

NOTICE TO APPLICANTS

MSB Change of Control Filing Requirements

NOTICE: Beginning September 2, 2014, change of control applications for money transmission license holders 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](#). **Applicants submitting a change of control application in NMLS should refer to the Addition or Modification of Direct or Indirect Owners section of the [TX-DOB Money Transmission License Amendment Checklist](#) for instructions.**

The requirements listed in this Notice to Applicants have been designed to elicit the minimum information required by the Texas Department of Banking (the "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.

Once the application and accompanying documents are received by the Department 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).

What information is required?

1. A general summary including background and experience in the money services business and detail on shareholder(s) to be effected.
2. Updated Business Plan containing any changes.
3. Updated organizational chart showing the proposed percentage ownership of direct owners, indirect owners, subsidiaries and affiliates of the license holder. This chart should include all individuals with the power to directly or indirectly vote 25% or more (includes individuals whose ownership is through one or more legal entities) of the outstanding voting interest of the license holder.
4. Pro forma financial statement, including assumptions, that shows the effect on the license holder immediately on consummation and projections for the first full year of operations.
5. Copies of any new assumed name filings, as applicable, filed with the Secretary of State and with the clerk of court in the counties where the license holder proposes to do business, if any new name other than the legal name of the license holder is to be used in Texas.
6. If a corporate entity is a proposed controlling shareholder provide:
 - a) A copy of the entity's Certificate of Good Standing in the state or country of formation; and,
 - b) Legal Entities directly or indirectly controlling 50% or more of the license holder must submit a current certified financial statement.
7. If a natural person will have the power to directly or indirectly vote 25% or more (includes an individual whose ownership is through one or more legal entities) of the outstanding voting interest of the license holder, the individual must submit the following supplemental forms:
 - a) [Authority to Release Information](#);
 - b) [Statement of Personal History](#);
 - c) [Personal Financial Statement](#) – *Personal Financial Statements, whether required only for an individual or for an individual and spouse, may include joint financial information for both spouses. Joint financial statements must be signed by both spouses*;
 - d) [Fingerprints](#);
 - e) [Search Firm Report](#) (if applicable); and,
 - f) Spouse – if the license holder will be directly or indirectly controlled by a single individual the spouse of the controlling owner must also submit fingerprints, authority to release information and statement of personal history.
8. Outline proposed changes to executive officers, directors, general partner, trustee, or manager of the license holder as applicable. For any changes, include the following for each person:

- a) [Authority to Release Information](#);
- b) [Statement of Personal History](#);
- c) [Fingerprints](#); and,
- d) [Search Firm Report](#) (if applicable).

Complex Organizational Structures

Supplemental form requirements for complex organizational structures will be evaluated on a case-by-case basis. Pre-submission of the organizational chart and proposed structure may be necessary to determine the applicability of various forms.

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.

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.