

Background Check Self-Certification Form

For Money Services Business

I certify on behalf of the license holder named below that adequate background check procedures have been performed regarding _____ (Principal) to determine that he or she meets the qualifications required by Texas Finance Code (TFC) Chapter 151.202 (attached). Specifically, TFC Chapter 151.202 requires that all executive officers, directors, general partners, trustees, managers, and persons in control of a license holder must meet certain requirements.

Accordingly, I acknowledge that failure of the Principal named above to meet any of these requirements may have consequences with respect to our license. Therefore I certify the background check positively determined that:

- Principal is not on the specifically designated nationals and blocked persons list maintained by the United States Department of the Treasury;
- Principal has demonstrated good financial responsibility and is in good financial condition;
- Principal's financial and business experience are appropriate for his or her position;
- Principal does not owe any fees or assessments to the Texas Department of Banking or to any other federal or state agency; and
- Principal has not been convicted within the last ten years of a felony criminal offense under state or federal law, or of a similar offense under the laws of a foreign country.

Additionally, Principal certifies that:

- Principal has never engaged in fraud, knowing misrepresentation, deceit, or gross negligence in connection with the operation of a money services business;
- Principal has never breached a trust or a fiduciary duty;
- Principal is familiar with and agrees to fully comply with all applicable state and federal laws and regulations, specifically including TFC Chapters 151 and 271, the Bank Secrecy Act, and the USA PATRIOT Act;
- Principal has never knowingly failed to file a report required by these statutes; and
- Principal has never knowingly accepted money for transmission or exchange which was derived from illegal activity.

Name of License Holder

Name & Title of Executive Officer

Signature

Date

Name of Principal

Signature

Date

Texas Finance Code §151.202. Qualifications for License.

(a) Subject to Subsections (b) and (c), to qualify for a license under this chapter, an applicant must demonstrate to the satisfaction of the commissioner that:

(1) the financial responsibility and condition, financial and business experience, competence, character, and general fitness of the applicant justify the confidence of the public and warrant the belief that the applicant will conduct business in compliance with this chapter and the rules adopted under this chapter and other applicable state and federal law;

(2) the issuance of the license is in the public interest;

(3) the applicant, a principal of the applicant, or a person in control of the applicant does not owe the department a delinquent fee, assessment, administrative penalty, or other amount imposed under this chapter or a rule adopted or order issued under this chapter;

(4) the applicant, if a partnership, and any partner that would generally be liable for the obligations of the partnership, does not owe a delinquent federal tax;

(5) the applicant, if a corporation:

(A) is in good standing and statutory compliance in the state or country of incorporation;

(B) is authorized to engage in business in this state; and

(C) does not owe any delinquent franchise or other taxes to this state;

(6) the applicant, if not a corporation, is properly registered under the laws of this state or another state or country and, if required, is authorized to engage in business in this state; and

(7) the applicant, a principal of the applicant, or a principal of a person in control of the applicant is not listed on the specifically designated nationals and blocked persons list prepared by the United States Department of the Treasury, or designated successor agency, as a potential threat to commit or fund terrorist acts.

(b) In determining whether an applicant has demonstrated satisfaction of the qualifications identified in Subsection (a)(1), the commissioner shall consider the financial responsibility and condition, financial and business experience, competence, character, and general fitness of each principal of, person in control of, principal of a person in control of, and proposed responsible individual of the applicant and may deny approval of the application on the basis that the applicant has failed to demonstrate satisfaction of the requisite qualifications with respect to one or more of those persons.

(c) The commissioner may not issue a license to an applicant if the applicant or one of the following persons has been convicted within the preceding 10 years of a criminal offense specified in Subsection (e):

(1) if the applicant is an individual, the spouse or proposed responsible individual or individuals of the applicant;

(2) if the applicant is an entity that is wholly owned, directly or indirectly, by a single individual, the spouse of the individual; or

(3) if the applicant is a person other than an individual, a principal of, person in control of, principal of a person in control of, or proposed responsible individual or individuals of the applicant.

(d) The commissioner, on a finding that the conviction does not reflect adversely on the present likelihood that the applicant will conduct business in compliance with this chapter, rules adopted under

this chapter, and other applicable state and federal law, may waive a disqualification under Subsection (c) based on the conviction of a spouse or a corporate applicant or corporate person in control of an applicant.

(e) For purposes of Subsection (c), a disqualifying conviction is a conviction for a felony criminal offense:

(1) under state or federal law that involves or relates to:

(A) deception, dishonesty, or defalcation;

(B) money transmission or other money services, including a reporting, recordkeeping or registration requirement of the Bank Secrecy Act, the USA PATRIOT ACT, or Chapter 271;

(C) money laundering, structuring, or a related financial crime;

(D) drug trafficking; or

(E) terrorist funding; and

(2) under a similar law of a foreign country unless the applicant demonstrates to the satisfaction of the commissioner that the conviction was based on extenuating circumstances unrelated to the person's reputation for honesty and obedience to law.

(f) For purposes of Subsection (c), a person is considered to have been convicted of an offense if the person has been found guilty or pleaded guilty or nolo contendere to the charge or has been placed on probation or deferred adjudication without regard to whether a judgment of conviction has been entered by the court.