**20:10:12:15.  Financial criteria for licensing.** At a minimum, for a class A license the applicant's balance sheet must show a positive net worth of $100,000. At a minimum, for a class B license the applicant's balance sheet must show a positive net worth. In determining net worth for a class A or class B applicant, the commission may disallow the following assets if the assets are withdrawals of equity or are uncollectible:

 (1)  Accounts and notes receivable from or advances to stockholders, owners, partners, employees, or affiliates;

 (2)  Accounts receivable over 180 days old;

 (3)  Investments or equities in cooperatives; or

 (4)  Goodwill.

 At a minimum, the balance sheet for a class A or class B applicant must show current assets greater than current liabilities. In determining working capital, the commission may disallow the following assets if the assets are withdrawals of equity or are uncollectible:

 (1)  Accounts and notes receivable from or advances to stockholders, owners, partners, employees, or affiliates;

 (2)  Accounts receivable over 180 days old;

 (3)  Investments or equities in cooperatives; or

 (4)  Goodwill.

 **Source:** 24 SDR 190, effective July 15, 1998; 40 SDR 39, effective September 9, 2013.

 **General Authority:** SDCL 49-45-6(5).

 **Law Implemented:** SDCL 49-45-7.