

WEST VIRGINIA CODE: §19-10B-4

§19-10B-4. Applicant to furnish bond.

Before issuing any livestock dealer's license, the commissioner shall require the applicant to file either:

- (1) A properly attested sworn statement that he or she is maintaining a valid surety bond pursuant to the requirements of The United States Department of Agriculture Packers and Stockyards Act of 1921, 42 Stat 159.7 USCA, 181 as amended; or
- (2) A fully executed bond in an amount prescribed by the commissioner by regulation, but not less than \$10,000, for the benefit of the sellers of livestock who have been wronged or damaged by any fraud or fraudulent practices of the livestock dealer and so adjudged by a court of competent jurisdiction, and who shall have the rights of action for damage for compensation against such bonds. The bond may include, at the option of the applicant, corporate surety bonding, collateral bonding (including costs and securities), establishment of an escrow account, an irrevocable letter of credit or a combination of these methods. If collateral bonding is used, the livestock dealer may elect to deposit cash, or collateral securities or certificates as follows: Bonds of the United States or its possessions, of the federal land bank, or of the homeowners' loan corporation; full faith and credit general obligation bonds of the State of West Virginia, or other states, and of any county, district, or municipality of the State of West Virginia or other states; the certificates of deposit in a bank in this state which certificates shall be in favor of the department.

The cash deposit or market value of such securities or certificates shall be equal to or greater than the sum of the bond. It shall be the duty of the applicant to insure that the market value of such bonds is sufficient.

- (3) The commissioner shall, upon receipt of any such deposits of cash, securities or certificates, promptly place the same with the treasurer of the State of West Virginia whose duty it shall be to receive and hold the same in the name of the state in trust for the purpose for which the deposit is made when the license is issued. The applicant making the deposit shall be entitled from time to time to receive from the state Treasurer, upon written approval of the commissioner, the whole or any portion of any cash, securities or certificates so deposited, upon depositing with the treasurer in lieu thereof, cash or other securities or certificates of the classes herein specified having value equal to or greater than the sum of the bond. Such bond shall be open to public inspection.