STATE OF MINNESOTA BOND NUMBER: _____

SURETY BOND

COLLECTION AGENCY – (Individual Proprietorship)

KNOW ALL PERSONS BY THESE PRESENTS: That _____
(Name of Collection Agency)

a _____
(Description of the form of business organization, including state of business organization, e.g. "a Minnesota Individual Proprietorship")

with business office at _____
(Street Address, City, State, Zip Code of office covered by this bond)

as PRINCIPAL and _____
(Name of Surety)

a corporation duly organized under the laws of the State of _____ which is authorized to engage in the business of insurance in the State of Minnesota, as SURETY, are hereby held and firmly bound to the Department of Commerce of the State of Minnesota in the sum of _____($_____). Principal and Surety hereby bind themselves, their representatives, successors and assigns, jointly and severally. The parties further agree that:

1. The purpose of this obligation, which is required by Minnesota Statutes, Section 332.34, is to secure the compliance by Principal with terms of Minnesota Statutes, Section 332.31 to 332.45, and any other legal obligations arising out of the Principal's conduct as a collection agency.
2. This bond is for the benefit of the State of Minnesota and all persons suffering damages by reason of Principal's failure to comply with Minnesota Statutes, Section 332.31 to 332.45, or other legal obligations arising out of Principal's conduct as a collection agency.
3. If the Principal shall violate Minnesota Statutes, Section 332.31 to 332.45, or other legal obligations arising out of its conduct as a collection agency, the Commissioner of Commerce, as well as any person damaged as a result of such violation shall have, in addition to all other legal remedies, a right of action on this bond in the name of the injured party for loss sustained by the injured party.
4. This bond shall become effective on _____, 20__, and shall remain in effect until the earlier of the expiration of the Principal's license as a collection agency or cancellation of this bond by the Surety. The Surety may cancel this bond and be released from any further liability hereunder by providing written notice of such cancellation to the Obligee. Cancellation shall be effective 30 days after notice of cancellation is sent to the Obligee. Such cancellation shall not affect liability incurred prior to the effective date of Cancellation.
5. This bond shall be one continuing obligation, and the liability of the Surety for the aggregate of any and all claims which may arise hereunder shall in no event exceed the amount of the penalty hereof, regardless of the number of years the bond is in force or the number of claims made against this bond.
6. The SURETY must notify the Commissioner of Commerce prior to making payment of any claim on this bond. Notice shall be provided to the following address: Minnesota Department of Commerce, Director of Enforcement Investigations, 85 7th Place East, Suite 500, Saint Paul, Minnesota 55101.

_____
(Name of Surety)
By: _____
Signature of Attorney in Fact
Surety must attach a Power of Attorney

_____
(Name of Collection Agency)
By: _____
Signature of Owner

ACKNOWLEDGMENT OF SURETY

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 20___, before me personally appeared _____ (name of individual) who acknowledged that he or she is the attorney in fact who is authorized to sign on behalf of
_____
(name of surety company)
a _____corporation, on behalf of the corporation.
(state or place of incorporation)

_____
Notary Public
(Notary Seal)

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 20___, before me personally appeared _____ (name of individual) who acknowledged that he or she is the owner of a individual proprietorship whose name is subscribed on this bond form, and that, as the owner, he or she is authorized to execute the bond for the purposes therein contained.

_____
Notary Public
(Notary Seal)

STATE OF MINNESOTA

COLLECTION AGENCY
SURETY BOND INSTRUCTIONS

Minnesota Statutes Chapter 332.34 requires each collection agency to file and maintain in force a corporate surety bond in a sum of at least $50,000 plus an additional $5,000 for each $100,000 received by the collection agency from debtors located in Minnesota during the previous calendar year, less commissions earned by the collection agency on those collections for the previous calendar year. The total amount of the bond must not exceed $100,000.

Use the following worksheet to determine the required surety bond amount.

SURETY BOND WORKSHEET

A. Enter the amount received by the collection agency from debtors located in Minnesota during the previous calendar year. $_____

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B. Enter the total commissions earned by the collection agency for the previous calendar year on the amount received by the collection agency from debtors located in Minnesota during the previous calendar year. $_____

C. Subtract line B from line A. **=** $_____

÷ 100,000

D. Divide line C by 100,000. **=** $_____

× 5,000

E. Multiply line D by 5,000. **=** $_____

+ 50,000

F. Add 50,000 to line E. **=** $_____

G. Round the total in line F to the nearest multiple of 5,000. **=** $_____

If the result in line G is $100,000 or less, then the result is the surety bond amount.
If the result in line G is greater than $100,000, then the surety bond amount is $100,000.