

Prepaid Card Practice

Primary Practice Contact Karol K. Sparks

Barack Ferrazzano attorneys have developed a national regulatory and contract practice for issuers and marketers of prepaid debit cards, including gift cards, reloadable cards, travel cards, payroll cards, loyalty, incentive and promotional cards. We represent bank issuers of branded prepaid cards, nonbank issuers or sponsors of closed loop prepaid cards, and marketers of such cards.

Our practice includes:

- Compliance with state gift card laws, money transmitter laws and other state laws applicable to prepaid cards, such as abandoned property laws;
- Compliance with federal laws, including the Credit CARD Act of 2009, the Electronic Funds Transfer Act and Regulation E promulgated thereunder, the E-Sign Act, privacy laws, anti-money laundering and Bank Secrecy Act requirements and similar federal laws of evolving applicability to prepaid cards;
- Contract preparation, review and negotiation of program agreements, funding agreements, processing agreements, software agreements, marketing agreements and cardholder agreements;
- Advice regarding corporate structure and functional matters, including state law implications for same; and
- Transactional matters such as mergers and acquisitions of prepaid card issuers and marketers and spin-offs of prepaid issuance and marketing functions.

Day-to-day prepaid card matters are primarily handled by the following attorneys within the firm's Financial Institutions Group with extensive and varied experience drawn from work in the private sector:

- **Karol Sparks**, who was the Chair of the American Bar Association's 1,500 member Banking Law Committee from 1998-2002, has over 30 years of experience in handling the regulatory matters and corporate activities of financial institutions, with special emphasis on the distribution of annuities, insurance, mutual funds and prepaid cards through banks, thrifts and credit unions. She is the author of the treatise, *Insurance Activities of Banks*, which was originally published in 1998 and is updated annually, and serves

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as adjunct professor at Wake Forest University School of Law and is a member of the Board of Advisors of the Center for Banking and Finance at the University of North Carolina Law School at Chapel Hill.

- **Matt Stone** has more than 10 years of significant banking and bank regulatory experience, having served as an examiner for the Iowa Division of Banking and in positions with the Federal Home Loan Bank of Des Moines and two large regional banks, all prior to attending law school and obtaining an M.B.A. Matt concentrates his practice on bank regulatory and troubled bank matters.