

U.S. DEPARTMENT OF AGRICULTURE  
GRAIN INSPECTION, PACKERS AND  
STOCKYARDS ADMINISTRATION  
PACKERS AND STOCKYARDS PROGRAM

**BOND**  
**REQUIRED OF LIVESTOCK MARKET AGENCIES, DEALERS, AND**  
**PACKERS**  
**Subject to the Packers And Stockyards Act, 1921, as Amended and Supplemented**

1. Bond Number \_\_\_\_\_

2. Principal Name, Address, and Phone Number

3. Surety Name, Address, and Phone Number

4. Trustee (List if required by State, Principal, or Surety) and Phone Number

5a. Amount of Bond (Spell out dollar amount)

5b. Dollar Amount

\$

6. Check the box showing the condition clause that applies to your bond. If you are Selling on Commission, and also operating as either a Dealer or Buying on Commission, you must complete a separate bond form for each condition clause.

Applicable if Principal **sells** on commission

Condition Clause 1

(1) If Principal shall pay when due to the person or persons entitled thereto the gross amount, less lawful charges, for which all livestock is sold for the accounts of others by Principal, then this bond shall be null and void, otherwise to remain in full force, subject to the following terms, conditions, and limitations:

Applicable if Principal **buys** on commission or as a dealer

Condition Clause 2

(2) If Principal shall pay when due to the person or persons entitled thereto the purchase price of all livestock purchased by Principal for his/her own account or for the accounts of others, and if Principal safely keeps and properly disburses all funds, if any, which come into his/her hands for the purpose of paying for livestock purchased for the accounts of others, then this bond shall be null and void, otherwise to remain in full force, subject to the following terms, conditions, and limitations:

Applicable if others **clear** through Principal

Condition Clause 3

(3) If Principal, acting as a clearing agency responsible for the financial obligations of other registrants engaged in buying livestock, hereinafter referred to as "clearees," including:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

or if Principal's clearees shall (1) pay when due to the person or persons entitled thereto the purchase price of all livestock purchased by Principal's clearees for their own accounts or for the accounts of others and (2) safely keep and properly disburse all funds coming into the hands of Principal or Principal's clearees for the purpose of paying for livestock purchased for the accounts of others, then this bond shall be null and void, otherwise to remain in full force, subject to the following terms, conditions, and limitations:

Applicable if Principal **buys** as a Packer

Condition Clause 4

(4) If Principal shall pay when due to the person or persons entitled thereto the purchase price of all livestock purchased for purposes of slaughter by Principal for his/her own account, then this bond shall be null and void, otherwise to remain in full force, subject to the following terms, conditions, and limitations:

- (a) This bond shall apply only to transactions occurring on or at any time after the date hereof, and before the effective date of termination hereof as hereinafter provided.
- (b) Payment by Surety to a claimant or to Trustee in settlement of one or more claims shall discharge Surety as to those claims and shall reduce the penal sum of this bond to the extent of such payment or payments.
- (c) Any person damaged by failure of Principal to comply with any condition clause of this bond may maintain suit in his or her own name to recover on this bond even though such person is not a party named in this bond. Trustee may maintain suit in his or her own name, the recovery to be made for the use of the persons damaged. Principal and Surety hereby waive every defense, if any, based on the fact that any person damaged or in whose name a suit shall be brought, is not a party or privy to this bond.

- (d) Any claim for recovery on this bond must be filed in writing with either Surety, Trustee if one is named, or the Deputy Administrator, Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration, United States Department of Agriculture, and whichever of these parties receives such a claim shall notify the other such party or parties at the earliest practicable date. All claims must be filed within 60 days of the date of the transaction on which the claim is based. Suit thereon shall not be commenced in less than 120 days or more than 547 days from the date of the transaction on which the claim is based.
- (e) The Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration, United States Department of Agriculture, is authorized to designate a trustee to represent all claimants under this bond if (1) any claim is filed or any action is required to recover damages for breach of any condition of this bond, and if (2) a trustee is not designated herein or Trustee designated herein fails or is unable to act or serve.
- (f) Surety shall not be liable to pay any claim for recovery on this bond if it is not filed in writing within 60 days from the date of the transaction on which the claim is based, or if suit thereon is commenced less than 120 or more than 547 days from the date of the transaction on which the claim is based.
- (g) The proceeds of this bond shall not be used to pay fees, salaries, or expenses for legal representation of Surety or Principal.
- (h) The term "person" as used in this bond shall be construed to mean and include both singular and plural, corporations, partnerships, associations, individuals, and the heirs, executors, administrators, successors, or assigns thereof.
- (i) The acts, omissions or failures of authorized agents or representatives of Principal or persons whom Principal shall knowingly permit to represent themselves as acting for Principal shall be taken and construed to be the acts, omissions, or failures of Principal and to be within the protection of this bond to the same extent and in the same manner as if they were the personal acts of Principal.
- (j) Termination of the clearing services for a registrant under condition clause three (3) of this bond may be accomplished by issuance of a rider or endorsement by Surety herein deleting the name of the registrant as a clearee. Termination of the clearing services shall become effective thirty (30) days after the date of receipt of the rider or endorsement by the Packers and Stockyards Program.
- (k) This bond may be terminated by either party hereto delivering written notice of termination to the other party and the Packers and Stockyards Program at least thirty (30) days prior to the effective date of such termination. **(In the event that Surety named herein writes a new bond to replace this bond for the same Principal, the thirty (30) day termination will be waived, and this bond will terminate as of the effective date of the replacement bond.)** Immediately upon filing of a claim for recovery on this bond, unless Surety believes that such claim is frivolous, Surety shall cause termination of this bond in accordance with this paragraph.
- (l) A fully executed duplicate of this bond and of any endorsement, amendment, rider, or other attachment hereto, shall be filed with the Regional Supervisor, Packers and Stockyards Program, for the area in which Principal resides or has his, her, or its principal place of business.

**7. Signatures**

A. Principal's Signature	Name & Title
B. Surety's Signature	Name & Title
C. Trustee's Signature	Name & Title

8. Date Effective

9. Attach Power Of Attorney

An adequate bond and registration is required in order to operate as a market agency or dealer as defined in Section 301 or packer as defined in section 201 of the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. 201 and 7 U.S.C. 191, respectively) and 9 CFR 201.29. Information held confidential (9 CFR 201.96).

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information is 0580-0015. The time required to complete this information collection is estimated to average 2 hours 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.