pennsylvania
DEPARTMENT OF BANKING
AND SECURITIES

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Bond No. _____

MONEY TRANSMITTER -
DEPOSIT AND PLEDGE OF SECURITIES IN LIEU OF SURETY BOND

WHEREAS, Department means the Department of Banking and Securities of the Commonwealth of Pennsylvania located at 17 N. 2nd Street, Suite 1300, Harrisburg, Pennsylvania 17101, and

WHEREAS, Principal means _____,
(Name of Money Transmitter)

with its principal place of business at _____
(Principal's Address)

and phone number of _____.
(Principal's Phone Number)

WHEREAS, Custodian means the State Treasurer of the Commonwealth of Pennsylvania located at 129 Finance Building, Harrisburg, Pennsylvania 17120-0018.

WHEREAS, reference is made herein to the Act of September 2, 1965, P.L. 249, as amended, known and referred to as the Money Transmitter Act (7 P. S. §§ 6101-6122), and

WHEREAS, any reference in this deposit and pledge of securities ("Pledge") to any statute or regulation, including, but not limited to, the Money Transmitter Act ("Act") and the General Rules of Administrative Practice and Procedure ("GRAPP"), include the statute or regulation in force at the time this bond is executed as well as any subsequent amendments, alterations or replacements of such statute or regulation, and

WHEREAS, Principal has applied to the Department for a license under the provisions of the Act, and

WHEREAS, the granting of the license by the Department to Principal is conditioned upon Principal either obtaining a bond in the amount of one million dollars ($1,000,000) or in lieu of the bond, Principal may deposit with the Department or with the State Treasurer of the Commonwealth of Pennsylvania:

a. bonds, notes, debentures or other obligations of the United States or any agency or instrumentality thereof if guaranteed by the United States having a market value of at least one million dollars ($1,000,000), or
b. bonds, notes, debentures, or other obligations of the Commonwealth or of a political subdivision thereof having a market value of at least one million dollars ($1,000,000).

NOW THEREFORE, in accordance with the licensing requirements of the Act, Principal pledges as follows:

1. **Condition of the Obligation**. Principal shall faithfully:

a. comply with and abide by the provisions of the Act; and
b. comply with and abide by all the rules and regulations of the Department issued in accordance with the Act; and
c. pay any moneys due to the Commonwealth, the Department, or any person or persons who were residents of the Commonwealth at the time the cause of actions arose, any and all moneys due:

i. under the provisions of this Act,
ii. under the provisions of any transmittal instrument issued by Principal within this Commonwealth, or
iii. in relation to any other money transmitter functions that the Department deems to be regulated by it pursuant to the Act.

2. **Pledge of Securities**. This Pledge shall run to the Commonwealth of Pennsylvania and shall be for the use of the Commonwealth, and of any other person or persons who may have a cause of action against Principal for failure to carry out the terms of any transmittal instrument or any other money transmitter related functions that the Department deems to be regulated pursuant to the Act which the Principal shall have issued within this Commonwealth.

3. **Representations of Principal**. Principal warrants and represents that:

a. except as pledged herein, Principal has not sold, assigned, transferred, pledged, or granted any security interest in or otherwise hypothecated any of the securities in any manner whatsoever and that, except as pledged herein, the security, interests and agreements, and

b. Principal has full power and authority to execute and deliver this Pledge and to pledge the securities, and this Pledge constitutes the valid and binding obligation of Principal enforceable in accordance with its terms, and that the pledge of securities is not in violation of any agreement, undertaking or obligation of Principal.

4. **Deposit of Securities**. Principal shall deposit securities with the market value of at least one million dollars ($1,000,000) with Custodian.

5. **Custodian Fees**. Principal is obligated to pay all fees of the Custodian, if any, for its services in connection with this Pledge. The Department shall have no obligation to pay such fees.

6. **Value of Securities.** Principal is obligated to see to it that the securities on deposit shall have a market value of at least one million dollars ($1,000,000) at all times while deposited with the Custodian. In order to comply with this obligation, Principal may deposit, from time to time, such additional securities that qualify under the provisions of the Act in order that the aggregate market value of all such securities deposited equals at least one million dollars ($1,000,000). Should the securities on deposit at any time have a market value of less than one million dollars the Department may revoke the license as provided under the Act.

7. **Substitution of Securities**. Upon approval of the Department, Principal may substitute other securities which qualify under the provisions of the Act for those deposited.

8. **Interest and Dividends**. Principal is entitled to receive all interest and dividends of the deposited securities. It shall be the duty of Custodian to remit all interest and dividends to Principal, according to Custodian's procedure.

9. **Insolvency of Principal**. Should the Principal become insolvent, the principal sum of the securities deposited in lieu of a bond shall be applied to the payment in full of claims arising out of the issuance of transmittal instruments in this Commonwealth.

10. **Effective Date**. The effective date of this Pledge is set forth below.

11. **Duration of this Agreement**. Principal is required to maintain a deposit of securities of at least one million dollars ($1,000,000) in full force and effect indefinitely, subject, however, to the Department's notice to Custodian to release the securities under the terms of paragraph 12.

12. **Release of Securities**. If Principal decides to either obtain a bond under the provisions of this Act, or to cease engaging in the activities covered by the Act, Principal may request the release of the securities at any time by filing with the Secretary a written request. After receiving Principal's request, the Department shall issue a notice to the Custodian to release the securities back to the Principal upon receiving evidence which, in the Department's

sole and reasonable discretion, demonstrates the Principal has fully complied with the Act and that Principal has paid any moneys that are due or that may become due from Principal to the Commonwealth, the Department, or any other person under the provisions of the Act or of any transmittal instrument issued by Principal within this Commonwealth. Principal shall remain liable for all transactions associated with the loaning of money at interest by Principal until the Custodian releases the securities to the Principal.

13. **Principal's Liability**. Regardless of the number of years this Pledge remains in force, the aggregate liability of Principal for any and all claims or judgments to one or more claimants in no event shall exceed the full penal sum.

14. **Default**. Upon the happening of any default of the conditions and obligations assumed under this Pledge and the declaration of a forfeiture by the Secretary, or his designee, Principal hereby authorizes and empowers any attorney of any court of record in Pennsylvania or elsewhere to appear for them, or either of them, and after one or more declarations filed to confess judgment against them in favor of the Commonwealth, to its use or the use of its certain attorney or assigns, for the penal sum together with costs of suit and five per centum, added as attorney fee, and they do further release all errors, and waive the right of exemption, and stay of execution, and authorize the levy and sale of any or all property of theirs without appraisement or inquisition.

15. **Events Not Affecting Liability**. This Pledge shall not be discharged by:

a. the recovery of any specific amount of charges for examination, damages, costs, judgments, fines or penalties obtained in any specific action. The agreement shall be in full force and effect until the full amount of the agreement of one million dollars ($1,000,000) shall have been paid by reason of any number of charges for examination, damages, costs, judgments, fines or penalties to which the Principal may have become subjected; or

b. sums due, where the right to which sums did not arise during the license year for which the license found on the application which this Pledge accompanied was granted.

16. **Remedies**. Nothing herein shall limit the Department from seeking any remedy, in addition to the forfeiture of this Pledge, which may be authorized or provided under any law.

17. **Disclosure**. Principal agrees that the Department may publish, divulge or otherwise disclose to any person or government entity this Pledge, the contents of this Pledge, and any information or material related to this Pledge. The information which may be disclosed includes, but is not limited to, pleadings, other submissions and orders related to any administrative proceedings, when such publication divulgement or disclosure is related to an administrative, judicial or other legal proceeding concerning this Pledge.

18. **Headings**. The headings used herein are for descriptive purposes only and have no legal force or effect.

IN WITNESS WHEREOF, Principal has set its hand, intending to be legally bound as of the _____ day of _____, 20___ ("Effective Date").

PRINCIPAL:

_____
(Print Principal Name)

Signed this _____ day of _____, 20___.

By: _____
(Signature)

_____
(Title: i.e. Attorney in Fact)

ATTEST OR WITNESS:

_____
(Where Required)

Approved as to legality and form:

PRE-APPROVED OAG 4/8/13

/Robert A. Mulle/
Office of Attorney General

PRE-APPROVED OGC 2/21/13

/Shawn E. Smith/
Office of General Counsel

Form No. 3-FA-10.0