

NOTICE TO APPLICANTS

MSB Change of Control Filing Requirements

The requirements listed in this Notice to Applicants have been designed to elicit the minimum information required by the Texas Department of Banking (Department) for the purpose of determining whether a particular application should be granted. The same standards and qualifications for a new license apply. The original and duplicate copy of the application form and all attachments should be delivered to: Banking Commissioner, Texas Department of Banking, 2601 North Lamar Boulevard, Austin, Texas 78705-4294. Applications must be received at least 45 days in advance of the proposed date of acquisition. Inquiries concerning the preparation and filing of this or any other corporate application with the Department should be directed to the Corporate Activities Division at 512/475-1322.

Beginning September 2, 2014, change of control applications may be submitted via NMLS. NMLS is a web-based system where companies can maintain a single record which they use to apply for, maintain, and surrender license authorities in one or more states. Applicants who already have a record in NMLS may submit a change of control application through that system. Other applicants who wish to manage their license on NMLS must create a company record in the system before they can submit a change of control application. More information about NMLS can be found on the [NMLS Resource Center](#).

Once the application and accompanying documents are received by the Department either in hard copy or via NMLS they will be reviewed. The applicant will be notified, through the appropriate channel, if additional information is required to complete the review of the proposed transaction. The application will be officially accepted for filing only when it is determined that sufficient information has been filed to adequately review the proposed transaction. Therefore, full and complete answers will facilitate processing of the application.

Please note in the case that the proposed transaction qualifies for an exemption, a notice filing is required no later than the 15th day after the change of control becomes effective. See section for exceptions below. No fee is required for a notice filing.

Is the submitted information considered public information?

All information submitted to the Department is presumed to be public information, unless it is deemed confidential under the *Texas Open Records Act*. Any document in the application for which you request confidential treatment must be segregated and reference the *Texas Open Records Act* exception supporting the request. Final determination as to the confidentiality of any information will rest with the Banking Commissioner.

To whom does this Section apply?

- Generally, any person, legal or natural, or group acting in concert that owns or controls 25% or more of either the license holder or an entity that controls the license holder. See TFC §151.002 (b)(6).

NOTICE TO APPLICANTS

MSB Change of Control Filing Requirements

What information is required?

- A general summary including background and experience in the money services business and detail on shareholder(s) to be effected.
- If a corporate entity is a proposed controlling shareholder provide:
 - Same documentation as required for a new applicant (*See Exhibits E, F, G and Appendix A – Required Supplemental Forms located in the respective Money Transmission or Currency Exchange License Application*); and
 - Information on principals. *See Appendix A – Required Supplemental Forms located in the respective [Money Transmission](#) or [Currency Exchange](#) License Application.*
- If a natural person is a proposed controlling shareholder, provide information on the individual. *See Appendix A – Required Supplemental Forms located in the respective [Money Transmission](#) or [Currency Exchange](#) License Application.*
- Explain changes to the Business Plan and/or corporate structure of the licensee.
- Pro forma financial statement, including assumptions, that shows the effect on the licensee.
- Outline proposed changes in the Board and executive officers, and include required forms. *See Appendix A – Required Supplemental Forms located in the respective [Money Transmission](#) or [Currency Exchange](#) License Application.*

What are the fees for review of a change of control application?

- A check payable to the Texas Department of Banking is required as a filing fee for each application pursuant to 7 TAC §33.27(f). ***It is not refundable.***

Are there any exceptions?

See TFC §151.605(g) for details of exemptions from the approval requirement and TFC §151.605(h) for applicability.

- Generally, an exemption exists for a person that:
 - has control for a limited purpose, e.g. proxies at a designated meeting, as custodian, etc.;
 - was previously approved as a control person;
 - acquired control by devise or descent; or
 - obtained control through a public offering.

NOTICE TO APPLICANTS
MSB Change of Control Filing Requirements

What if I am unsure?

- TFC §151.605(i) provides a process for review of the proposed transaction and a decision is rendered.
- The non-refundable fee is \$500 plus an additional review fee of \$75 per employee hour for every hour in excess of eight hours.