

Oregon Department of Consumer & Business Services

Division of Financial Regulation

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DEPOSIT IN LIEU OF SECURITY DEVICE

This contract and agreement is entered into in triplicate this _____ day of _____, 20 _____,

pursuant to the Oregon Money Transmitters Act (ORS Chapter 717), between

(name of money transmitter) _____, a

(form of entity) _____ organized under the laws of the state of _____

and doing business in the state of Oregon and the director of the Department of Consumer and Business Services.

The money transmitter is subject to the Oregon Money Transmitters Act (ORS Chapter 717) regulating the sale or issuance of checks, drafts, money orders, or other instruments for the transmission or payment of money. ORS

717.225(2) provides for the deposit of securities with a principal amount or market value, whichever is less,

equal to the amount of the required security device. The director, Department of Consumer and Business

Services, has agreed to accept a deposit of securities in lieu of a security device and has agreed that

(name of insured institution) _____,

an insured institution with its principal place of business in (city) _____, Oregon,

is qualified to act as custodian.

The money transmitter deposits with the custodian the following:

Securities: _____

The parties of this contract agree to the following:

1. These securities are deposited for the use and benefit of the State of Oregon or any claimant of the money transmitter for any failure by the money transmitter to perform faithfully its obligations in connection with the transmission of money.
2. The securities deposited may be exchanged with the written approval of the director, Department of Consumer and Business Services, for other securities of an equal or par value that qualify under the provisions of the law regulating this deposit.
3. All interest or dividends on all securities shall be payable to or in accordance with the instructions of the money transmitter.
4. All the securities deposited under the terms of this agreement shall be under the exclusive control of the director, who shall have the right from time to time to order the custodian to sell or otherwise dispose of any securities and to convert the same into cash and to pay and deliver any securities and cash to the director. Any such order of the director must be in writing and supported by a certified copy of an order of a court of competent jurisdiction.



5. If the money transmitter faithfully conforms to and abides by the provisions of ORS Chapter 717 and honestly and faithfully applies all funds received and performs all its obligations under ORS Chapter 717 and pays to the state and to any entitled person all money due under the provisions of ORS Chapter 717 because of any payment instruments issued or sold in this state by the money transmitter, the director or claimant shall have no further right in or claim to the securities deposited.
6. This agreement shall terminate when (a) the money transmitter's license is no longer be in effect and (b) no payment instruments issued by the money transmitter in this state remain outstanding, but in any event not later than five years after the money transmitter ceases money transmission operations in this state pursuant to ORS 717.225.
7. The custodian may withdraw from this agreement after 30 day's written notice is received by the money transmitter and the director. The license of the money transmitter shall be automatically suspended on the effective date of withdrawal unless and until a substitute security device satisfactory to the director is implemented.
8. This agreement is executed in counterpart, one copy to be kept by each of the parties hereto and one copy to be kept by the custodian.

Name of money transmitter: _____

By (print name): _____ Title: _____

I hereby acknowledge by my signature that I have the authority to bind the company to this agreement.

Signature: _____ Date: _____, 20____

Department of Consumer & Business Services

By (print name): _____ Title: _____

Signature: _____ Date: _____, 20____

Name of insured institution as custodian: _____

_____, custodian, hereby acknowledges receipt of the securities described in the foregoing agreement and agrees that the securities 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 after 30 days' written notice to the signers of the agreement.

By (print name): _____ Title: _____

Signature: _____ Date: _____, 20____

