

DEPOSIT IN LIEU OF SURETY BOND

UNDER

STATE OF WISCONSIN

SELLER OF CHECKS LAW - CHAPTER 217

THIS CONTRACT AND AGREEMENT, entered into in triplicate this

_____, between _____
(Date) (Name of Licensee)

a _____,
(Indicate if individual, partnership or corporation and state of incorporation)

hereinafter called the first party, and the _____,
(Name of Depository)

hereinafter called the second party.

WITNESSETH:

WHEREAS, the first party is subject to the law regulating the sale or issuance of checks, drafts, money orders, or other instruments for the transmission or payment of money, and the business or receiving of money for transmission, which law is entitled the "Seller of Checks Law", and

WHEREAS, the Law provides for the deposit, in lieu of a corporate surety bond, of interest-bearing obligations of the United States or any agency or instrumentality thereof, or guaranteed by the United States, or of the State of Wisconsin, or of a city, county, town, village, school district, or instrumentality of the State of Wisconsin, to an aggregate amount, based upon principal amount or market value, whichever is lower, of not less than the amount of the required corporate surety bond, or portion thereof, and

WHEREAS, the Law provides that the applicant may deposit such securities with such banks or trust companies located in the State of Wisconsin as the Department of Financial Institutions approves and further that the compensation of any such custodian is to be paid by the first party, and whereas the first party has designated the above named second party as Custodian hereunder, and

WHEREAS, the second party having authority to exercise trust power in this state has agreed to act as Custodian of the securities deposited with it in lieu of a corporate surety bond as provided in Section 217.06(3)(b), Wisconsin Statutes, and hereby acknowledges receipt of the securities listed below and covenants and agrees that the same will be held by it for the purposes and subject to the terms and conditions of this agreement, and

WHEREAS, the parties have agreed that the first party shall pay to the second party all

expenses of maintaining the securities so deposited, and,

WHEREAS, the Department of Financial Institutions has agreed to accept a deposit of securities in lieu of a corporate surety bond and has approved of the second party as Custodian.

NOW, THEREFORE, in consideration of the premises, the first party deposits with the second party the following securities:

and it is agreed to the parties hereto

1. Subject to the provisions herein contained, these securities shall be held in trust by the second party for the use and benefit of the State of Wisconsin through the Department of Financial Institutions and any creditor of the first party for any liability incurred on any checks, as defined in the Seller of Checks Law, issued by said first party under and by virtue of said Law, and for any liability incurred on any receipt of money for transmission by said first party under and by virtue of said Law.
2. The securities deposited may be exchanged or substitutions made from time to time of any other securities that qualify for deposit under the provisions of the Seller of Checks Law, provided that the aggregate amount of all securities deposited herewith, based upon the principal amount or the market value, whichever is lower, is at least \$ _____, such change to be approved by the Department of Financial Institutions.
3. Interest accruing on securities deposited shall be remitted to or in accordance with the instructions of the first party.
4. All the securities deposited under the terms of this agreement shall be under the exclusive control of the Department of Financial Institutions who shall have the right from time to time to order the Custodian to sell or otherwise dispose of any securities and to convert the same into cash and to pay and deliver any securities and cash to said Department of Financial Institutions all such instructions, however, from the Department of Financial Institutions to be in writing and supported by a certified copy of an order of a court of competent jurisdiction.
5. If the first party will faithfully conform to and abide by the provisions of the Seller of Checks Law and will honestly and faithfully apply all funds received and perform all obligations in connection with checks issued and sold under the said Law and will pay to the State of Wisconsin or to any person entitled thereto all money that becomes due and owing to the State of Wisconsin or to the Department of Financial Institutions or to such person under the provisions of said Law because of any checks issued or sold in the State of Wisconsin or money received in the State of Wisconsin for transmission by said first party under and by virtue of the provisions of the said Law, then the second party shall have no further right in or claim to the securities deposited.
6. This agreement is executed in triplicate, one copy to be kept by each of the parties hereto and one copy to be kept by the Department of Financial Institutions.

Signed, sealed and delivered in triplicate this _____ day of _____, _____.

(Name of Licensee - First Party) By _____
(Name & Title)

Taken, subscribed and sworn to before the undersigned authority in _____ County,
State of _____, this _____ day of _____,
My Commission expires on _____.

NOTARIAL SEAL

(Notary Public)

(Name of Custodian - Second Party) By _____
(Name & Title)

Taken, subscribed and sworn to before the undersigned authority in _____ County,
State of _____, this _____ day of _____,
My Commission expires on _____.

NOTARIAL SEAL

(Notary Public)

Department of Financial Institutions
State of Wisconsin

Approved By _____

On _____, _____

(This agreement is to be signed by an active officer of the parties of the first and second parts. The title of the officer and date signed must be shown. Each signature must be notarized.)

Notice: This form is required under Chapter 217, Wisconsin Statutes. Refusal to provide this information may result in the denial of a license. Failure to complete this form completely and accurately may result in denial or revocation of license, and any other penalties as provided by law.

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