

INSTRUCTIONS for COMPLETING
COLLECTION AGENCY BOND APPLICATIONS

NOTE: This application must be completed by all appropriate signatories simultaneously.

New Jersey statutes (N.J.S.A. 45:18 et seq.) dictates that no person can operate a collection agency, collection bureau or collection office or engage in the business of collecting or receiving payment for others of any account, bill, or other indebtedness without having a sufficient bond on file with the Secretary of State.

The following instructions correspond by numbered paragraph to the numbered sample application for easy completing. The applicant or principal (a corporation, trade name or individual) must complete certain portions, with the balance to be filled out by the surety.

To process the application, several important attachments with a check in the amount of \$25.00, made payable to "Treasurer, State of New Jersey" must be received with the application. PLEASE TYPE ALL RESPONSES ON THE APPLICATION FORM. Other important information when submitting the application is listed in the instructions.

Read the instructions carefully. Your complete and accurate completion of the application will avoid any delays in the filing of the bond. If you have questions regarding the application, you can call the Division of Revenue's Collection Agency Bond Section at (609) 292-9292 for assistance.

COLLECTION AGENCY BOND APPLICATION

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1. Insert the full name and address of the collection agency followed by the words “as principal”. The three (3) types of entities that can be identified as “the principal” are:
 - a. Corporation – a business entity formed, registered and filed with the Division of Revenue according to New Jersey statutes. Example: “ABC Corporation”; “XYZ, Inc.”; “John Doe Corp.”
 - b. Trade Name – a County registered name of a business that uses the designation “and company” or “& Co.” as part of a firm or partnership name. Example: “John Doe and Company” or “Jane Smith & Co.” followed by “registered in (Name of) County by (Name of Individual)”.
 - c. Individual - a person or business entity that uses the name of an individual or the business. If it is a business name, please include the specific person to contact in parentheses.
2. Indicate whether you are filing as a Corporation, Trade Name or as an Individual.
3. Insert the full name and address of the surety followed by the words “as surety”.
4. Insert the day, month and year of the principal’s signature.
5. Signature of the principal officer (president) of the corporation, trade association or person or persons doing business as an individual. When the signer is the only officer of the corporation, “Sole Corporate Officer” must be indicated after the signature.
6. Corporations must place their official seals upon this bond. Those acting without seals, as with trade names or individuals, do not need to comply with this part. Please be certain that the imprint is legible or the application will be returned.
7. The signature of the witness of the signature of the principal (#5 above). It must be simultaneously witnessed by at least one person in all cases.
8. Type in the name of the surety.
9. Signature of the surety’s attorney-in-fact. Separate proof of the individual’s authority to act as attorney-in-fact on behalf of the surety must be also attached to the bond.
10. Corporate seal of the surety must be placed on this bond, located as indicated on the attached bond application. Please be sure the imprint is legible or the application will be returned.
- 10a. The licensed insurance agent must insert (clearly printed or typed) the location of the signing.
- 10b. Signature of a licensed insurance agent with the name clearly printed or typed below and the current license number of the insurance agent listed. (The surety must have this bond countersigned by a licensed insurance agent pursuant to N.J.S.A. 17:22-6.15.)

ACKNOWLEDGEMENT OF PRINCIPAL SECTION
Part 2 of the COLLECTION AGENCY BOND APPLICATION

The Acknowledgement records the witnessing by an attorney-at-law or a Notary Public of the signature of the principal and the simultaneous signing of the Collection Agency Bond by all parties. Two (2) types of Acknowledgement are provided as part of the Collection Agency Bond application. Select only one acknowledgement depending on the entity type of the principal.

11. Section 11 is to be completed only by those Collection Agencies doing business as corporations and is to be signed simultaneously by the corporate secretary and the Notary Public or Attorney-at-Law. If Section 11 is filled out by a Corporation, Section 12 is left blank.
 - 11a. State in which the Acknowledgement of Principal is executed by the corporate secretary.
 - 11b. County in which the Acknowledgement of Principal is executed by the corporate secretary.
 - 11c. Day, month and year of execution of the Acknowledgement of Principal by the corporation's secretary.
 - 11d. Insert the words "Attorney-at-Law" or "Notary Public", whichever is appropriate under the circumstances. This Acknowledgement of Principal must be witnessed by either a Notary Public or an Attorney-at-Law of New Jersey.
 - 11e. Insert the name of the Corporate Secretary.
 - 11f. Insert the name of the Corporation.
 - 11g. Insert the name of the principal officer (president) of the corporation who is applying for this bond (as listed in #5 on Page 1).
 - 11h. Signature of the corporate secretary, which must be signed before the witnessing Notary Public or Attorney-at-Law of New Jersey. When the signer is the sole officer of the corporation, "Sole Corporate Officer" must be designated after the signature.
 - 11i. Day, month and year of the witnessing of the signature.
 - 11j. The signature of the Notary Public or Attorney-at-Law of New Jersey. If witnessed by the Notary Public, the Notary Public must also place his/her seal next to his/her signature and his/her stamp stating when his/her commission expires. If witnessed by an attorney, the attorney must follow his/her signature with his/her name typed or printed below the signature and the words "Attorney-at-Law, State of New Jersey".

ACKNOWLEDGEMENT OF PRINCIPAL SECTION
Part 2 of the COLLECTION AGENCY BOND APPLICATION (cont)

12. Section 12 is to be completed only by those Collection Agencies doing business as a Trade Name or as an Individual and is to be signed simultaneously by the individual or authorized representative of the Trade Name and the Notary Public or Attorney-at-Law of New Jersey. If Section 12 is filled out by a Corporation, Section 11 is left blank.
- 12a. County in which the Acknowledgement of Principal is executed by the individual or Trade Name.
- 12b. Day, month and year of execution of the Acknowledgement of Principal by the individual or Trade Name.
- 12c. Insert the words "Attorney-at-Law of New Jersey" or "Notary Public", whichever is appropriate under the circumstances. This Acknowledgement of Principal must be witnessed by either a Notary Public or an Attorney-at-Law licensed in the State of New Jersey.
- 12d. Insert the name of the individual(s) acting under the Trade Name or the name of the person(s) doing business as an individual(s).
- 12e. Day, name and year when the signature was executed and witnessed.
- 12f. The signature of the Notary Public or the New Jersey Attorney-at-Law. If witnessed by the Notary Public, the Notary Public must also place his/her seal next to his/her signature and his/her stamp stating when his/her commission expires. If witnessed by an attorney, the attorney must follow his/her signature with the words "Attorney-at-Law, State of New Jersey".

IMPORTANT INFORMATION WHEN SUBMITTING THE APPLICATION

- Submit both the Bond Application and the appropriate Acknowledgement of Principal document.
- Attach all sureties' current (not more than one year old) complete and authorized financial statement to the bond application at submission.
- Attach an executed Power of Attorney form establishing the Attorney-in-Fact as the Surety's authorized legal representative.
- Attach a Power of Attorney if an authorized individual signed for any of the other necessary signatories.
- Attach payment of \$25.00 for each filing. The check should be made payable to the STATE TREASURER OF NEW JERSEY.
- Mail the application with all attachments and payment to:
 - NJ Division of Revenue
 - Collection Agency Bond Section
 - PO Box 453
 - Trenton, NJ 08646
- If the Surety representative (Attorney-in-Fact) and the licensed insurance agent are the same person and are executing signatures at Lines 8 and 10b, that person may be personally liable for any acts of the insurer. This practice is not encouraged and the person should receive competent legal advice regarding such action.

COLLECTION AGENCY BOND APPLICATION

COLLECTION AGENCY BOND
UNDER
TITLE 45, CHAPTER 18, REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS THAT WE, _____
insert full names of

Principals and add the words "as principals," and give addresses

and any party aggrieved within the meaning of NJSA 45:18 et.seq.

and held and firmly bound unto the State of New Jersey, in the sum of Five Thousand Dollars to be paid said unto the State of New Jersey, to which payment well and truly to be made, we bind ourselves, our and each of our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. Sealed with our seals. Dated the _____ day of _____ A.D. two thousand and _____ .

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden, shall, upon written demand, pay and turn over to or for the person, partnership, association or corporation for whom any account, bill or other indebtedness is taken for collection, the proceeds for such collection, in accordance with the terms of the agreement upon which such account, bill or other indebtedness was received for collection, and shall faithfully observe all laws relating to the business provided for in the above-entitled act, then this obligation to be void, otherwise to remain in full force and virtue.

Signed, sealed and delivered
in the presence of

Witness _____ (SEAL)
Principal

Witness _____ Surety

Attorney-in-Fact

Examined and approved as to form

Deputy Attorney General

Title 45, Chapter 18, Revised Statutes

COLLECTION AGENCIES

45:18-1. Collection agencies to file bond. No person shall conduct a collection agency, collection bureau or collection office in this state, or engage therein in the business of collecting or receiving payment for others of any account, bill or other indebtedness, or engage therein in the business of soliciting the right to collect or receive payment for other of any account, bill or other indebtedness, or advise for or solicit in print the right to collect or receive payment for another of any account, bill or other indebtedness unless such person, or the person for whom he may be acting as agent has on file with the Secretary of State sufficient bond as hereinafter specified.

45:18-2. Amount, term and provisions of bond; renewal; limitations of actions. The bond shall be in the sum of five thousand dollars and shall provide that the person giving the same shall, upon written demand, pay and turn over to or for the person for whom any account, bill or other indebtedness is taken for collection the proceeds thereof in accordance with the terms of the agreement upon which such account, bill or other indebtedness was received for collection. The bond shall be in such form and shall contain such further provisions and conditions as the Secretary of State deems necessary or proper for the protection of the persons for whom the accounts, bills or other indebtedness are taken for collection, and shall be for the term of one year from its date and must be renewed annually. No action on the bond shall be begun after two years from the expiration thereof.

45:18-3. Execution and approval of bond; sureties. To bond mentioned in sections 45:18-1 and 45:18-2 of this Title shall be executed by the person filing the same to the State of New Jersey for the use of any party aggrieved with sufficient surety, to be furnished by any company or corporation authorized to transact such business in this State. The said bond shall be examined and approved by the Attorney-General and thereafter accepted and filed with the Secretary of State; provided, however, that cash may be accepted in lieu of sureties; and provided further, that no such bond with individual sureties thereon may be approved, accepted or filed.

45:18-4. Records of bonds; filing fee. The Secretary of State shall keep a record of such bonds, with the names, places of residence and places of business of the principals and sureties, and the name of the officer before whom the bond was executed or acknowledged, and the record shall be open to public inspection. There shall be paid a filing fee of twenty-five dollars to the Secretary of State for the filing of each bond.

45:18-5. Penalty. Any person, member of a partnership or an officer of an association or corporation who fails to comply with any of the provisions of this chapter, shall be subject to a fine of not more than five hundred dollars or to imprisonment for not more than three months or both.

45:18.6. Exemptions. This chapter shall not apply to an attorney-at-law duly authorized to practice in this State, a national bank, or any bank or trust company duly incorporated under the laws of this State.

45:18-6.1. Notice of discontinuance filed. Any person who shall discontinue the operation of a collection agency, collection bureau or collection office in this State pursuant to the chapter hereby supplemented shall file with the Secretary of State a notice of such discontinuance.

Foreign insurance companies must act through authorized agencies. (R.S. 17:22-6.15)