



**State of Rhode Island
Department of Business Regulation**



DIVISION OF BANKING
1511 Pontiac Avenue, Bldg. 68-2
Cranston, Rhode Island 02920

UNIFORM DEBT-MANAGEMENT SERVICES ACT BOND

Bond Number _____

WHEREAS application has been made to the Director of Business Regulation ("Director") of the State of Rhode Island and Providence Plantations by:

Name: _____

Address: _____

City, State, Zip: _____

NOTE: If sole proprietorship, give full individual name and business address. Give trade name if applicable.
If partnership, give full partnership name and business address. Give trade name if applicable.
If corporation or LLC, give full business name and business address and State where organized. Give trade name if applicable.

Hereinafter referred to as "Applicant" or "obligor", for a license to conduct, in the State of Rhode Island the business provided for by Title 19 Chapters 14 and 14.8 of the General Laws of Rhode Island, as amended.

WHEREAS said Applicant is required to execute a bond payable to said State of Rhode Island, subject to adjustment of the dollar amount pursuant to R. I. Gen. Laws § 19-14.8-32(f), in the penal sum of Fifty Thousand Dollars (\$50,000) or other larger or smaller dollar amount that the Director determines is warranted by the financial condition and business experienced of the debt-management services provider, the history of the provider in performing debt-management services, the risk to individuals, and any other factor the Director considers appropriate.

That said Applicant known as _____
(insert full name(s))

or, as any future name by which said organization shall be known as obligor, and _____¹, surety are held and firmly bound unto the State of Rhode Island and Providence Plantations, for the use of said State and of any person or persons who may have a cause of action against said obligor of this bond under the provisions of said Chapters, in an amount equal at least Fifty Thousand Dollars (\$50,000) or other larger or smaller dollar amount of \$_____ that the Director determines, to be paid unto said State of Rhode Island and Providence Plantations, to which payment well and truly to be made we bind ourselves, our and each of our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS BOND IS SUCH that if the above bounden obligor or its agent shall conform to and abide by each and every provision of said Chapters, the title of which is above set forth, and all amendments thereto and all rules and regulations lawfully made by the Director thereunder, and shall pay to said State and to any such person or persons any and all monies that may become due or owing to said State and/or to such person or persons from said obligor, under and by virtue of the provisions of said Chapters, then this bond shall be void, but otherwise shall remain in full force and effect.

This bond shall continue in force and effect unless, as to future acts or omissions of the Obligor or its agent, it is terminate or cancelled:

- (1) By order of said Director; or
- (2) By the Surety delivering on or before November 30 written notice to the Division of Banking that the same will be cancelled on December 31st. The bond may be cancelled before December 31st upon written notice and payment of Twenty-Five Dollars (\$25.00) bond cancellation fee.
- (3) Termination shall not become effective until thirty (30) days after the Division of Banking has received written notice and, if applicable, a cancellation fee.

Such cancellation or termination shall not affect any liability incurred or accrued hereunder prior to the cancellation of said bond by said Division or termination by Surety, which liability shall continue until the expiration of the applicable statute of limitations for causes of action.

This bond shall take effect on and as of the _____ day of _____ 20_____ and shall continue in force until it is terminated or cancelled.

NOTE: Bond must be in effect during the period of registration/license and for two (2) years after the provider ceases providing debt-management services to individuals in the State of Rhode Island. Any bond executed pursuant to the license being requested shall be retained by the Division of Banking, after the surrender or revocation of the applicable license, or the cancellation of said bond, for a period of time sufficient to exhaust the statute of limitations for causes of action related to those activities governed by the license being requested. The bond may, however, be returned to the Applicant upon withdrawal or denial of the license application.

IN WITNESS WHEREOF we have hereunto set our hands and seals, this _____ day of _____ 20_____

Sole Proprietor BY: _____

Partnership/Association Name: _____

(If partnership, each partner must sign)

Partner BY: _____ Partner BY: _____

Partner BY: _____ Partner BY: _____

Corporation Name: _____

BY (Authorized Officer): _____

Surety Name: _____ Surety's Attorney-in-Fact BY: _____

¹ Insert full name and address of surety authorized to do business in the State of Rhode Island and rated at least "A" by a nationally recognized rating organization



State of Rhode Island
Department of Business Regulation



DIVISION OF BANKING
1511 Pontiac Avenue, Bldg. 68-2
Cranston, Rhode Island 02920

UNIFORM DEBT-MANAGEMENT SERVICES ACT SUBSTITUTE BOND FORM

THIS AGREEMENT, entered into in TRIPLICATE this _____ day of _____ 20_____

Between _____ ("Applicant") _____, the Custodian, Insurance Company, or Bank Issuing Letter of Credit, named herein, whichever is applicable, and the Director of Business Regulation ("Director").

Applicant is (Place a "√" to indicate form of organization):

_____ a Corporation _____ a Limited Liability Company _____ an Association or Partnership
_____ an Individual organized under the laws of the State of _____

WITNESSED

1. The *Applicant* is subject to Rhode Island General Laws Title 19, Chapter 14, of Title 19 entitled, "Licensed Activities Act, and Chapter 14.8, entitled "Uniform Debt-Management Services Act" relating to debt-management services.
2. R.I. Gen. Laws § 19-14.8-14 provides that instead of the surety bond required by § 19-14.8-13 a provider of debt-management services may deliver to the Director in the amount provided by § 19-14.8-13(b) either (Place a "√" to indicate the substitute chosen):
 - (A) A certificate of insurance with no deductible, issued by an insurance company authorized to do business in the State of Rhode Island and rated "A" by a nationally recognized rating organization.² The insurance shall continue in force and effect unless, as to future acts or omissions of the *Applicant* or its agent, it is terminate or cancelled:
 - (i) By order of or with the approval of the Director;
 - (ii) By the *Insurance Company* delivering on or before November 30th written notice to the Division of Banking that the same will be cancelled on December 31st. The insurance may be cancelled before December 31st upon written notice and payment to the State of Rhode Island of twenty-Five Dollars (\$25.00) cancellation fee.
 - (iii) Termination shall not become effective until thirty (30) days after the Division of Banking has received written notice and, if applicable, a cancellation fee; or
 - (B) With the approval of the Director:
 - (i) An irrevocable letter of credit³, issued or confirmed by a bank approved by the Director, payable upon presentation of a certificate by the Director stating that the provider or its agent has not complied with the provisions of R.I. Gen. Laws § 19-14.8 *et seq.*, as amended; or
 - (ii) Bonds or other obligations of the United States or guaranteed by the United States or bonds or other obligations of the State of Rhode Island or a political subdivision of the State of Rhode Island, to be deposited and maintained with a bank approved by the Director for this purpose.

If the *Applicant* furnishes a substitute, the provisions of R. I. Gen. Laws § 19-14.8-13 (a), (c), (d), and (e) shall apply to the substitute.

3. The substitute shall, subject to adjustment of the dollar amount pursuant to R. I. Gen. Laws § 19-14.8-32(f), be in an amount in the penal sum of Fifty Thousand Dollars (\$50,000) or other larger or smaller dollar amount of \$_____ that the Director determines is warranted by the financial condition and business experienced of the debt-management services provider, the history of the provider in performing debt-management services, the risk to individuals, and any other factor the Director considers appropriate. The market value of any substitute furnished shall at all times equal or exceed the amount required by R. I. Gen. Laws § 19-14.8-13(b).

² *Applicant* shall file with the Director the certificate of insurance along with evidence that the *Insurance company* is authorized to do business in the State of Rhode Island and rated "A" by a nationally recognized rating organization and execute this AGREEMENT where indicated. If *Applicant* is unable to provide this evidence, *Applicant* must obtain a bond pursuant to § 19-14.8-13 or choose another Substitute to replace the certificate of insurance.

³ Applicant shall file with the Director the executed irrevocable letter of credit for review and comment and execute this AGREEMENT where indicated. Applicant will, upon receipt of any comments by the Director or the Director's designee, amend the irrevocable letter of credit to the satisfaction of the Director or the Director's designee, or, obtain a bond pursuant to § 19-14.8-13 or choose another Substitute to replace the irrevocable letter of credit.

4. If the *Applicant* opts for substitute 2(B)(ii), bonds or other government obligations, the Director may provide for custody of such securities by any qualified financial institutions, credit unions, or national banks located in the State of Rhode Island. The compensation of any such *Custodian* is to be paid by the *Applicant*. The *Applicant* has designated _____ as *Custodian* and the Director has approved of such designation.
5. The Director has agreed to accept the substitute indicated in 2(B)(ii) above and described further in 6 below, in lieu of a corporate surety bond or portion thereof and has agreed that, _____, a banking organization with its principal place of business in Rhode Island, is qualified to act as *Custodian*.
6. In consideration of the premises, the Applicant deposits the following securities with said Custodian:

Description	Principal Amount	Market Value	Issue Date	Maturity Date	Interest Rate	CUSIP Number

THE ABOVE PARTIES FURTHER AGREE THAT:

7. The securities deposited may be exchanged for other securities that qualify under the provisions of the Uniform Debt-Management Services Act provided that the aggregate amount of all securities deposited, based upon the principal amount or the market value, whichever is lower, is at least Fifty Thousand Dollars (\$50,000) or other larger or smaller amount of \$_____ that the Director determines and such change to be approved by the Director.
8. If at any time the aggregate amount of all securities deposited under this Agreement, based upon the principal amount or the market value, whichever is lower, is less than Fifty Thousand Dollars (\$50,000) or other larger or smaller amount of \$_____ that the Director determine, it is the duty of the *Applicant* to deposit additional securities satisfactory in kind and amount to the Director.
9. It is the duty of the custodian to report to the Director on or before March 31st and September 30th of each year as to the principal amount and market value of the securities deposited at the close of business on the last business day of the previous month. Where no actual sales of a security have taken place on that day, the mean between the most recent bid and asked prices, and the date of same, will be given.
10. All interest or dividends on all securities deposited shall be payable to or in accordance with the instructions of the *Applicant*, unless the Director gives contrary notice to the custodian. Notice shall be in writing and supported by a certified copy of an order of the Director or an order of a court of competent jurisdiction, which prohibits receipt by the *Applicant* of such interest or dividends.
11. All the securities deposited under the terms of this Agreement shall be under the exclusive control of the Director who shall have the right 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 Director. All such instructions from the Director are to be in writing and supported by a certified copy of an order of the Director or an order of a court of competent jurisdiction.
12. If the *Applicant* will faithfully conform to the provisions of Chapters 14 and 14.8 of Title 19 of the General Laws of Rhode Island, as amended, and all rules and regulations lawfully made by the Director hereunder, and will honestly and faithfully apply all funds received and perform all obligations under the said provisions and will pay to the State of Rhode Island or to any person entitled thereto all money that becomes due and owing to the State of Rhode Island or to any such person or persons, under the provisions of the above Chapters in the conduct of the *Applicant* as a provider of debt-management services in the State of Rhode Island either directly or through an agent or employee, then the Director shall have no further claim to the securities deposited.
13. Subject to the provisions above, any Substitute furnished instead of the surety bond required by § 19-14.8-13 is for the use and benefit of the State of Rhode Island and any individuals who reside in the State of Rhode Island who agree to received debt-management services from the *Applicant*, as their interest may appear.
14. This Agreement is executed in TRIPLICATE, one copy to be kept by each of the parties hereto.

NOTE: ANY SUBSTITUTE IN LIEU OF BOND FURNISHED PURSUANT TO THIS AGREEMENT MUST BE IN EFFECT DURING THE PERIOD OF REGISTRATION/LICENSE AND FOR TWO (2) YEARS AFTER THE PROVIDER CEASES PROVIDING DEBT-MANAGEMENT SERVICES TO INDIVIDUALS IN THE STATE OF RHODE ISLAND. ANY BOND EXECUTED PURSUANT TO THE LICENSE BEING REQUESTED SHALL BE RETAINED BY THE DIVISION OF BANKING, AFTER THE SURRENDER OR REVOCATION OF THE APPLICABLE LICENSE, OR THE CANCELLATION OF SAID BOND, FOR A PERIOD OF TIME SUFFICIENT TO EXHAUST THE STATUTE OF LIMITATIONS FOR CAUSES OF ACTION RELATED TO THOSE ACTIVITIES GOVERNED BY THE LICENSE BEING REQUESTED. THE BOND MAY, HOWEVER, BE RETURNED TO THE APPLICANT UPON WITHDRAWAL OR DENIAL OF THE LICENSE APPLICATION.

DIRECTOR OF BUSINESS REGULATION

By: _____
Director of Business Regulation

Date: _____

STATE OF []

COUNTY OF []

In the City of _____ in the above County and State on this _____ day _____ of 20_____, in his or her capacity as the Director of Business Regulation the above executed the foregoing instrument in behalf of the Department of Business Regulation and he or she acknowledged this instrument to be his or her capacity as Director of Business Regulation.

NOTARY
SEAL

Notary Public

APPLICANT

_____, *Applicant*, hereby acknowledge the foregoing Agreement and covenants that the same will be held by it subject to the terms and conditions of this Agreement.

BY: _____
Print Name & Title of Authorized Representative of *Applicant*

Signature of Authorized Representative of Applicant

Date: _____

STATE OF []

COUNTY OF []

In the City of _____, in the above County, on this _____ day of _____ 20_____, before me personally appeared the above-named _____, to me known and known by me to be an authorized representative of *Applicant*, and the person executing these presents in behalf of said *Applicant* the party executing the foregoing instrument, and he or she acknowledged said instrument by him or her so executed to be free act and deed as such person and the free act and deed of said *Applicant*.

NOTARY
SEAL

Notary Public

INSURANCE COMPANMY

Insurance Company, hereby acknowledges that it will conform to the applicable terms and conditions of this Agreement, but reserves the right to resign as the insurer by giving thirty (30) days' written notice to the signers of the Agreement.

BY: _____
Print Name & Title of Authorized Representative of *Insurance Company*

Signature of Authorized Representative of *Insurance Company*

Date: _____

STATE OF []

COUNTY OF []

In the City of _____, in said County, on the _____ day of _____, 20____, before me personally appeared the above-named _____, to me known and known by me to be an authorized representative of *Insurance Company*, and the person executing these presents in behalf of said *Insurance Company* the party executing the foregoing instrument, and he or she acknowledged said instrument by him or her so executed to be free act and deed as such person and the free act and deed of said *Insurance Company*.

NOTARY
SEAL

Notary Public

CUSTODIAN CERTIFICATE

Custodian, hereby acknowledges receipt of the securities described in the foregoing Agreement and covenants that the same will be held by it subject to the conditions of this Agreement, but reserves the right to resign as custodian by giving thirty (30) days' written notice to the signers of the Agreement.

By: _____
Print Name & Title of Authorized Representative of *Custodian*

Signature of Authorized Representative of *Custodian*

Date: _____

STATE OF []

COUNTY OF []

In the City of _____, in said County, on the _____ day of _____, 20____, before me personally appeared the above-named _____, to me known and known by me to be an authorized representative of *Custodian*, and the person executing these presents in behalf of said *Custodian* the party executing the foregoing instrument, and he or she acknowledged said instrument by him or her so executed to be free act and deed as such person and the free act and deed of said *Custodian*.

NOTARY
SEAL

Notary Public

BANK ISSUING LETTER OF CREDIT

_____, *Bank Issuing Letter of Credit*, hereby acknowledges receipt of the securities described in the foregoing Agreement and covenants that the same will be held by it subject to the conditions of this Agreement, but reserves the right to resign as custodian by giving thirty (30) days' written notice to the signers of the Agreement.

By: _____
Print Name & Title of Authorized Representative of *Bank Issuing Letter of Credit*

Signature of Authorized Representative of *Bank Issuing Letter of Credit*

Date: _____

STATE OF []

COUNTY OF []

In the City of _____, in said County, on the _____ day of _____ 20____
before me personally appeared the above-named _____, to me known and known by me to be an authorized representative of *Bank Issuing Letter of Credit*, and the person executing these presents in behalf of said *Bank Issuing Letter of Credit* the party executing the foregoing instrument, and he or she acknowledged said instrument by him or her so executed to be free act and deed as such person and the free act and deed of said *Bank Issuing Letter of Credit*.

NOTARY
SEAL

Notary Public