**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.