

U.S. Department Of Agriculture  
Agricultural Marketing Service  
Fair Trade Practices Program  
Packers and Stockyards Division

**SURETY 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, Phone, and Email

3. Surety Name, Address, Phone, and Email

4. Trustee (List if required by State,) Name, Address, Phone, and Email

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

5b. Dollar Amount

\$

6. Check the box showing the condition clause that applies to your bond. Each type of operation requires a separate financial instrument.

<p>Applicable if Principal <b>SELLS</b> on commission</p> <p><input type="checkbox"/> Condition Clause 1</p>	<p>(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 not be liable, but if there shall be any defaults, failures, or neglects under any one or more of the listed conditions, then this bond shall be liable, subject to the following terms, conditions, and limitations as listed in (a) through (l):</p>
<p>Applicable if Principal <b>BUYS</b> on commission or as a dealer</p> <p><input type="checkbox"/> Condition Clause 2</p>	<p>(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 not be liable, but if there shall be any defaults, failures, or neglects under any one or more of the listed conditions, then this bond shall be liable, subject to the following terms, conditions, and limitations as listed in (a) through (l):</p>
<p>Applicable if other registrants <b>CLEAR</b> through Principal</p> <p><input type="checkbox"/> Condition Clause 3</p>	<p>(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:</p> <p>_____</p> <p>_____</p> <p>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 not be liable, but if there shall be any defaults, failures, or neglects under any one or more of the listed conditions, then this bond shall be liable, subject to the following terms, conditions, and limitations as listed in (a) through (l):</p>
<p>Applicable if Principal <b>BUYS</b> as a Packer</p> <p><input type="checkbox"/> Condition Clause 4</p>	<p>(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 not be liable, but if there shall be any defaults, failures, or neglects under any one or more of the listed conditions, then this bond shall be liable, subject to the following terms, conditions, and limitations as listed in (a) through (l):</p>

- (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, Agricultural Marketing Service, Fair Trade Practices Program, Packers and Stockyards Division, U.S. Department of Agriculture (hereinafter known as "Deputy Administrator"), and whichever of these parties receives such a claim shall notify the other such party or parties at the earliest practicable date. **Surety/Trustee, prior to paying any claimant, shall determine the total amount due to all claimants under this surety bond. In the event that claims filed against this bond exceeds the amount of the bond, the funds paid shall be prorated to the valid claimants known by Surety/Trustee. Surety/Trustee shall determine the total amount of valid claims prior to disbursing any portion of the bond.**
- (e) The Deputy Administrator 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 Division.
- (k) This bond may be terminated by either party hereto delivering written notice of termination to the other party and the Packers and Stockyards Division 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 invalid, 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 Director, Packers and Stockyards Division, 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 \_\_\_\_\_

**The Power Of Attorney must be attached to this bond to be acceptable. The attorney-in-fact signing the bond must be listed on the 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 0581-0308. The time required to complete this information collection is estimated to average 2.25 hours 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.

In accordance with Federal law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, disability, and reprisal or retaliation for prior civil rights activity. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible State or local Agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information is also available in languages other than English.

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**Instructions to Complete  
Surety Bond Form  
Form PSD 2000**

When you, as a packer, market agency or dealer (also referred to as the Principal), apply for a surety bond to meet the bonding requirements of the Packers and Stockyards Division (PSD), you must provide form PSD 2000 to the surety for execution of the surety bond to cover your operation with the Packers and Stockyards Division.

A surety bond requires complete and correct information to be submitted to the PSD on form PSD 2000. If any information is missing or incorrect, PSD will return the surety bond form to the principal or surety for completion or correction.

Operating without proper registration and bond may subject the principal to severe civil penalties as authorized by law for each violation, and additional penalties for each day the violation continues (7 U.S.C § 203).

Submit the completed form to the PSD regional office that covers your area. The Areas covered by each regional office are listed below the regional office's address.

<b>Regional Offices of the Packers and Stockyards Division Agricultural Marketing Service, Fair Trade Practices Program</b>		
<b>Eastern Regional Office</b> 75 Ted Turner Drive SW, Ste 230 Atlanta, GA 30303-3308 Telephone: (404) 562-5840 FAX: (404) 562-5848 E-mail: <a href="mailto:PSDAtlantaGA@ams.usda.gov">PSDAtlantaGA@ams.usda.gov</a>	<b>Midwestern Regional Office</b> 210 Walnut Street, Room 317 Des Moines, IA 50309-2110 Telephone: (515) 323-2579 FAX: (515) 323-2590 E-mail: <a href="mailto:PSDDesMoinesIA@ams.usda.gov">PSDDesMoinesIA@ams.usda.gov</a>	<b>Western Regional Office</b> 3950 Lewiston St., Suite 200 Aurora, CO 80011-1556 Telephone: (303) 375-4240 FAX: (303) 371-4609 E-mail: <a href="mailto:PSDDenverCO@ams.usda.gov">PSDDenverCO@ams.usda.gov</a>
<b>States Covered</b>	<b>States Covered</b>	<b>States Covered</b>
AL, AR, CT, DC, DE, FL, GA, LA, MA, MD, ME, MS, NC, NH, NJ, NL, NY, PA, PR, QC, RI, SC, TN, VA, VT, WV	IA, IL, IN, KY, MB, MI, MN, MO, ND, NE, OH, ON, SD, WI	AB, AK, AZ, BC, CA, CO, HI, ID, KS, MT, NM, NV, OK, OR, SK, TX, UT, WA, WY

If you have any questions about the form or completing the form, please contact the PSD Regional Office that covers your area, as listed above.

The Surety must complete lines 1 through 6, sign line 7(b), and complete lines 8 and 9.

The Principal must sign line 7(a).

If the surety bond names a trustee, the trustee must sign line 7(c).

Line No.	Subject	Instruction
1	Bond Number	Enter the bond number assigned by the surety.
2	Principal Name, Address and Phone (Street, City, State, Zip + 4, Phone, and Email)	Enter the full name, mailing address, phone, and email of the principal. The principal's name must match the name under which the principal is registered with the Packers and Stockyards Division.
3	Surety Name, Address and Phone (Street, City, State, Zip + 4, Phone, and Email)	Enter the full name, mailing address, phone, and email of the surety.
4	Trustee, If Required, Name, Address and Phone (Street, City, State, Zip + 4, Phone, and Email)	<p>If a trustee is required on the surety bond, enter the trustee's full name, address, phone and email. If a trustee is not required, leave line 4 blank or insert N/A or None listed.</p> <p>Some States require a State agency or official be named as trustee. Please contact the Regional Office covering your state for this information.</p>
5 a and b	Amount of Bond	<p>Enter the full dollar amount of the surety bond; spell out the amount and provide the amount numerically. For example, if the full dollar amount of the bond is \$10,000, list the amount as follows:</p> <p><b>a. Ten Thousand Dollars and No/100      b. \$10,000.00</b></p>

Line No.	Subject	Instruction
6	Condition Clauses	<p>Line 6 defines the conditions that are applicable for livestock operations.</p> <p>The surety shall indicate the correct condition clause as applies to the firm's operation.</p> <p>Examples of each of the condition clauses are:</p> <p><b>Condition Clause 1</b> - The principal sells livestock for the account of others. (Registered as Selling Livestock on Commission)</p> <p><b>Condition Clause 2</b> - The principal buys livestock for his/her own account or for the accounts of others. (Registered as Buying Livestock on Commission or as a Dealer)</p> <p><b>Condition Clause 3</b> - The principal is providing bond coverage for other registrant(s), as clearee(s), and therefore is responsible for the obligations of the clearee(s). (Registered as Clearing Services) The registrant(s) name(s) to be listed as clearees under this surety bond should be inserted into the space available in condition clause 3.</p> <p><b>Condition Clause 4</b> - The principal is purchasing livestock for purposes of slaughter, for his/her own account as a packer.</p> <p><b>Each type of operation (defined through the condition clause) requires a separate surety bond. The only instance a surety bond will be accepted with multiple condition clauses selected are when the firm operates as both a dealer/order buyer and clearing agent, thereby providing a Clause 2/3 surety bond</b></p>
7 a, b, and c	Signatures	<p>a. Principal's Signature: The principal, or someone authorized to sign for the principal (i.e. partner, owner, or officer), <b>must</b> print their name and sign the surety bond.</p> <ul style="list-style-type: none"> <li>• If an Individual operation, the principal <b>must</b> print and sign the surety bond.</li> <li>• If a Partnership operation, one of the partners <b>must</b> print and sign the surety bond.</li> <li>• If a Corporation, Limited Liability Corporation, Limited Liability Partnership, or Association, an owner, officer or duly authorized agent of the firm <b>must</b> print and sign the surety bond.</li> </ul> <p>b. Surety's Signature: The attorney-in-fact for the surety company <b>must</b> print and sign the surety bond.</p> <p>c. Trustee's Signature: If a trustee is named on the surety bond, Packers and Stockyards Division will obtain the trustee's signature, where indicated on the form.</p> <p>d. <b>Electronic signatures are considered valid.</b></p>
8	Date Effective	Enter the effective date of the surety bond.
–	Attach Power of Attorney	A Power of Attorney <b>must</b> be attached to the surety bond. The date of the Power of Attorney <b>must</b> be equal to or prior to the effective date of the surety bond. The person listed as the Attorney-in-Fact signing the surety bond for the surety company must be listed on the Power of Attorney.