

**APPENDIX 4
COLLATERAL SECURITY BOND (NEGOTIABLE SECURITIES)**

1. That _____, located at _____, (hereinafter called "the Licensee") hereby deposits with Her Majesty The Queen in right of the Province of Manitoba (hereinafter called "the Government") the amount of (\$ _____) in Canadian currency in negotiable securities to be held by the Director of the Consumer Protection Office (hereinafter called "the Director"), receipt and particulars of which are hereafter acknowledged, as collateral security for the Licensee's faithful performance as a licensed payday lender under *The Consumer Protection Act* and the regulation under that Act.

2. That the aforesaid collateral security, including all interest, dividends or advantages accruing thereon, shall be liable to forfeiture, in whole or in part, to the Government upon demand by the Director in the event of any claims or expenses arising from any breach, failure or other circumstance set out in subsection 12(1) of the *Payday Loans Regulation*, made under *The Consumer Protection Act*. Written notice to the Licensee provided by the Director, shall be sufficient to collect payment under this bond. Such notice shall be provided within two years of the date on which the Licensee was deemed responsible for any breach, failure or other circumstances set out in subsection 12(1) of the *Payday Loans Regulation* made under *The Consumer Protection Act*.

3. That if the said Licensee at any time gives notice in writing to the Director of intention to terminate the licence and the business as a payday lender, then the liability of the collateral security to forfeiture shall cease and be determined in respect of any claims arising subsequent to the date of such termination of licence or business, but this liability shall remain in full force and effect in respect of any claims arising from the date hereof to the date of such termination of licence or business, and notice of any claim against the collateral security may be provided within two years following the date of termination of licence or business as herein provided.

4. That if the licence of the Licensee is terminated as aforesaid, or is cancelled or not renewed by the Director, the Licensee shall be entitled to the return of the said collateral security, including any interest, dividends or advantages received thereon, as may be applicable, two years after such termination, cancellation or non-renewal, providing there are no claims arising against the collateral security during the period of the licence or business, but if there are claims resulting in forfeiture of the collateral security then the Licensee shall be entitled to the return of the balance of the collateral security after any such claims are verified, paid and deducted from the collateral security by the Director.

5. That the Licensee shall not hold the Government or the Director responsible for a loss respecting the collateral security, including any loss arising from any failure to recover any interest, dividend, or advantage on the collateral security, or resulting from any depreciation in the value of the collateral security, or caused by any realization, redemption or negotiation upon forfeiture, as may be applicable, during their custody thereof.

IN WITNESS WHEREOF the Licensee has duly executed this Bond in the City of _____, in the Province of _____, this _____ day of _____, 20_____.

SIGNED, SEALED and DELIVERED
in the presence of

Per: _____

Witness _____

Per: _____

ACKNOWLEDGMENT BY DIRECTOR

According to the terms and conditions of the foregoing Bond, the Director hereby acknowledges receipt of the aforesaid collateral security from the Licensee in the amount of _____ Dollars (\$ _____) in Canadian currency, in the form of the following negotiable securities this _____ day of _____, 20_____.

KIND OF NEGOTIABLE SECURITY

VALUE

Director of the Consumer Protection Office