

DEPOSIT IN LIEU OF SURETY BOND
UNDER
MISSISSIPPI TITLE PLEDGE ACT
STATE OF MISSISSIPPI

THIS CONTRACT AND AGREEMENT is entered into

this _____ day of _____, _____,

between

(Applicant)

and

(Commissioner of the Department of Banking and Consumer Finance)
State of Mississippi

Applicant, hereinafter referred to as "First Party", is organized under the laws of the State of _____, and the Commissioner of the Department of Banking and Consumer Finance of the State of Mississippi is hereinafter referred to as "Second Party".

WITNESSETH:

WHEREAS, the First Party is subject to the laws regulating the title pledge business, which law is entitled the "Mississippi Title Pledge Act", Section 75-67-401 et. seq. of the Mississippi Code of 1972, as amended, hereinafter referred to as "Law"; and

WHEREAS, said Law provides for the deposit, in lieu of a surety bond, of cash, a certificate of deposit, or government bonds in the amount of \$ _____; and

WHEREAS, such cash, certificates of deposit, or government bonds, hereinafter referred to as "Securities," may be deposited with and safekept by a qualified trust company or bank located in the State of Mississippi or by any Federal Reserve Bank, the compensation, if any, of the custodian to be paid by the First Party, or such cash, certificates of deposit, or government bonds may be deposited and safekept by the Second Party;

NOW, THEREFORE, in consideration of the premises, the First Party deposits with _____ the following Securities:

(Name of Financial Institution or Second Party)

(a) Cash - \$ _____;

OR

(b) Safekeeping Receipt Number _____ for Certificate of Deposit
Number _____, dated _____ for \$ _____
for _____ months, maturing _____, and issued
by _____.
(Financial Institution)

OR

(c) Safekeeping Receipt Number _____ for

(Description)
bonds having a total face value of \$ _____ and maturing on
_____.

It is further agreed between the parties hereto that:

1. Subject to the provisions herein contained, these Securities are deposited for the use and benefit of any person or persons who may have a cause of action against the First Party, the licensee, for failure to comply with any provisions of Section 75-67-401 et. seq. of the Mississippi Code of 1972, as amended.
2. The Securities deposited may be exchanged from time to time for other Securities that qualify under the provisions of the Mississippi Title Pledge Act provided that the aggregate amount of all Securities deposited herewith, based upon market value, is at least \$ _____, such change to be approved by the Second Party.
3. All interest or dividends on all Securities deposited shall be payable to or in accordance with the instructions of the First Party, whether such Securities are in possession of the Second Party or in possession of a qualified trust company or bank located in the State of Mississippi or in the possession of any Federal Reserve Bank. However, if a court of competent jurisdiction should enter an order which prohibits receipt by said First Party of such interest or dividends, then the Second Party may then retain said interest or dividends, or, in the event the Securities are in the possession of a qualified trust company or bank located in the State of Mississippi or any Federal Reserve Bank then said institution may pay and deliver said interest or dividends to the Second Party upon receipt of written instructions to do so from the Second Party accompanied by a certified copy of an order of a court of competent jurisdiction prohibiting receipt by said First Party of such interest or dividends.
4. All the Securities deposited under the terms of this agreement shall be subject to the control of the Second Party, whether in possession of the Second Party or whether in possession of a qualified trust company or bank located in the State of Mississippi or in the possession of any Federal Reserve Bank. If it deems it necessary, the Second Party shall have the right from time to time to sell or otherwise dispose of any Securities in its possession and to convert the same into cash. If the Securities are in the possession of a

qualified trust company or bank located in the State of Mississippi or in the possession of any Federal Reserve Bank, the Second Party, if it deems it necessary, shall have the right from time to time to order such institutions in possession of said Securities to sell or otherwise dispose of said Securities and to convert the same into cash and/or to pay and deliver such Securities and cash to the Second Party, all such instructions, however, from the Second Party to be in writing.

5. If the First Party shall well and truly operate its business in conformity with and shall abide by the laws of this State regulating a title pledge business and all other applicable statutes of the State of Mississippi, and shall faithfully perform the duties and obligations pertaining to the business so licensed and the prompt payment of any judgment which may be recovered against the First Party on account of charges or other claims arising directly or collectively from any violation of the provisions of the Mississippi Title Pledge Act, and shall pay and discharge any and all indebtedness for which the First Party may become liable under the provisions of the Mississippi Title Pledge Act and any other applicable laws, statutes, or ordinances of the State of Mississippi, or of any county, municipality or other political subdivision thereof, then the Second Party shall have no further right in or claim to the Securities deposited.
6. The original of this agreement shall be kept on file by the Department of Banking and Consumer Finance and a fully executed copy shall be provided to each of the parties hereto.

Signed, sealed and delivered this the _____ day of _____, _____.

By: _____
Applicant/Licensee

By: _____
Commissioner
Department of Banking and Consumer Finance
State of Mississippi

_____ (Financial Institution), Custodian, hereby acknowledges receipt of the Securities described in the foregoing Agreement and covenants and agrees that the same will be held by it for the purposes and subject to the terms and conditions of said Agreement, but reserves the right to resign as custodian by giving thirty (30) days written notice to the signers of this Agreement.

By: _____
Name

Date: _____

Title