

CONSUMER PROTECTION DIVISION
OFFICE OF THE ATTORNEY GENERAL
200 ST. PAUL PLACE, 16th FLOOR
BALTIMORE, MARYLAND 21202

BOND ISSUING COMPANY:

BOND NO.: _____

SURETY BOND OF HEALTH CLUB

We, _____
(Name of Business Providing Health Club Services)
_____, as Principal,
(Address)
and _____
(Name of Business Providing Security)
_____,
(Address)

as Surety authorized to do business in the State of Maryland, are held and firmly bound to the facility's members for their damages due to bankruptcy or the closing of the facility and to the State of Maryland for damages incurred by consumers and administrative expenses incurred by the Consumer Protection Division as a result of bankruptcy or the closing of the facility. The State of Maryland may also file a claim upon the surety bond for the face amount solely because the Consumer Protection Division has received notice that (1.)(a) the bond will be canceled or (b) the bond will be expiring and will not be renewed and (2.) the Principal has not replaced this surety bond with alternate security in amount not less than its total outstanding liabilities to consumers as defined in Md. Code Ann., Com. Law § 14-12B-02(e). The bond has been undertaken by the Principal in the amount of _____ (\$) for the payment of which we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally.

SIGNED, SEALED AND DATED, this _____ day of _____, 20__.

TIME FOR FILING AND PAYMENT OF CLAIMS:

It is agreed that any claim under this bond must be filed with the surety no later than one (1) year from the date on which the facility was closed, or the bankruptcy was filed, or this surety bond expired or was canceled, whichever is later. The surety agrees that it shall not pay any claimant prior to the expiration of the one-year filing deadline, unless the Consumer Protection Division requests in writing that it do so. In the event that claims exceed the amount of the bond, the surety shall provide the Consumer Protection Division with all the claims that have been filed and pay the full amount of the bond to the Consumer Protection Division for distribution.

The surety shall pay all claims within thirty (30) days after the date of a request by the Consumer Protection Division for an early payment or, if no such request is made, within thirty (30) days after the filing deadline. The surety may request from the Consumer Protection Division an extension of time to make payment if unavoidable problems have delayed the processing of claims.

REPORTING TO THE CONSUMER PROTECTION DIVISION

The surety shall file a written report with the Consumer Protection Division each month after it has been notified that the facility has closed or the business has filed for bankruptcy. The monthly report shall list the names and addresses of all consumers who have filed claims, the dollar amount of each claim, any determinations that have been made about the dollar amount each claimant is due, the reasons any claims have been denied or reduced, and the total dollar amount of all claims filed to date.

Within ten (10) days after the payment of all claims, the surety shall file a written report with the Division. The report shall list the names and addresses of all claimants, the amount paid to each claimant, and the total amount of claims paid. The report shall also contain a separate list of the names and addresses of all claimants whose claims were denied or reduced, and the reason why each claim was denied or reduced. The Consumer Protection Division has the right to request that this written report be filed prior to the payment of any claims.

PRIORITY CLAIM BY CONSUMER PROTECTION DIVISION

Unless otherwise notified by the Consumer Protection Division, the surety shall pay a claim filed by the Consumer Protection Division of the State of Maryland in accordance with Md. Code Ann., Com. Law §14-12B-02(f) or because the Consumer Protection Division has received notice that this surety bond will be canceled or will expire and will not be renewed, immediately upon receipt of the claim.

NOTICE OF CANCELLATION

This bond and the obligation under the bond shall be deemed to run continuously, and shall remain in full force and effect until and unless the bond is terminated and canceled in the manner provided. This bond may only be canceled by the surety after giving at least forty-five (45) days advance written notice by certified mail to the facility and the Consumer Protection Division. Notice of cancellation shall state the effective date of cancellation. The surety shall be liable for any breach of a contract for health club services entered into prior to the date of cancellation or expiration.

LIMITATION OF RESPONSIBILITY OF SURETY

This bond may not be construed to require the surety to be responsible for damages resulting from any breach of a health club service agreement entered into after the expiration, cancellation, or revocation of this bond, provided that the surety gave at least 45 days advance written notice to the Consumer Protection Division by certified mail of the expiration, cancellation, or revocation of this bond.

AMENDMENTS AND MODIFICATIONS

The Surety shall obtain the express written consent of the Consumer Protection Division before changing the amount or any provision of this bond. Notice must be sent by certified mail, return receipt requested, to the Consumer Protection Division, Office of the Attorney General, 200 St. Paul Place, 16th Floor, Baltimore, Maryland 21202.

This bond is issued in accordance with the provisions of the Commercial Law Article, Title 14, Subtitle 12B, of the Annotated Code of Maryland. This bond shall be effective from the date of _____, 20__ until canceled.

BUSINESS PROVIDING
HEALTH CLUB SERVICES

(Seal)

SURETY COMPANY

(Seal)

Signature: _____
Name and Title:

Signature: _____
Name and Title:

Attorney-in-Fact

Surety Bond Application

AGENCY NAME: _____ AGENCY CONTACT: _____
 AGENCY PHONE: _____ AGENCY FAX: _____ AGENCY EMAIL: _____
 AGENCY ADDRESS: _____ City: _____ State: _____ Zip: _____

CURRENT OR EXPIRING QUOTE WE ARE LOOKING TO BEAT? _____

NAME OF PREVIOUS SURETY COMPANY WRITING THE BOND? _____

SECTION I: BOND APPLIED FOR

Type of Bond: _____ Effective Date: _____ Expiration Date: _____

Type of Company **CORP** **LLC** **DBA** **PARTNERSHIP** Bond Amount: _____

(Obligee): _____

Obligee Address _____

SECTION II: GENERAL INFORMATION

Applicant's Name: _____ Spouse Name: _____

SS#: _____ Spouse SS#: _____ Home Phone: () _____

Residence Address: _____ City: _____ State: _____ Zip: _____

Business Name: _____

Business Phone: () _____ Business Fax: () _____ E-mail: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Date Business BEGAN under present Individual or Firm Name: _____ BUSINESS TAX ID: _____

HAS ANY COMPANY REFUSED TO ISSUE BONDS FOR ANY PURPOSE? YES NO DO YOU HAVE ANY LIENS, CLAIMS OR JUDGMENTS AGAINST YOU? YES NO

HAS APPLICANT EVER FAILED IN BUSINESS? YES NO HAS APPLICANT EVER FILED BANKRUPTCY? YES NO

IF YES TO ANY, PLEASE EXPLAIN ON A SEPERATE SHEET OF PAPER

SECTION III: ADDITIONAL OWNERS OR PARTNERS AS REQUIRED

NAME: _____ SPOUSE NAME: _____

SS#: _____ SPOUSE SS#: _____ PHONE: _____

HOME ADDRESS: _____ City: _____ State: _____ Zip: _____

PERSONAL FINANCIALS (IF MORE THAN ONE OWNER, EACH HAS TO FILL OUT THIS APPLICATION)

STATEMENT OF ASSETS AND LIABILITIES AS OF

ASSETS		LIABILITIES	
CASH IN BANK		NOTES PAYABLE TO BANKS	
CASH ON HAND		NOTES TO OTHERS (excl. of equipment)	
STOCKS AND BONDS		ACCOUNTS PAYABLE	
ACCOUNTS RECEIVABLE		FEDERAL & STATE INCOME TAX DUE	
NOTES RECEIVABLE		ALL OTHER TAXES	
INVENTORY		ACCRUALS, PAYROLLS, ETC.	
CASH VALUE LIFE INSURANCE			
EQUIPMENT		DUE ON EQUIPMENT	
REAL ESTATE		DUE ON REAL ESTATE	
OTHER ASSETS		OTHER LIABILITIES	
		CAPITAL STOCK (if a corporation)	
		SURPLUS AND UNDIVIDED PROFITS	
TOTAL ASSETS		TOTAL LIABILITIES	
		NET WORTH	
Name of Owners	Name and Title of Officers	% OWNERSHIP IN COMPANY	

COMPLETION OF THIS FORM CONSTITUTES PERMISSION FOR WORLDWIDE INSURANCE SPECIALISTS INC. TO OBTAIN CONSUMER INFORMATION WHICH WILL BE USED TO DETERMINE BONDING ELIGIBILITY. THIS INFORMATION WILL BE HELD IN THE STRICTEST CONFIDENCE
 NO PREMIUM FINANCING WILL BE ACCEPTED AS PREMIUM IS EARNED IN FULL.

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 Phoenix, AZ 85015

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