

**AGREEMENT TO DEPOSIT
SECURITIES IN LIEU OF A SURETY BOND**

THIS AGREEMENT is made and entered into this ____ day of _____, 200 ____, between _____, a licensee under the North Carolina Money Transmitters Act (herein the “Licensee”), the North Carolina Office of the Commissioner of Banks (herein the “Commissioner”), and _____ (herein the “Custodian”).

WHEREAS the Licensee has applied for a license to engage in business as a money transmitter under the North Carolina Money Transmitters Act, Article 16A of Chapter 53 of the North Carolina General Statutes, Session Law 2001-443 (herein the “Act”); and

WHEREAS, in lieu of providing a surety bond, Licensee may designate a bank in North Carolina, approved by the Commissioner, in which to deposit cash and securities in order to secure the faithful performance of Licensee’s obligations with respect to the receipt, handling, transmission, or payment of money or monetary value in connection with the sale and issuance of payment instruments, stored value obligations, or transmissions of money by the Licensee, and any authorized delegate of the Licensee, under the Act; and

WHEREAS the Licensee has elected to deposit cash and securities with the Custodian in lieu of providing a surety bond; and

WHEREAS the Custodian has agreed to be a repository for the cash and securities deposited by the Licensee, and to administer the same pursuant to the Act and this Agreement; and

WHEREAS the Commissioner has approved the Custodian as repository for the cash and securities deposited by Licensee in lieu of a surety bond;

NOW, THEREFORE, in consideration of the mutual provisions expressed herein, the parties agree as follows:

1. The Licensee has deposited with the Custodian the cash and securities described as follows:

<u>Description</u>	<u>Face Value / Maturity Date</u>
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2. The Licensee may, with written approval from the Commissioner, substitute new securities for those earlier deposited.

3. The Custodian shall hold and preserve all cash and securities deposited with it by the Licensee as a special deposit free of any lien, charge, right of set-off, credit or other preference in connection with any claim of the Custodian against the Licensee. Pursuant to N.C. Gen. Stat. 53-208.8(e), the cash and securities deposited with the Custodian shall constitute a trust fund for the exclusive benefit of any purchaser or holder of the Licensee(s) payment instruments, stored value obligations, and money transmissions in the event of the bankruptcy of the Licensee.

4. The Licensee is entitled to receive all of the interest and dividends earned on the cash or securities deposited with the Custodian unless or until the Custodian receives written notice to the contrary from the Commissioner. The Custodian shall deliver the cash and securities deposited under this Agreement to the Licensee only upon written direction from the Commissioner.

5. The Custodian may terminate this Agreement only upon sixty days (60) written notice to the Commissioner and the Licensee. Upon termination, the Custodian shall deliver the cash and securities held on deposit to such person or persons as the Commissioner and Licensee may jointly direct.

6. The costs and expenses of the Custodian(s) performance under this Agreement shall be paid by the Licensee in such amounts as may be agreed to between the Custodian and the Licensee. Neither the Commissioner, nor the State of North Carolina, shall be required to pay for any expenses incurred or services rendered either by the Custodian or the Licensee hereunder.

7. Upon a determination by the Commissioner that the Licensee has breached its obligation under the Act with respect to the receipt, handling, transmission and payment of money or monetary value in connection with the sale or issuance of payment instruments, stored value obligations, or transmissions of money, the Custodian shall, upon the written direction of the Commissioner, sell or otherwise dispose of any securities deposited hereunder and convert the same into cash and pay and deliver any securities in cash, or proceeds, to the Commissioner or such other person or persons as the Commissioner may direct.

8. Except as provided in Paragraph 7 above, the Custodian shall not deliver any cash or securities deposited hereunder to any person, entity, or authority not a party to this Agreement unless ordered to do so by a court of competent jurisdiction. The Custodian shall give prompt written notice to the Commissioner and the Licensee of any demand or claim relating to or made upon the cash and securities deposited under the terms of this Agreement made by any person, entity or authority not a party to this Agreement.

9. The Custodian shall make written reports to the Commissioner, at such times as the Commissioner may direct in writing, setting forth the types and values of the securities held under this Agreement, at the lower of principal amount or market value.

10. All approvals, notices, directions and reports shall be mailed or delivered to the appropriate party hereunder at the address which appears in this Agreement, or at such other address as the party may have provided in writing to the other parties.

11. This Agreement is governed by the laws of the State of North Carolina, and may not be modified except by writing executed by all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

Licensee:

Attest: _____

By: _____

Title: _____

Title:

Address of License:

Tel. No.

Fax. No.

Custodian:

Attest: _____

By: _____

Title: _____

Title:

Address of Custodian:

Tel. No.

Fax. No. _____

Office of the Commissioner of Banks:

By: _____

Title: _____

Dated: _____

Mailing Address of the Commissioner of Banks:

Office of the Commissioner of Banks
4309 Mail Service Center
Raleigh, NC 27699-4309

Telephone: 919-733-3016