

STATE OF MINNESOTA

CLUB STATEMENT OF
ALTERNATIVE FORM OF
SECURITY

Mail To:
Minnesota Attorney General's Office
ATTN: Club Contracts Registration
445 Minnesota Street, Suite 600
St. Paul, MN 55101

(Pursuant to Minn. Stat. §§ 325G.23-28)



Legal Name of Organization: _____

Mailing Address:	Physical Address:
Contact Person	Contact Person
Street Address	Street Address
City, State, and Zip Code	City, State, and Zip Code
Phone Number	Phone Number
Email Address	Email Address

1. I am filing this Club Statement of Alternative Form of Security in connection with filing the following document:

Club Initial Registration Club Registration Renewal

1a. Date Club Initial Registration or Club Registration Renewal form was filed:

2. I, _____, certify that the club has been unable to obtain a surety bond in compliance with Minnesota Statutes section 325G.27 despite multiple attempts to obtain such a surety bond.

2a. **Attach:** Documentation adequate to establish that the club sought, but was denied, a surety bond under all underwriting conditions.

- **NOTE:** Submission of an alternative form of security in the form of a letter of credit or cash deposit will *not* suffice and a club's registration or renewal will be rejected if it does not provide adequate evidence that it was unable to obtain a surety bond.



CLUB STATEMENT OF ALTERNATIVE FORM OF SECURITY (Continued)

3. In lieu of filing a surety bond, I certify that I have satisfied the financial security requirements of Minnesota Statutes section 325G.27 in one of the two following manners:

By filing an irrevocable letter of credit with the Minnesota Attorney General's Office sufficient to cover all of the club's outstanding liabilities,¹ and fully and accurately answering Question 4.

or

By filing a cash deposit with the Minnesota Attorney General's Office sufficient to cover all of the club's outstanding liabilities, and fully and accurately answering Question 5.

4. **Attach:** An open-ended (i.e., no expiration date) irrevocable letter of credit drawn on a bank and approved by the Minnesota Attorney General's Office that covers the club's outstanding liabilities. Further provide the following information about this letter of credit:

Amount of Irrevocable Letter of Credit: _____

Name of Bank: _____

Bank Address: _____

Bank Telephone Number: _____

Name and Telephone Number of Contact Person at Bank Regarding Letter of Credit:

5. **Attach:** A cash deposit that covers the club's outstanding liabilities, which is to be held by the Minnesota Attorney General's Office for the benefit of any person who suffers or sustains any loss by reason of breach of contract, bankruptcy, or club closure by the seller of the club membership contracts.

Amount of Cash Deposit: _____

- **NOTE:** The amount of security that should be posted pursuant to either Question 4 or 5 is based on the club's financial statement covering the immediately preceding 12 month period reflecting the club's total outstanding liabilities to the members. This financial statement must be filed with the club's initial registration or renewal, as applicable.

¹ Under Minnesota law, "outstanding liabilities" means the total amount of prepayments actually received from club members, less the amount prorated over the duration of any contract for services rendered by the club.



CLUB STATEMENT OF ALTERNATIVE FORM OF SECURITY (Continued)

CERTIFICATION

I _____, _____,
(Name) (Title)

hereby certify under pain and penalty of perjury, that the information contained in this Club Statement of Alternative Form of Security is true and correct. I further certify that I am authorized to submit this Club Statement of Alternative Form of Security on behalf of _____.
(Name of Club)

I also understand that I am under a continuing obligation to notify the Office of the Attorney General of any change in the information provided in this form, and in the case of a planned facility, I am under a continuing obligation to increase the amount of the surety as necessary to take into account increases in the person's outstanding liabilities to the members with a final adjustment to be made at the time of the opening.

Signature

Name and Title (please print)

Subscribed and sworn to before me this

_____ day of _____, 20_____

Notary Public