FIDELITY EXPRESS

Real Time. Real Service. Real People.

Anti-Money Laundering Compliance Policy Program Guide

for Fidelity Express Agents

Money Orders, Walk-In Bill Payment, Mobile Top-Up, Digital Gift Cards, Netspend

1301 Main Street, Sulphur Springs, Texas 75482 | 800-621-8030 | fidelityexpress.co

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As a Fidelity Express authorized delegate, you are considered a Money Service Business, and this anti-money laundering compliance guide was created to be your written policy or at least a supplement to your AML policy.

IMPORTANT INFORMATION

All store personnel should readily know the following AML information in the event a state or IRS auditor visits your location.

AML = Anti-Money Laundering

BSA = Bank Secrecy Act

MSB = Money Service Business [anyone who sells money orders, offers walk-in bill payments]

CTR = Currency Transaction Report [above the $10,000 amount]

SAR = Suspicious Activity Report [above the $2,000 amount]

OFAC SDN = Office of Foreign Assets Control. Specially Designated National List

If you are in District of Columbia, Georgia, Illinois, Kentucky, Maryland, Mississippi, North Carolina, Oklahoma, or Texas, you must have a state required sign visible to the public paying bills or buying money orders.

By law, if you sell more than $3,000.00 in money orders to anyone, you must record it in the $3,000 transaction log (3K Log). A copy of this log can be found on page 14. As a company however, we do not allow the sale of more than $1,999.99 (total sale) in money orders to one person in 24-hours. If you break this rule, you risk losing your money order program.

The name of my Compliance Officer is: _____

Responsible for day-to-day anti-money laundering program and employee training, should keep a training log. [trusted employee or owner]

The name of my Independent Auditor is: _____

Monitors the anti-money laundering program, review sales tapes for any payments over $1,999.99 once a month. Review employee training logs. [trusted employee or co-owner, cannot be the same person as Compliance Officer]

Dear Fidelity Express Account Owner:

Please carefully review this Anti-Money Laundering Compliance Guide for your business. The importance of your compliance is outlined on the following pages.

Money Service Businesses include our pay locations selling money orders and offering walk-in bill payments. It is necessary to establish an anti-money laundering compliance program with a compliance officer and designate an independent auditor responsible for the review of the program as well as employee training.

The following list outlines the Fidelity Express policy for in-person bill payments:

- The following list outlines the Fidelity Express policy for in-person bill payments:
- Any payment in cash of more than $10,000 requires you to e-file a Currency Transaction Report on page 8.
- Any payment in cash of $3,000 or more requires the completion of a Monetary Instrument Log as presented on page 14. It will be necessary to obtain identification and personal information at the time of the transaction. As a company however, we do not allow the sale of more than $1,999.99 (total sale) in money orders to one person in 24-hours. If you break this rule, you risk losing your money order program.
- Any suspicious activity should be reported with a Suspicious Activity Report (SAR) by e-file. Transactions deemed to be suspicious would include attempting to make a cash payment of $2,000 or more without a bill stub or paying cash in an amount considerably larger than the utility bill in an attempt to receive a refund from the utility company on page 9.
- Copies of all the reports mentioned above should be maintained for a period of (5) five years.
- No non-contracted payments over $3,000 (must be cash).

Additional helpful information is also available at www.fidelityexpress.co select agent resources. Please feel free to contact us at 800-621-8030, regarding the use of your equipment, anti-money laundering compliance, adding services, or other questions.

Complete Sections: 1-Adoption of Compliance Program, 2-Compliance Officer, 3-Independent Review & 4-Employee Training. This may be required by your bank or needed if you are audited.

FinCEN's regulations require money services businesses to establish anti-money laundering programs tailored to their operations and the risks posed. Fidelity Express has developed this manual to detail the procedures and controls by which it adopts and implements its policies, regarding compliance with anti-money laundering regulations and best practices.

Money Laundering key terms.

Money Laundering is the concealment of the origins of illegally obtained money, typically by means of transfers involving foreign banks or legitimate businesses. Is the practice of making money that was gained through criminal means, such as smuggling weapons, looks as if it came from a legitimate business activity.

Terrorist Financing involves the solicitation, collection, or provision of funds with the intention that they may be used to support terrorist acts or organizations. Funds may stem from both legal and illicit sources. More precisely, according to the International Convention for the Suppression of the Financing of Terrorism, a person commits the crime of financing of terrorism "if that person by any means, directly or indirectly, unlawfully and willfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out" an offense within the scope of the Convention. The primary goal of individuals or entities involved in the financing of terrorism is therefore not necessarily to conceal the sources of the money but to conceal both the financing and the nature of the financed activity.

Placement, Layering and Integration stages.

Placement. It's the first stage, where the illicit proceeds are introduced into the legal financial system. There are various techniques of placement – be it smurfing, electronic transfers, bulk movement, asset conversion, etc. In the case of smurfing, the criminal can do multiple transactions in different banks in a single day, less than the threshold amount ($10,000) so that the transfers go undetected by the bank or law enforcement agencies. The deposited amount may be transferred to a third party for safekeeping or to a security firm.

Layering. This is the second stage where the origins of the funds are concealed by moving them around in a series of complex bank transfers or financial transactions. Out of the various techniques of layering, the most common is to make electronic transfers between different jurisdictions and through offshore accounts. For instance, the criminal may wire the proceeds to a corporation in an overseas island where the money trail doesn't end because the same corporation can be owned by a trust on another island.

Integration. The third and final stage is integration where the proceeds can no longer be detected by the officials and are infused back into the economy. The different methods of integration include the sale and purchase of real estate properties, expensive gifts, loans, false import/export invoices, which in turn helps to hide the source of the illegal income and reintroduces the funds into the financial system, for the use of criminals.

An important factor connecting the three stages of this process is the "paper trail" generated by financial transactions. Criminals try to avoid leaving this "paper trail" by avoiding the reporting and recordkeeping requirements.

One way money launders avoid reporting and recordkeeping requirements is by "structuring" transactions, coercing or bribing employees not to file proper reports or complete required records, or by establishing apparently legitimate "front" businesses to open accounts or establish preferred customer relationships.

MSBs Can Help Fight Money Laundering
Strong management commitment to the AML compliance program promotes ongoing compliance and helps prevent the MSB from being used by money launderers.

FinCEN further encourages MSBs to adopt policies and procedures that incorporate the Basel Committee Statement of Principles on Money Laundering, which urges:

- Proper identification of all persons conducting financial transactions with the financial institution.
- High ethical standards in financial transactions and compliance with laws and regulations governing financial transactions.
- Cooperation with law enforcement.
- Information and training for staff to ensure that they can and do carry out these principles.

Establish Customer Relationships
Strick customer identification and verification policies and procedures can be a financial institution's most effective weapon against money laundering. Requiring appropriate identification and verifying information in certain cases and being alert to unusual or suspicious transactions can help an MSB deter and detect money laundering schemes.

A customer identification and verification policy tailored to the operations of a particular business:

- Helps detect suspicious activity in a timely manner.
- Promotes compliance with all state and federal laws applicable to MSBs.
- Promotes safe and sound business practices. Minimizes the risk that the MSB will be used for illegal activities.
- Reduces the risk of government seizure and forfeiture of funds associated with customer transactions (such as out-standing money orders/traveler's checks and outstanding money transfers) when the customer is involved in criminal activity.
- Protects the reputation of the MSB.

Customer Due Diligence (CDD)
As of May 2018, FINCEN's customer due diligence rule came into effect and is now considered one of the five pillars of AML compliance. The CDD rule requires companies to identify and verify the identity of customers and conduct ongoing monitoring to identify and report suspicious transactions.

Specifically, the CDD rule mandates a risk-based approach: Organizations must evaluate both customers and transaction requests in relation to the risk they pose — higher risk requires greater oversight to limit the potential of fraudulent transactions. For example, if a customer creating an account has an IP address located in a country known for high rates of money laundering, it may be worth having them complete additional checks or reviewing other signals before approving their account.

The CDD Rule, which amends Bank Secrecy Act regulations, aims to improve financial transparency and prevent criminals and terrorists from misusing companies to disguise their illicit activities and launder their ill-gotten gains. The CDD Rule clarifies and strengthens customer due diligence requirements for U.S. banks, mutual funds, brokers or dealers in securities, futures commission merchants, and introducing brokers in commodities. The CDD Rule requires these covered financial institutions to identify and verify the identity of the natural persons (known as beneficial owners) of legal entity customers who own, control, and profit from companies when those companies open accounts.
The CDD Rule has four core requirements. It requires covered financial institutions to establish and maintain written policies and procedures that are reasonably designed to:

1. identify and verify the identity of customers
2. identify and verify the identity of the beneficial owners of companies opening accounts
3. understand the nature and purpose of customer relationships to develop customer risk profiles
4. conduct ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information

Office of Foreign Assets Control (OFAC)
The Office of Foreign Assets Control of the U.S. Department of the Treasury administers and enforces economic and trade sanctions against targeted foreign countries, terrorism sponsoring organizations and international narcotics traffickers based on U.S. foreign policy and national security goals. It compiles lists of person's entities and countries for which U.S. firms are prohibited from transacting business without specific permission. These lists are available from OFAC's website (https://sanctionssearch.ofac.treas.gov/) the penalties for non-compliance are extremely harsh.

The Office of Foreign Assets Control administers and enforces economic sanctions programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers. The sanctions can be either comprehensive or selective, using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals.

The Treasury Department has a long history of dealing with sanctions. Dating back prior to the War of 1812, Secretary of the Treasury Gallatin administered sanctions imposed against Great Britain for the harassment of American sailors. During the Civil War, Congress approved a law which prohibited transactions with the Confederacy, called for the forfeiture of goods involved in such transactions, and provided a licensing regime under rules and regulations administered by Treasury.

OFAC is the successor to the Office of Foreign Funds Control (the "FFC''), which was established at the advent of World War II following the German invasion of Norway in 1940. The FFC program was administered by the Secretary of the Treasury throughout the war. The FFC's initial purpose was to prevent Nazi use of the occupied countries' holdings of foreign exchange and securities and to prevent forced repatriation of funds belonging to nationals of those countries. These controls were later extended to protect assets of other invaded countries. After the United

States formally entered World War II, the FFC played a leading role in economic warfare against the Axis powers by blocking enemy assets and prohibiting foreign trade and financial transactions.

OFAC itself was formally created in December 1950, following the entry of China into the Korean War, when President Truman declared a national emergency and blocked all Chinese and North Korean assets subject to U.S. jurisdiction.

OFAC Reporting System

The OFAC Reporting System (ORS) is a public online platform for submitting mandatory reports on blocked property and rejected transactions, as required by the Reporting, Procedures, and Penalties Regulations (31 C.F.R. part 501). As of August 8, 2024, all persons subject to OFAC's reporting requirements are generally required to use ORS to file initial reports on blocked property, reports on rejected transactions, and the Annual Report of Blocked Property (ARBP). If a submitter can provide evidence of unique and extraordinary circumstances that would not allow the submitter to use ORS, such as lack of access to the internet, the submitter may request to submit reports in an alternative manner by calling (202) 622-2490. Such requests will be subject to a presumption of denial and granted only in writing.

To register for access to ORS, email OFACReport@treasury.gov with the following information: the name of your reporting institution, the name and email of the primary point of contact, as well as any additional persons authorized to file reports.

All report forms are integrated within ORS. However, persons filing the 2024 ARBP must use the TD-F 90-22.50 spreadsheet form available below. Completed ARBP forms must be submitted through ORS.

Fidelity Express Anti-Money Laundering Policy

Fidelity Express has a policy against selling money orders in the amount of $2,000 or more to an individual in a 24-hour period. This policy is for your benefit. If you were to violate this policy, you could also be violating the Bank Secrecy Act (BSA) and the USA PATRIOT Act.

Why you should comply with these regulations: It's the law.

- You could lose your business.
- You could go to jail for up to 10 years.
- You could be fined personally as much as $500,000.
- Banks may close your accounts and refuse to do business with you.

The intent of this Compliance Guide is to help you know and comply with the law.
We cannot be responsible for your program, this is your responsibility, but we will do all we can to help by providing training at installation as well as regular updates and revisions.

Online training is completed through our website. Go to www.fidelityexpress.co, select "Agent Resources". There you'll find all available anti-money laundering documents.

If we see any violations of the required anti-money laundering procedures, Fidelity Express could cancel your money order or walk-in bill payment service.

You are required to have the following established procedures in place:

- Have a written anti-money laundering compliance program.
- Designate a compliance officer for your business.
- Train your employees on a regular schedule, at least annually.
- Have an independent review performed every year to make sure your program is working.
- Financial Institutions follow Customer Due Diligence guidelines or CDD rules.
- Report any suspicious activity by e-filing a Suspicious Activity Report (SAR).
- Maintain proper records for any cash transactions over $3,000 Monetary Instrument Log (MIL) and e-file Currency Transaction Reports (CTRs) for amounts more than $10,000.

The following guide provides detailed information and explanation of the above requirements as well as examples to help you identify suspicious activities. Please utilize the forms included in the guide, and available at www.fidelityexpress.co select agent resources, to establish your own written program.
Many times, banks, as well as auditors, will request copies of your written anti-money laundering program.

As a Fidelity Express account owner and a seller of money orders and provider of walk-in bill payment service, which is a Money Service Business (MSB), you are required by state and federal law to complete AML training and examination at least annually to remain in compliance and continue to process transactions.

- We will send a reminder every year to complete your AML Policy Program Guide, AML training and examination.
- In addition to the federal requirements, please be advised some states have filing and reporting responsibilities at the state level. Please refer to your state regulations or to any additional information provided by Fidelity Express.
- This Compliance Guide is available in its entirety at fidelityexpress.co on the agent resources page.

- For the most up-to-date information visit www.fincen.gov or contact Fidelity Express at 800-621-8030 ext. 7029.

FinCEN Regulations on Anti-Money Laundering (AML) Compliance Programs for Money Service Businesses

The Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury, administers and Issues regulations pursuant to the Bank Secrecy Act (BSA). Through certain BSA reporting and recordkeeping requirements, paper trails of transactions are created that law enforcement and others can use in criminal, tax and regulatory Investigations.

The reporting and recordkeeping provision of the BSA apply to banks, savings and loans, credit unions and other depository Institutions (collectively referred to as "banks") and to other businesses defined as financial institutions, including casinos, brokers and dealers In securities, and money services businesses (collectively referred to as "non-banks").

Retailers selling money orders and providing other money services such as money transfers, check cashing, currency exchange services, and the sale or redemption of traveler's checks face legal and regulatory requirements to help ensure these services are not used as an aid to money laundering. The USA PATRIOT Act and Department of Treasury regulations place requirements on money services businesses (MSBs) which include businesses engaging in any money service in an amount totaling $1,000 or more to one individual in a single day.

What is an MSB?

FinCEN defines a "money service business" as an agent, branch, or office of any person or entity engaging in any of the following activities: currency dealing or exchanging; check cashing; issuing traveler's checks or money orders; selling or redeeming traveler's checks or money orders; money transmitting; and providing or selling of prepaid access devices. Many convenience stores are considered MSBs for the purposes of FinCEN's money laundering enforcement activities because they issue or cash money orders and/or accept walk-in bill payments.

MSB Responsibilities under the USA PATRIOT Act

The USA Patriot Act states MSBs must adopt an "appropriate anti-money laundering program". It is important to know the program you design requires the following:

- Have written policies and procedures reasonably designed to comply with Bank Secrecy Act (BSA) requirements such as verifying customer identification where appropriate, filing required reports, creating and retaining certain records, responding to law enforcement requests and preventing laundering of money;
- Have a compliance officer responsible for day-to-day compliance with AML policies and applicable laws and regulations;
- Implement an independent review or audit function to evaluate the company's compliance with AML policies as well as applicable laws and regulations;
- Provide training to employees on the company's AML policies as well as applicable laws and regulations.

This Compliance Guide presents policies and procedures retailers who fall under the definition of an MSB may adopt to meet the USA PATRIOT Act and comply. The policies and procedures cover the responsibilities listed and the requirements for the maintenance of a money order log, the filing of Currency Transaction Report (CTR), the filing of Suspicious Activity Report (SAR), training, as well as additional rules for businesses offering money transfer services. A statement is included in Section 1, page 11, of this Compliance Guide by which your company can certify it has adopted these policies and procedures to comply with its responsibilities under the Bank Secrecy Act (BSA) and USA PATRIOT Act.

Sharing Regulatory Responsibility with Your Issuers Can Alleviate Compliance Burden

The USA PATRIOT Act's implementation regulations allow MSBs to divide the tasks associated with anti-money laundering compliance. This may be an avenue for your business to explore to help alleviate compliance burdens. Regardless of how individual compliance tasks are divided, keep in mind each party remains responsible for its own compliance.

Designation of Compliance Officer

Each MSB must designate a compliance officer who is responsible for the MSB's day-to-day compliance with anti-money laundering policies and procedures as well as applicable laws and regulations. Section 2, page 12, of this guide includes a statement that may be used to designate a compliance officer. The same individual may serve as compliance officer for more than one MSB and more than one location. This individual may, for example, be a store manager or a corporate employee who works at a centralized location rather than an individual retail outlet. It is important to know the MSB's independent review or audit must be conducted by someone other than the compliance officer for that location.

The compliance officer should periodically review whether the policies and procedures set forth in this guide have been followed and complete a checklist demonstrating such a review has

been completed. An example has been provided in this guide on page 15. If any problems are identified, the compliance officer should determine the cause of the problem and implement appropriate corrective action.

Independent Auditor Review

Every MSB is responsible for conducting an independent review of compliance with its anti-money laundering program as well as applicable laws and regulations. Independent reviews may be conducted by a company employee (other than the compliance officer) or an outside contractor. Independent reviews must be conducted as frequently as the risk of money laundering through an MSB. For most locations, an annual review will be sufficient. Locations with consistently good reviews may be reviewed less frequently (18 months maximum), while locations with issues to address may need to be reviewed more frequently until they demonstrate such issues have been corrected. Result reports of independent reviews must be maintained for five years. If any compliance problems are found, the independent auditor should determine the cause, identify any appropriate corrective action, and work with the compliance officer to implement the corrective action. An Independent Review through Fidelity Express will be done electronically on an annual basis or within 18 months.

The reviews should cover each of the items set forth in this Compliance Guide and ensure the MSB being reviewed maintains all required paperwork and files all required reports. This guide may be used as a checklist for the reviews including adoption of policies and procedures; designation of a compliance officer; completion of a money order and/or bill pay Monetary Instrument Log (MIL); completion of Currency Transaction Reports (CTR); completion of Suspicious Activity Reports (SAR); collection of information on money transfers; and completion of employee training. Any independent reviewer may use the statement in Section 3 (pg. 12) of this guide to demonstrate a review was completed and to record any findings. An independent review through Fidelity Express will be done electronically on an annual basis or within 18 months.

Money Order and Bill Pay Monetary Instrument Logs

MSBs are required to keep a log of all money order and bill payment transactions to a single customer in a single day that total between $3,000 and $10,000. As a company however, we do not allow the sale of more than $1,999.99 (total sale) in money orders to one person in 24-hours. If you break this rule, you risk losing your money order program. Sample forms are included in this Compliance Guide on page 14. For transactions required to be recorded on the log, the MSB must record all the information noted on the log including the:

- Customer's name, address, social security number, and birth date;
- Transaction date;
- Money order serial number(s);
- Total number of money orders purchased
- Amount of the money order and/or bill payment transaction;
- Type and government issuer of identification used by the purchaser and its number;
- Clerk's initials.

MSBs must maintain their money order and bill payment monetary Instrument logs for at least five (5) years and give law enforcement access to the logs upon request.

Currency Transaction Reporting

If one consumer uses more than $10,000 in cash for one or more transactions in a single day, then the MSB must e-file a Currency Transaction Report (CTR). This requirement applies to money transfers as well as to money orders. The CTR must be completed in its entirety and all information necessary to complete the form must be obtained before completing the transaction. The CTR form calls for information regarding the person(s) for whom the transaction is conducted, the individual(s) conducting the transaction, the amount of money involved in the transaction, and the MSB where the transaction took place.

CTR must be e-filed with the BSA E-filing System at http://bsaefiling.fincen.treas.gov/main.html within 15 days of the transaction. The MSB must keep a copy of the CTR for five (5) years and give law enforcement access to the CTR upon request.

Suspicious Activity Reporting

MSBs must e-file a suspicious activity report (SAR) when a transaction is both suspicious and $2,000 or more. Although it is not legally required, a SAR should also be e-filed for suspicious transactions of less than $2,000. Consumers are not to be informed SAR will be completed. Informing the consumer amounts to tipping them off to a potential investigation and is a violation of the law.

A SAR must be e-filed with the BSA E-filing System within 30 days of detection. The MSB must keep a copy of the CTR for five (5) years and give law enforcement access to the SAR upon request.

Suspicious transactions include attempts to launder funds derived from illegal activity; transactions structured to avoid reporting requirements; transactions serving no business or lawful purpose or are unusual for the consumer without any reasonable explanation; and any other transaction involving potential criminal activity.

Specific examples of suspicious activity include:

- Consumer attempting to keep the transaction from being reported;
- Consumer providing false or expired identification;
- Two or more individuals who are together split up to conduct separate transactions for less than $3,000, but with a combined total of more than $3,000;
- Consumer refuses to proceed with the transaction once informed a CTR will need to be completed or the transaction will be recorded on the money order or bill payment monetary instrument log;
- Consumer asks how to avoid reporting and recordkeeping requirements;
- Consumer attempts to threaten or bribe the employee involved in the transaction;
- Consumer buys several money orders in a day without an apparent purpose for breaking up the transactions and never buys more than $3,000 in a single visit, even though the total for the day may be more than $3,000;
- Consumer buys multiple money orders in even hundred-dollar denominations or in unusual quantities.

SARs and CTRs must be electronically filed via the BSA E-filing System located at http://bsaefiling.fincen.treas.gov/main.html.

First-time filers must enroll their organization in BSA E-Filing as follows:
(1) Go to http://bsaefiling.fincen.treas.gov/main.html
(2) Select New Filer Enrollment

Civil and criminal Penalties

Civil and criminal penalties can be Imposed for violations of anti-money laundering laws and regulations. Penalties can result in substantial fines and in prison terms. Any MSB that fails to comply with BSA reporting and record keeping requirements faces possible civil penalties of up to $500 for negligent violations and the greater of the following two amounts for willful violations: the amount Involved In the transaction (up to $100,000) or $25,000. Under certain circumstances, businesses can also be held criminally liable for the acts of their employees. The

maximum criminal penalty for violating a BSA requirements is a fine of up to $500,000 or a term of Imprisonment of up to 10 years, or both.

It is therefore important that employees are thoroughly trained on how to comply with BSA regulations and that a system is in place to ensure that employees are following all anti-money laundering laws and regulations.
MSBs can do a great deal to help the federal government in its anti-money laundering efforts. At a minimum, MSBs should file all BSA reports accurately and in a timely fashion, create and maintain accurate BSA records for the requisite time period, establish and maintain appropriate compliance programs and follow all Treasury Department guidance related to the BSA.

Additional Rules for Money Transfers
Although Fidelity Express does not offer money transfer, should you provide the service via another vendor, there are additional rules. For transfers of more than $1,000, both senders and receivers must log the following information for their consumer (either the sender or the receiver of the funds):

- Name and address
- Type and government issuer of identification used by the purchaser and its number
- Social security number or taxpayer identification number or, if none, alien identification number or passport number and country of issuance (note if there is none)
- Date of birth
- Occupation
- Amount of the transfer;
- Reference number for the transaction;
- Date of the transfer;
- Any money transfer instructions given by the sender; and
- A signed copy of the send or receive form.

In addition, if a person is sending the funds on behalf of another individual or entity, similar information for that individual or entity must be obtained. The information collected concerning senders and receivers of money transfers of more than $3,000 should be retained for five years.

You should also be aware many money transfer companies recommend or require their agents to verify senders' and receivers' identification even for transactions under $3,000. Typically, this is done by viewing identification that includes the person's name, address and/or photograph. Documents used for verifying identity include driver's licenses, passports, and alien identification

cards, among others. As a practical matter, these requirements may be imposed on MSBs by money transfer companies. You should check with your money transfer company to determine whether they have such a policy.

Training

All employees must be trained on the compliance requirements set forth in this Compliance Guide and their individual responsibilities in fulfilling these requirements. Each employee must read this guide carefully and agree to follow it prior to engaging in any money service activities. In addition, there is a certification included in Section 4, page 13, of this Compliance Guide for each employee to sign indicating he or she has read this compliance policy and understands it. Authorized Delegate shall train all its employees responsible for Fidelity Express MSB services (Money Orders, Walk-in Bill Payment, Mobile Top-Up, Digital Gift Card, and Netspend). You must keep documentation of employee training in case of an audit. Continuation of Fidelity Express services after March 6, 2020, constitutes your agreement to and the responsibility for the training requirements.

Record Retention and Sharing with Law Enforcement

Bank Secrecy Act (BSA) regulations require records be kept for a period of five (5) years. This includes Suspicious Activity Report (SAR), Currency Transactions Report (CTR), and Monetary Instrument Log (MIL) of $3,000 or more. Any request from an appropriate federal, state, or local law enforcement agency is allowed, with the proper paperwork, to have access to this information. This also applies to regulatory and supervisory agencies with authority to examine this information.

Required State Signage

Some states require a sign to be posted in full view of where the customer transacts business. **The following states require a sign to be posted: Georgia, Illinois, Kentucky (for bill payment), Maryland, Mississippi, North Carolina, Oklahoma, Texas, and the District of Columbia (for Verizon).** If you do not have a sign, please contact the compliance department at 800-621-8030 ext. 7029.

What Is "Suspicious Activity?"

A SAR must be filed by a covered MSB when the MSB knows, suspects or has reason to suspect that the transaction or pattern of transactions is suspicious and involves $2,000 or more. A suspicious transaction is one or more of the following:

- Involves funds derived from illegal activity, or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity.
- Is designed to evade BSA requirements, whether through structing or other means.
- Appears to serve no business or apparent lawful purpose, and the MSB can determine no reasonable explanation for the transaction after examining all available facts.
- Involves use of the money services business to facilitate criminal activity.

All MSBs should have a system or procedure to ensure that SARs are filed when appropriate. When an MSB employee suspects a person is laundering money, conducting transactions to evade BSA requirements, or conducting a transaction that has no apparent lawful purpose and for which no reasonable explanation can be determined, or involves use of the money services business to facilitate criminal acitvity, the employee should report that activity to his/her manager or to the MSB compliance officer. Then, if the MSB determines that a SAR should be filed, it must file the SAR and keep a copy of it for five years. Any supporting documentation, such as transaction records, must be maintained with the copy of the filed form and also kept for five years from the date of filing the report.

What are "Funds Derived from Illegal Activity?"

The phrase "funds derived from illegal activity" means the monetary proceeds of a criminal act.
Example. A drug trafficker sells drugs to a user for $500. The money received from the drug purchaser, the $500, is proceeds of the drug sale and is "funds derived from illegal activity."

What Is a transaction that "Is Designed to Evade BSA Requirements?"

Example. A customer conducting an $11,000 cash transaction attempts to bribe an MSB employee not to file a CTR.

What is a Transaction that "Serves No Business or Apparent Lawful Purpose?"

Some transactions may be conducted in such a way that they appear unusual or suspicious. However, additional facts, if known by the reporting business, might disclose a reasonable basis for what, at first, appears unusual or suspicious.
Example. A customer, a retired teacher, frequently sends and receives money transfers of more than $2,000 to and from many different people. The MSB might at first conclude that these transactions are suspicious because they appear to "serve no business or apparent lawful purpose: and because there does not seem to be a legal source for these funds. However, with more information, the MSB might conclude that a business purpose exists. For example, the retired teacher might be regularly using an internet auction site to buy and sell antique jewelry.

What Is a transaction that "Involves Use of the MSB to Facilitate Criminal Activity?"

Example. An MSB suspects that a customer is sending a money transfer in order to fund a terrorist organization.

It is important to note that size alone, such as a large cash transaction or money transfer, should not be a determining factor in the decision to file a SAR. Factors that should contribute to that decision, however, include the following: the size, frequency and nature of the transactions; the MSB's experience with the customer and any other individuals or entities associated with the transaction (if any); and the norm for such transactions within the MSB's line of business and geographic area.

Red Flags

When a single factor signals that a transaction is unusual and possibly "suspicious," it should raise a "red flag."

Examples of Some Common Red Flags:

Customer ID or Information

- Customer uses false ID.
- Two or more customers use similar IDs.
- Customer alters transaction upon learning that he or she must show ID.
- Customer alters spelling or order of his or her full name.

Transactions Below Reporting or Recordkeeping Thresholds

Customer conducts transactions just below relevant thresholds:

- Currency exchanges just under $1,000.
- Cash sales of money order or traveler's checks of just under $3,000.

Multiple Persons or Locations

- Two or more customers working together to break one transaction into two or more transactions in order to evade the BSA reporting or recordkeeping requirements.
- Customer uses two or more locations or cashiers in the same day in order to break one transaction into smaller transactions and evade the BSA reporting or recordkeeping requirement.

Overt Illegal Customer Conduct

- Customer offers bribes or tips.
- Customer admits to criminal conduct.

An MSB that correctly verifies and documents a customer's identity is more likely to recognize suspicious activity that should be reported.

Geographic Targeting Order (GTO) Billing Code: 4810-02, Department of the Treasury, Financial Crimes Enforcement Network (FinCEN), 31 CFR Chapter X, Part 1010, Issuance of a Geographic Targeting Order Imposing Additional Recordkeeping and Reporting Requirements on Certain Money Services Businesses Along the Southwest Border.
Summary: FinCEN is issuing notice of a Geographic Targeting Order, pursuant to 31 U.S.C. 5326, requiring certain money services businesses along the southwest border of the United States to report and retain records of transactions in currency of more than $200 but not more than $10,000, and to verify the identity of persons presenting such transactions.
Effective Date: April 14, 2025. *Order Period*: 179 days after publication in the federal register (September 14, 2025) unless extended.
Covered Geographic Area: Imperial County, California: 92231, 92249, 92281, and 92283; San Diego County, California: 91910, 92101, 92113, 92117, 92126, 92154, and 92173; Cameron County, Texas: 78520 and 78521; El Paso County, Texas: 79901, 79902, 79903, 79905, 79907, and 79935; Hidalgo County, Texas: 78503, 78557, 78572, 78577, and 78596; Maverick County, Texas: 78852; and Webb County, Texas: 78040, 78041, 78043, 78045, and 78046.
Currency Transaction Report filing period: 15-days. *Retention Period*: 5-years.

Section One Anti-Money Laundering Compliance Program

CERTIFICATION of Adoption of Compliance Program

I, (name) _____, on behalf of (legal name and d.b.a. of your business) _____ certify that this entity has adopted the attached Anti-Money Laundering Compliance Policy as its anti-money laundering program. This compliance program complies with the requirements of the USA PATRIOT Act, and this entity complies, on an ongoing basis, with all the relevant requirements imposed by the Bank Secrecy Act, the USA PATRIOT Act, and other applicable anti-money laundering laws or regulations.

Signed: _____ Title: _____

Company: _____ Date: _____

Section Two DESIGNATION of Compliance Officer

As of (date) _____, (name) _____, (title) _____ is hereby designated as the Anti-Money Laundering Compliance Officer ("Compliance Officer") for (legal name, d.b.a. of your business and relevant location(s)) _____. The Compliance Officer is responsible for ensuring ongoing compliance with all state & federal anti-money laundering laws, and for ensuring all employees are trained on anti-money laundering requirements before conducting any Money Service Business ("MSB") activity.

Section Three CERTIFICATION of Independent Review

I, (name of auditor) _____, hereby certify that as of (date) _____, have completed an anti-money laundering compliance audit of (legal name and d.b.a. of entity) _____. Among other things, this review focused on the requirements of the USA PATRIOT Act, which mandates an anti-money laundering compliance program that includes policies, employee training, and the designation of a compliance officer. The result of my audit is I find this entity's anti-money laundering compliance program:

Acceptable _____

Acceptable _____, but recommend the following actions for improvement:

_____

_____

Unacceptable _____ for the following reasons with the following recommended corrective actions:

_____

_____

Signature of Auditor: _____

Section Four CERTIFICATION of Employee Training

I acknowledge receiving a copy of (legal name and d.b.a. of your business)

_____

the Anti-Money Laundering Compliance Program. I have read the Compliance Program prior to conducting any Money Services Business for this entity and I understand the reporting and recordkeeping requirements such as the need to report suspicious activity as explained in the Compliance Program.

Date	Employee Name	Employee Signature

AML Money Order Monetary Instrument Log

Use this log to record Money Orders of $3,000 or more for one individual in one business day.
Send a copy of the completed form to Fidelity Express. *You must retain this form for five (5) years from the date of sale*.
Submit a copy of the completed form to Fidelity Express, compliance@fidelityexpress.com or fax 888-896-9772.
As a company however, we do not allow the sale of more than $1,999.99 (total sale) for one person in 24 hours. If you break this rule, you risk losing your money order program.

Agent #	
Business Name	
Business Address	
Business Phone	
Store Contact Person	
Purchaser's Name	
Purchaser's Address	
Identification Type	
Identification Issuer	
Identification Number	
Date of Birth	
SSN/TIN/Alien ID#	
Transaction Date	
Transaction Amount $	

Serial Number	**Amount ($)**	**Notes (if any)**

Registro de Instrumentos Monetarios – Giro Postal AML

Utilice este registro para documentar giros postales de $3,000 o más para una sola persona en un mismo día hábil.
Envíe una copia del formulario completado a Fidelity Express. *Debe conservar este formulario durante cinco (5) años a partir de la fecha de la venta.*
Envíe una copia del formulario completado a Fidelity Express al correo **compliance@fidelityexpress.com** o por fax al **888-896-9772**.

Sin embargo, como empresa, no permitimos la venta de más de $1,999.99 (venta total) a una sola persona en un período de 24 horas. Si incumple esta regla, corre el riesgo de perder su programa de giros postales.

Numero de agente	
Nombre del Negocio	
Direccion de Negocios	
Telefono de Negocios	
Persona de contacto	
Nombre del comprador	
Direccion del comprador	
Tipo de identificacion	
Emisor de identificacion	
Numero de identificacion	
Fecha de nacimiento	
SSN/TIN/Alien ID#	
Fecha de Transaccion	
Cantidad de transaccion	

Número de serie	Cantidad ($)	Notas (si los hay)

AML Bill Payment Monetary Instrument Log

Use this log to record Bill Payments of $3,000 or more for one individual in one business day.
Send a copy of the completed form to Fidelity Express. *You must retain this form for five (5) years from the date of sale*.
Submit a copy of the completed form to Fidelity Express, compliance@fidelityexpress.com or fax 888-896-9772.
As a company, however, we do not allow the sale of more than $1,999.99 (total sale) for one person in 24 hours. If you break this rule, you risk losing your bill payment program.

Agent #	
Business Name	
Business Address	
Business Phone	
Store Contact Person	
Purchaser's Name	
Purchaser's Address	
Identification Type	
Identification Issuer	
Identification Number	
Date of Birth	
SSN/TIN/Alien ID#	
Transaction Date	
Transaction Amount $	

Transaction #	**Amount ($)**	**Biller or Note (if any)**

Registro de Instrumentos Monetarios – Pago de Facturas AML

Utilice este registro para documentar pagos de facturas de $3,000 o más para una sola persona en un mismo día hábil.
Envíe una copia del formulario completado a Fidelity Express. *Debe conservar este formulario durante cinco (5) años a partir de la fecha de la venta.*
Envíe una copia del formulario completado a Fidelity Express al correo electrónico **compliance@fidelityexpress.com** o por fax al **888-896-9772**.

Sin embargo, como empresa, **no permitimos la venta de más de $1,999.99 (venta total) a una sola persona en un período de 24 horas**. Si incumple esta regla, corre el riesgo de perder su programa de pagos de facturas.

Numero de agente	
Nombre del Negocio	
Direccion de Negocios	
Telefono de Negocios	
Persona de contacto	
Nombre del comprador	
Direccion del comprador	
Tipo de identificacion	
Emisor de identificacion	
Numero de identificacion	
Fecha de nacimiento	
SSN/TIN/Alien ID#	
Fecha de Transaccion	
Cantidad de transaccion	

Número de transacción	**Cantidad ($)**	**Biller o Notas (si los hay)**

AML Money Order & Bill Payment Transaction Review

The Independent Auditor may use this chart as part of conducting a review of compliance with the anti-money laundering program as well as applicable laws and regulations.

Dates Checked	Money Order or Transaction Reviewed	Dates Checked	Dates Checked
Example: 1/1/25-1/7/25	Amount of $2,499.99 completed	Found employee took unauthorized payment of $2,499.99, no bill stub present. Retrained the employee.	John
1/15/25-1/30/25	425123456-425123465	Found transaction for $2,000.00, spoke with employee, retrained	Jane

AML Money Order & Bill Payment Transaction Review

The Independent Auditor may use this chart as part of conducting a review of compliance with the anti-money laundering program as well as applicable laws and regulations.

Dates Checked	Money Order or Transaction Reviewed	Dates Checked	Dates Checked