

Vernon General Insurance Company

Administrative Office:

United Surety Agents Inc.

5153 N. Shadeland Ave., Indianapolis IN 46226

Phone: (317) 254 8721

Fax (317) 254-1234

\$25,000 INDIANA VEHICLE MERCHANDISING BOND APPLICATION

X _____ X _____ X _____ X _____
 (Dealer Number) (Dealership Name as it appears on your License) (License Renewal Date) (SS # or Bus. Tax ID #)

X _____ X _____ X _____ X _____
 Business Address: (Number/Street) (City) (State) (Zip)

X _____ X _____ X _____
 (Business Phone) (Business Fax) (E-mail Address)

X _____ X _____ X _____ X _____ X _____
 Principal Owner (Print) Home Address: (Number/Street) (City) (State) (Zip)

As a basis for consideration of your application for a bond applicable to the type of license checked below, complete in detail the following financial statement, or attach a previously prepared current financial statement.

FINANCIAL STATEMENT as of _____, _____ 20__		<input type="checkbox"/> Business <input type="checkbox"/> Personal <input type="checkbox"/> Combined Bus. & Personal	
Assets		Liabilities	
Cash on Hand	\$ _____	Accounts Payable _____	\$ _____
Cash in _____ Bank	\$ _____	Non-Bank Notes Payable _____	_____
Accounts Receivable _____	\$ _____	_____	\$ _____
Merchandise on Hand _____	\$ _____	Bank Loans _____	\$ _____
Real Estate (Type & Location) _____	_____	Mortgages/Liens on Real Estate _____	_____
_____	\$ _____	_____	\$ _____
Title in Name(s) of _____	_____	Taxes Due (describe) _____	\$ _____
_____	_____	_____	_____
Other Assets (describe) _____	_____	If a Corporation:	_____
_____	\$ _____	Capitol Stock, Paid In.....	\$ _____
_____	\$ _____	Surplus.....	\$ _____
_____	\$ _____	If an Individual or Partnership:	_____
TOTAL ASSETS.....	\$ _____	NET WORTH.....	\$ _____
		TOTAL LIABILITIES.....	\$ _____

- Years experience as Owner _____ Under what business name(s) _____
- Years experience as salesman _____ What Company? _____
 (Name) (Address)
- Prior yr ann. sales: New Vehicle \$ _____ # of Units _____ Used vehicles \$ _____ # of Units _____
- Are you engaged in another business _____ If so Describe _____
- Have you ever been in personal or business bankruptcy? _____ If so describe _____
- have you or your dealership ever been declined or cancelled for this type of bond? _____ If yes by whom? _____
 Reason cancelled or denied _____
- Name of the prior Surety Company (if any) on this type of bond _____ Reason for changing
 Surety Companies: _____

INDEMNITY

The undersigned Applicant and Indemnitor(s), hereby certify information contained in this application to be true and request Vernon General Insurance Company ("Company") to become Surety for and furnish an Indiana Vehicle Merchandising Bond to the Applicant. The undersigned hereby authorize banks, or others, including governmental entities, to furnish any information requested by the Company and/or its Administrator concerning any transaction with the undersigned. Should the Company execute said Bond, the undersigned agree as follows: (1) To indemnify the Company and hold it harmless against all loss, liability, costs, claim damages, expense, including, but not limited to, attorney's fees, investigative costs, etc. which it may incur by reason of executing said Bond or for the enforcement of this agreement. Upon satisfactory indemnification in full and within 30 days of written demand by the Company or its Administrator to the Applicant/Bond Holder and the Indemnitor(s), the Twenty Five Thousand Dollar face amount of the bond shall be restored as available for future claims made under this bond. In the event indemnification satisfactory to the Company is not made within the time frame written above, the company shall notify the office of the Secretary of State that the available funds for claims under the bond do not meet the House Bill 1376 requirement of a licensee maintaining a \$25,000 bond.

The Company may decline to become Surety on any Bond of the Applicant and, in case it does act as Surety, shall have the right to withdraw or cancel same whenever it shall see fit in accordance with the Cancellation provision of the Bond and shall not be responsible for any loss or damage that may be sustained by reason of such action. Nothing shall be construed to waive or abridge any rights or remedies which the Company might have if this instrument were not executed.

Venue, at the Company's option for litigation and/or arbitration, shall be in the State of Indiana and the County selected by the Company unless otherwise dictated by jurisdictional authority. If any provision(s) or sub-part of any provision of this Agreement is held to be void or unenforceable under the laws of the place governing its construction or enforcement, this Agreement shall not be void or unenforceable thereby, but shall continue as through such provision or sub-part of such provision were omitted.

Upon approval of this Application by the Company or its Administrator, and thereupon issuance of a bond this document shall bind the undersigned, the heirs, executors, administrators, successors and assigns of the undersigned, jointly and severally.

This Application is executed by the undersigned this **X** _____ day of **X** _____, _____

Applicant: **X** _____
(Company Name)

BY: _____ Title: **X**" _____ for applicant and as Indemnitor.
(Printed)

X _____
(Signature)

Witness: **X** _____ Witness Printed: **X** _____

Address of Witness: **X** _____

Notary Acknowledgement of Applicant's & Witness's Signatures

State of **X** _____ SS

County of **X** _____ SS

Subscribed and sworn to me this **X** _____ day of **X** _____, _____

X _____ My commission expires **X** _____
(Notary Public Signature)

X _____
(Printed Name of Notary)