

**Form 2702—General Information
(Business Opportunity Seller Surety Bond)**

The attached form is designed to meet minimal statutory filing requirements pursuant to the relevant code provisions. This form and the information provided are not substitutes for the advice and services of an attorney.

Commentary

In accordance with Section 51.101 of the Texas Business & Commerce Code, a principal seller of a business opportunity must secure at least \$25,000, in favor of the state, before representing that the purchaser will earn or is likely to earn a profit in excess of the amount of the initial consideration the purchaser paid, or otherwise representing that the purchaser is assured of making a profit from the business opportunity. The security may be obtained in the form of a surety bond, irrevocable letter of credit, or trust account. After establishing the required security, the principal seller must file a copy of the bond or letter of credit or notification of the trust account with the secretary of state. This form is designed to meet the minimum statutory requirements for a surety bond obtained to satisfy Section 51.101.

Instructions for Form

- **Principal/Business Opportunity Principal Seller:** Provide the name and address of the business opportunity principal seller filing the surety bond.
- **Bond:** Provide the number used by the surety company to identify the bond.
- **Surety:** Provide the name of the surety company. The surety company must be authorized to do business as a surety company in Texas.
- **Effective Date:** Provide the date on which the bond will become effective.
- **Execution:** Persons who are authorized to sign on behalf of the business opportunity principal seller, as principal, and the surety company must sign and date the bond.
- **Payment and Delivery Instructions:** There is no filing fee for submitting a seller surety bond.

The bond may be mailed to Registrations Unit, P.O. Box 13193, Austin, Texas 78711-3193 or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701. If evidence of filing is desired, two copies of the bond may be submitted. On filing the bond, the secretary of state will return a file-stamped copy of the bond, if a duplicate copy was provided.

Revised 05/2016

Form 2702 (Revised 05/16)

Please submit to:
Secretary of State
Registrations Unit
P.O. Box 13193
Austin, TX 78711-3193



This space reserved for office use.

**Business Opportunity
Seller Surety Bond**

Filing Fee: None

PRINCIPAL/ Name: _____
BUSINESS
OPPORTUNITY
PRINCIPAL SELLER Street City State Zip
BOND Number: _____ Amount : Twenty-five thousand dollars (\$25,000.00)
SURETY Name: _____

We, PRINCIPAL AND SURETY identified above, our heirs, executors, successors and assigns, jointly and severally, are liable to the State of Texas, for the amount of the bond shown, in favor of the state for the benefit of a person damaged by (1) PRINCIPAL’s violation of Chapter 51, Business & Commerce Code; (2) PRINCIPAL’s breach of the business opportunity contract; or (3) PRINCIPAL’s breach of an obligation arising from a business opportunity sale. SURETY acknowledges that it is duly authorized and qualified to do business as a surety company in Texas.

This agreement is subject to the following terms and conditions:

This bond shall serve as the security required by § 51.101, Business & Commerce Code, so that PRINCIPAL may make the representations described by § 51.003(a)(1) or otherwise represent that the purchaser of the business opportunity offered by PRINCIPAL is assured of making a profit from the business opportunity.

As a condition of SURETY’s obligation, PRINCIPAL shall faithfully discharge all obligations, duties and responsibilities under Chapter 51, Business & Commerce Code, as that statute is presently worded, and as it may hereafter be amended to read, as well as any duties or responsibilities arising from a business opportunity contract or sale. Any party injured by PRINCIPAL’s failure to meet the conditions of the bond may bring an action based on the bond and recover against the bond.

The aggregate liability of SURETY for all breaches of bond conditions may not exceed the amount of the bond.

Regardless of the number of years the bond continues in force or the number of premiums paid or payable, the limit of SURETY’s liability stated in the bond shall not be cumulative from year to year or period to period.

The bond shall not be subject to cancellation by either PRINCIPAL or SURETY unless written notice of intent to cancel is forwarded to the Secretary of State, Registrations Unit, not later than the 60th day before the date of cancellation. If the cancellation is at the request of SURETY, SURETY shall also provide PRINCIPAL with written notification at least 60 days prior to the effective date of cancellation.

It is agreed that the bond shall be in full force and effect as of the following date: _____

Date: _____

Signature of authorized person for PRINCIPAL

Printed or typed name of authorized person for PRINCIPAL

Date: _____

Signature of authorized person for SURETY

Printed or typed name of authorized person for SURETY