PREPARATION OF THE PRIVATE LICENSED SCHOOL CONTRACT BOND

Private Licensed School Contract Bonds

Contract bonds must be completed in a manner which is acceptable to both the Chief Counsel's Office of the Department of Education and to the Office of the Attorney General and should be ready for execution upon receipt by the staff of the State Board of Private Licensed Schools.

In an effort to insure that all contract bonds are received in ready-to-execute condition the following itemization of the information required to be furnished when submitting one of the following is provided:

1. A private licensed school contract bond.
2. A certificate of Power of Attorney.
3. Bond riders or endorsements.

It is expected that the use of this information will result in the successful completion of the contract bond procedure and a more expeditious processing of your application.

Additional contract bonds may be obtained by writing or calling your contact person.

The numbers on the attached bond form marked "SAMPLE" corresponds with the numbers on page 2.

PROCESSING OF THE PRIVATE LICENSED SCHOOL CONTRACT BOND

1. Bond number (assigned by the surety company).

2. Name of applicant (if applicant uses a name other than that of the corporate name or the name of the private owner, the bond must reflect doing business as, or trading as and the fictitious name registration in addition to the corporate name and the name of the private owner).

3. Street address of the school.

4. Municipality.

5. County.

6. Name of Surety Company and Federal I.D. Number.

7. Amount of bond.

8. Effective date of bond (must be the same as the date of the Power of Attorney).

9. Corporate Seal (if applicable).

10. Attestations (one for the surety company; one for the principal).

11. Principal (must be the same name as shown in #2 above).

For Corporate Ownership:

12. Signature of president or vice president.

13. Signature of secretary or treasurer.

For Sole Proprietorship:

14. Signature of sole proprietor.

For Partnership:

15. Signature of each partner.

16. The full name of the surety company as printed in Item 6 above.

17. The name of the Attorney in Fact (Pennsylvania Resident Agent) shown on the bond must be the same as the name appointed on the Certificate of Power of Attorney.

18. The address for the Attorney in Fact shown on the bond must be the same as the address on the Certificate of Power of Attorney. If the address of the Attorney in Fact is other than Pennsylvania, the bond must be countersigned by a Pennsylvania Resident Agent. The Certificate of Power of Attorney must be attached for the Pennsylvania Resident Agent.

Certificate
of
POWER OF ATTORNEY

1. The Certificate of Power of Attorney must be submitted in the original.

2. All sections of the Certificate of Power of Attorney must be completed.

3. The name of the Attorney in Fact shown on the bond must be the same as that appointed on the Certificate of Power of Attorney.

4. The address of the Attorney in Fact must be the same as shown on the Certificate of Power of Attorney.

5. The Certificate of Power of Attorney must include the name of Pennsylvania Resident Agent.

6. The date of certification of the Certificate of Power of Attorney must be the same as the date of execution of the surety bond.

For your convenience, the blank spaces on the attached bond sample have been numbered to coincide with the appropriate items outlined above in the surety bond section.

AMENDMENTS TO THE PRIVATE LICENSED SCHOOL CONTRACT BOND (RIDER/ENDORSEMENT)

It is necessary to submit an amendment to the contract bond when the following circumstances arise:

1. Change in address;

2. Change in school name;

3. Change in corporate name;

4. The bond amount is either increased or decreased;

5. Additional school facilities are used.

In order for the amendment to be acceptable to the Chief Counsel's Office and the Attorney General's Office, the amendment shall be completed in accordance with the following:

1. Affix corporate seal, if corporate ownership.

2. Name of applicant (completed in accordance with item #2 under Private Licensed School Contract Bond).

For Corporate Ownership

3. Signature of president or vice president.

4. Signature of secretary or treasurer.

For Sole Proprietor

5. Signature of sole proprietor.

For Partnership

6. Signature of each partner.

7. The name of the Attorney in Fact shown on the rider/endorsement shall be the same as the name appointed on the Certificate of Power of Attorney.

8. The address for the Attorney in Fact shown on the rider/endorsement shall be the same as the address/city of the Power of Attorney.

9. If the address of the Attorney in Fact is other than Pennsylvania, the rider/endorsement shall be countersigned by a Pennsylvania Resident Agent

10. Attach Certificate of Power of Attorney for the Pennsylvania Resident Agent. The Certificate shall be signed, sealed, and dated the same date as the rider/endorsement form.

11. Riders and Endorsements must be submitted in the original.

S A M P L E

COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF EDUCATION

PRIVATE LICENSED SCHOOL CONTRACT BOND

PDE-1619 (03/03)

Instructions: Submit with Application for Private School License/Registration

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Bond #_____(1)

The (Name of Applicant) _____(2)_____ d/b/a _____(2)_____, located at (School Street Address) _____(3)_____, (Municipality) _____(4)_____ (County) _____(5)_____, as principal and (Name of Surety Company and Federal ID #) _____(6)_____, as Surety are held and firmly bound unto the Commonwealth of Pennsylvania for the benefit and protection of students of Principal, in the sum of _____(7)_____ lawful money of the United States of America, to be paid to the Commonwealth, its attorneys or assigns. By filing this bond, Principal understands that it is fully bonded, jointly and severally, with its heirs, executors, administrators, successors, and assigns.

WHEREAS, the principal desires to operate its school at the location set forth above in the manner required both by its express contracts with its students as well as by the provisions of the Private Licensed School Act and the regulations promulgated by the State Board of Private Licensed Schools; and

WHEREAS, it is a condition of the grant of a license or registration to Principal by the State Board of Private Licensed Schools pursuant to 22 Pa. Code §73.54, that this bond be executed:

THEREFORE, Principal, jointly and severally, for itself, its heirs, executors, administrators, successors and assigns does agree with the Commonwealth of Pennsylvania, for the benefit and protection of the students of the Principal, that the full amount of this bond shall be due and payable to the Commonwealth of Pennsylvania for distribution pro rata to all students having valid claims against Principal upon (1) closing of the school operated or owned by the Principal; or (2) the suspension, revocation or any other termination of the Principal's licensure/registration under the Private Licensed School Act.

This bond may be cancelled by Surety at the end of any annual term by giving thirty (30) days notice in writing, by certified mail, return receipt requested to the State Board of Private Licensed Schools and the Principal.

IN WITNESS WHEREOF, signed, sealed with our seals, and delivered this___(8)___day _____(8)_____, 20___. (8)

_____(11)_____
Name of Applicant

d/b/a _____(11)_____
(Name of School)

Attach
Corporate
Seal and
Witness _____(9) (10)_____

By _____(12) (14)_____
(Owner; President or Vice President; or Partner) Title

By _____(13)_____
(Secretary or Treasurer; or Partner) Title

By _____(15)_____
(Partner) Title

Approved as to form and manner of execution

By _____
(PDE Office of Chief Counsel)

By _____
(Office of the Attorney General)

Date _____

_____(16)_____
(Surety) (Seal)

By _____(17)_____
(Pennsylvania Resident Act)

_____(18)_____
(Pennsylvania Address)

_____
Insurance Company's Telephone Number