Legislature, House 2189 (An Act Relative to the Regulation of the Business of Domestic and Foreign Money Transmission by the Division of Banks), which, if enacted, would require the licensing and regulation of companies engaged in the transmission of money within the United States. If enacted, the Division recommends that you review the new law and determine how it may apply to your business model. Lastly, please also be aware that home improvement contractors performing work in Massachusetts are required to comply with the provisions of M.G.L. Chapter 142A.

In the event that you seek a further advisory legal opinion from the Division in the future, kindly refer to the enclosed copy of the Division's Regulatory Bulletin 1.1-103, which provides guidance on the

Stephen M. Lorusso

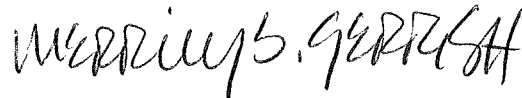
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Division's requirements for issuing a legal opinion, including the requirement for providing legal analysis under Massachusetts law. If you have any questions, please contact the Legal Unit at (617) 956-1520.

The conclusions reached in this letter are based solely on the facts presented. Fact patterns which vary from that presented may result in a different position statement by the Division.

Sincerely,

A handwritten signature in black ink that reads "Merrily S. Gerrish". The signature is written in a cursive style with some capital letters.

Merrily S. Gerrish
Deputy Commissioner of Banks
and General Counsel

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