

SAMPLE LETTER OF CREDIT
For a Maryland Structured Settlement Transferee

[The letter of credit must be printed on the letterhead of a Bank having deposits insured by the FDIC]

[_____ Bank Name]
[_____ Bank Address]
[_____ Bank Address]
[_____ Bank Telephone Number]

Date: [_____]

To: Consumer Protection Division
Office of the Maryland Attorney General
State of Maryland
200 St. Paul Place, 16th Floor
Baltimore, MD 21202
Tel. 410-576-6573

RE: Standby Letter of Credit No.: _____
Expiration Date: _____

For the account of _____ [full legal name of the principal, a structured settlement transferee] (herein "ACCOUNT PARTY") we [_____ Bank Name], (herein "ISSUER"), hereby establish in favor of the State of Maryland, (herein "BENEFICIARY"), this irrevocable standby Letter of Credit in the aggregate stated amount of ONE HUNDRED THOUSAND dollars (\$100,000.00) for the use and benefit of the BENEFICIARY.

The ISSUER binds itself and its heirs, executors, administrators, successors and assigns, jointly and severally, to the payment of this letter of credit.

The ISSUER has been requested by the ACCOUNT PARTY to issue this Letter of Credit in connection with potential obligations of the ACCOUNT PARTY, and, any sole proprietorship, corporation, limited liability company, partnership, joint venture, or other entity, including all subsidiaries, successors and assigns, through which the ACCOUNT PARTY or any affiliate of the ACCOUNT PARTY, directly or indirectly participates in the transfer of structured settlement payment rights with Maryland consumers.

Term: The term of this Letter of Credit commences on [_____] (herein the "Commencement Date"), and is in full force and effect until [_____] (herein the "Expiration Date"). The Expiration Date of this Letter of Credit shall be deemed automatically extended, and this Letter of Credit shall be deemed automatically renewed, for successive one-year periods, unless the ISSUER notifies the BENEFICIARY in writing, via certified U.S. Mail, return receipt requested, at the notice address provided herein, at least thirty (30) days prior to the Expiration Date, of any proposed non-renewal.

Draws upon Letter of Credit: The State of Maryland may make one or more draws or drafts upon this Letter of Credit, up to and including the full amount of this Letter of Credit, by written demand to the ISSUER at the ISSUER'S address below, no later than the operative Expiration Date of this Letter of Credit.

Each draft shall be accompanied by a written certification, executed by a representative of the Office of the Attorney General, that (a) the Attorney General has imposed a penalty on the ACCOUNT PARTY under Courts and Judicial Proceedings Article, Subtitle 5, Annotated Code of Maryland, or (b) that the Attorney General has reason to believe that:

- (1) A Maryland consumer is entitled to the payment of sums as the result of an unpaid obligation of the ACCOUNT PARTY or any affiliate of the ACCOUNT PARTY related to a transfer of structured settlement payment rights; or
- (2) The ACCOUNT PARTY or any affiliate of the ACCOUNT PARTY has violated provisions of Commercial Law Article, Title 13, Annotated Code of Maryland; or
- (3) The ACCOUNT PARTY or any affiliate of the ACCOUNT PARTY has promised to make a payment to a Maryland consumer and has filed for bankruptcy; or
- (4) The ACCOUNT PARTY or any affiliate of the ACCOUNT PARTY has promised to make a payment to a Maryland consumer and has ceased operations in the State of Maryland; or
- (5) The ACCOUNT PARTY or any affiliate of the ACCOUNT PARTY has promised to make a payment to a Maryland consumer, the Office of the Attorney General has received notice that the Letter of Credit will be canceled and will not be renewed, and the ACCOUNT PARTY has not supplied the Office of the Attorney General with alternative financial assurances required by § 5-1109, Courts and Judicial Proceedings Article, Annotated Code of Maryland.

Payment: Within thirty (30) days of receipt of a draft and certification, the ISSUER shall pay the amount of the draft, up to the full amount of the Letter of Credit, to the State of Maryland. Upon payment of the full amount of the Letter of Credit to the State of Maryland, the ISSUER is relieved of its liabilities under this Letter of Credit.

Notices: Any written notices or communications shall be provided to the following persons:

For the ISSUER: [_____ Bank Legal Name]
[_____ Address]
[_____ Contact Person or Office]
[_____ Telephone, Fax, Email]

For the ACCOUNT PARTY: [_____ Legal Name]
[_____ Address]
[_____ Contact Person or Office]
[_____ Telephone, Fax, Email]

For the BENEFICIARY: Administrator, Structured Settlement Transferee Registration, Consumer Protection Division, Office of the Attorney General, 200 St. Paul Place, Baltimore, Maryland 21202
Telephone: (410) 576-6573, Fax: (410) 576-6566,
Email: sstadministrator@oag.state.md.us.

As to matters affecting this Letter of Credit, the ISSUER agrees to the jurisdiction of the courts of the State of Maryland, and the application of the internal laws of the State of Maryland (without regard to conflicts of law provisions).

Signed, Sealed and Dated this _____ day of _____, in the year of _____.

[_____ Bank Name]

By: _____

Authorized Signature of Issuer

Printed Name of Signatory: _____

Title of Signatory: _____