

DEPOSIT IN LIEU OF SURETY BOND

Private Child Support Enforcement Agencies

(Texas Finance Code § 396.105)

THIS CONTRACT AND AGREEMENT (“Agreement”) is entered into in triplicate on _____, 20____, between _____ (the "Registrant"), a(n) _____ organized under the laws of the State of _____ and doing business in the State of Texas, and the Commissioner of the Texas Department of Banking (the “Commissioner”);

LEGAL AUTHORITY FOR DEPOSIT INSTEAD OF BOND

The Registrant is subject to the Texas Finance Code, Chapter 396 (the “Code”), entitled “Private Child Support Enforcement Agencies,” which provides for the registration of private child support enforcement agencies. Instead of furnishing the surety bond required by the Code, the Registrant is permitted to deposit with the Texas Department of Banking (“Department”) money in an amount determined by the Department not to exceed \$50,000 (the “Deposit”). The Registrant may deposit the Deposit with any financial institution possessing trust powers that is authorized to conduct a trust business in the State of Texas acceptable to the Commissioner.

THE COMMISSIONER'S FINDING

The Commissioner finds that _____ (the “Custodian”), a (n) _____, located in _____, is authorized to conduct trust business in the State of Texas, and is an acceptable Custodian for the Registrant's deposit.

REGISTRANT'S DEPOSIT

The Registrant deposits with Custodian the following Deposit:
Principal Amount: _____; Account number: _____.

It is agreed between the parties:

1. Subject to the provisions of the Agreement, the Deposit is to provide financial surety for the discharge by the Registrant of any and all monetary obligations and liabilities as a Private Child Support Enforcement Agency registered in Texas that arise from any and all acts or omissions under or relating to Chapter 396 of the Texas Finance Code or any regulations, rules, or orders issued or promulgated pursuant thereto.
2. The person for whose benefit the Deposit is made must have lived in the State of Texas when his or her claim arose or when he or she contracted with the Registrant.
3. The Deposit may be exchanged from time to time for other Deposit of an equal value that qualifies under the provisions of the law relating to the Deposit, the substituted Deposit to be with joint written approval of the Commissioner, Registrant, and Custodian.
4. All interest or dividends on the Deposit will be payable to or in accordance with the instructions of the Registrant, unless the Commissioner gives contrary notice in writing to the Custodian. The Commissioner's notice will be effective two business days after the Custodian actually receives the notice.
5. The original principal amount of the Deposit deposited under the terms of this Agreement (plus interest accruing after the effective date of any notice given in accordance with paragraph 4 above) will be controlled exclusively by the Commissioner or a Deputy Commissioner, who has the right from time to time to withdraw it. Any withdrawal request from the Commissioner must be either:
 - (A) in writing and supported by a certified copy of an order of a court of competent jurisdiction; or
 - (B) by an original or certified copy of a written order of the Commissioner containing the Commissioner's signature.

A withdrawal by the Commissioner under this section will satisfy any liability the Custodian has to the Commissioner and will relieve the Custodian of all liability to Registrant for the amounts withdrawn.

6. If the Registrant will:
 - (A) faithfully conform to and abide by the provisions of the Code;
 - (B) honestly and faithfully apply all funds received and perform all obligations and undertakings under the Code; and
 - (C) pay to the Commissioner for the benefit of any person all money that becomes due and owing to such person under and by virtue of the provisions of the Code;

then the Commissioner will have no further right in or claim to the Deposit covered by this Agreement, and must, by written order containing the signature of the Commissioner, notify the Custodian of the termination of the Commissioner's rights in the Deposit. Unless the Custodian receives an original or a certified copy of a written order from the Commissioner containing the

signature of the Commissioner or an order from a court of competent jurisdiction terminating the Commissioner's rights in the Deposit, Custodian may assume that this Agreement remains in effect and that the rights of the Commissioner in the Deposit remain in existence.

7. The Custodian may rely on any and all certified notices or certified orders of the Commissioner submitted from the Commissioner to the Custodian under this Agreement, purporting to bear the signature of the Commissioner, without further inquiry into the authenticity of the signature or the authority or entitlement of the Commissioner to issue such certified notices or orders.
8. All notices or orders to Custodian must be delivered by certified mail, return receipt requested or by overnight or local delivery courier. All notices or orders provided for under this Agreement will be deemed to be received when actually received by the addressee. All parties must promptly notify all other parties of an address change. Notices and orders to the Custodian must be addressed as follows:

(Custodian's Name and Address)

9. Nothing in this Agreement requires Custodian to violate any applicable laws, any court order or the instructions of any bankruptcy trustee.
10. The Deposit is subject to Custodian's terms and conditions of deposit accounts now in existence and as they may be modified in the future, except to the extent that the terms and conditions are specifically inconsistent with this Agreement.
11. Custodian is not liable for any indirect damages, lost profits, special, punitive or consequential damages that arise out of or in connection with the obligations contemplated by this Agreement. The provisions of this paragraph will survive termination of this Agreement.
12. This Agreement is executed in triplicate originals, one to be kept by each of the parties hereto, and one to be kept by the Custodian.

SIGNED AND DELIVERED in triplicate this _____ day of _____, 20____.

(Registrant)

By: _____
(Signature)

Printed Name: _____
Title: _____

Banking Commissioner of Texas

Custodian, hereby acknowledges receipt of the Deposit 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 this agreement, but reserves the right to resign as Custodian by giving 30 days written notice to the signers of the Agreement at the addresses specified below.

(Registrant's Name and Address)

Banking Commissioner of Texas
2601 North Lamar Blvd.
Austin, Texas 78705

Custodian will become bound by the terms of this Agreement only after it receives an original counterpart fully executed by all parties.

(Custodian's Name)

By: _____
(Signature)

Printed Name: _____
Title: _____

DATED: _____

(Date)

By: _____
(Signature)

(Typed or Printed Name)

(Title)