

COMMONWEALTH OF PENNSYLVANIA
MILK BOARD

2301 N. Cameron Street – Room 108
Harrisburg, PA 17110-9408
(717) 787-4194 www.mmb.pa.gov

COLLATERAL BOND

To Accompany Application for License of Dealer _____ or Subdealer _____ (please check one)
License Year July 1, to June 30,

Name of Applicant: _____
Must Be Exactly as Printed on License Application

Type of entity: (1) adult individual (2) corporation (3) limited liability company (4) partnership (5) cooperative (6) other (specify): _____ State of incorporation or organization: _____

Applicant’s principal place of business (street, city, state, zip code): _____

Phone: _____

Amount of Bond: _____ U.S. Dollars \$ _____

The Applicant (“Obligor”) desires to conduct business as a dealer or subdealer in the Commonwealth of Pennsylvania during the licensing year commencing **JULY 1,** and ending **JUNE 30,** under the provisions of the Milk Marketing Law (Act of April 28, 1937, P.L. 417, as amended (31 P.S. §700j-101 *et. seq.*)) and (if a dealer) the Milk Producers’ Security Act (Act of July 6, 1984, P.L. 652, No. 136, as amended (31 P.S. §626.1 *et. seq.*)) (collectively “Law”) and is required by Law to furnish this bond unto the Commonwealth of Pennsylvania Milk Marketing Board (“Board”).

The Obligor does hereby nominate, constitute, and appoint the Treasurer of the Commonwealth of Pennsylvania, or his or her successor in office, as its true and lawful attorney, irrevocably, for it and in its name to sell, assign, transfer and set over the collateral listed below, and for that purpose to make and execute all necessary acts of assignment and transfer, and hereby ratifies and confirms all that its attorney, or his or her successor, shall lawfully do by virtue thereof. This power is to be exercised only in the event that the Obligor fails to comply with an order of the Board finding that the Obligor has violated the terms of the obligation hereinafter set forth.

The Obligor hereby obligates and binds itself, its heirs, executors, administrators, successors, and assigns, jointly and severally, unto the Board, in the amount stated above, to be paid to the Board if it so orders. The conditions of this obligation (and any amendments to it) are that if the Obligor shall pay all amounts due under the Law and the orders and regulations of the Board within the time periods provided by the Law and the orders and regulations of the Board, or any other amounts based on any applicable official prices, or any lawful contract prices, within the proper time periods as aforesaid, including amounts for milk purchased or otherwise acquired from producers (if a dealer) or dealers (if a subdealer), by the Obligor during the licensing year, or upon such terms and conditions as the Board may prescribe, then this obligation shall be void; otherwise, it shall remain in full force and effect.

The Obligor has deposited with the Board, as security for this bond and its obligations herein, the following collateral:

Name of Financial Institution:		
Type of Collateral:		
Number:	Date:	Current Value:

INTENDING TO BE LEGALLY BOUND, the Obligor has signed and sealed this instrument.

OBLIGOR Signature: _____ **(Seal)**

Printed Name and Title: _____ **Date:** _____

(See other side for instructions.)

READ CAREFULLY

INSTRUCTIONS FOR EXECUTING COLLATERAL BOND

1. Type or print legibly.
2. Indicate by circling the appropriate designation on the form whether the licensee is (1) an adult individual; (2) a Corporation; (3) a Limited Liability Company; (4) a Partnership; (5) Cooperative; or other type of business entity.
3. If the licensee is a general partnership, the bond form must be signed by the authorized partner(s).
4. If the licensee is a corporation, the bond form must be signed by an authorized corporate officer.
5. If the licensee is a limited liability company (LLC), the bond form must be signed by the authorized member(s) or manager(s).
6. The entity's seal should be applied at the place where the form indicates (Seal), if the entity has one available. There is no need to acquire one if the entity does not have one.
7. The Collateral Bond shall be executed by the licensee as Obligor. The collateral posted with the bond must be described fully on the bond form. The collateral properly assigned and transferred to the Commonwealth of Pennsylvania must be attached to the bond form. The collateral shall be cash in an amount equal to the bond, or the bond shall be secured by an actual deposit with a bank, bank and trust company, or national bank within Pennsylvania, of money to the full amount of the bond or securities to the amount of the bond consisting of interest-bearing obligations of the Federal Government or an irrevocable letter of credit for the account of the licensee authorizing the Board to draw on a bank or trust company located in Pennsylvania.

ACCEPTABLE COLLATERAL:

- (1) Certificate of Deposit (with assignment)
- (2) Irrevocable Letter of Credit (samples provided upon request)
- (3) Cash
- (4) Any combination of the above

NON-ACCEPTABLE COLLATERAL:

- (1) Common or Preferred Stock Certificates
- (2) U.S. of America Series E Bonds
- (3) Insurance Policies

* Give a complete description of the collateral you are posting, such as:

- the type (Certificate of Deposit, Letter of Credit)
- number of the account and the complete name and address of the bank or trust company where the monies are deposited
- or indicate if held by the Pennsylvania Milk Board.