

The National Agricultural
Law Center



University of Arkansas • Division of Agriculture

An Agricultural Law Research Project

Requirements for Grain Dealers

State of Delaware

Bonding

www.NationalAgLawCenter.org



Requirements for Grain Dealers

STATE OF DELAWARE

Current through 79 Laws 2014, ch. 443.

3 Del.C. § 2504

§ 2504. License fee; bond required; exceptions to bond requirement

All applications shall be accompanied by a license fee of \$25 and a good and sufficient bond in the minimum sum of \$25,000. In any event, the bond shall be equal to or greater than the maximum amount of gross business done in this State the previous calendar year, but in no event shall the amount of bond required exceed \$50,000. After a hearing on any complaint against a licensee, a maximum bond of \$100,000 may be required at the discretion of the Secretary. In lieu of the bond, applicants may deposit with the Secretary, United States government securities, irrevocable letters of credit, or appropriate certificate of deposit, satisfactory to the Secretary, to which every producer and/or auction market with whom the licensee does business has recourse on a claim filed in writing with the Department of Agriculture. In lieu of bond Delaware brokers may submit evidence satisfactory to the Secretary that they have net assets in the State with value equal to or exceeding the bonding requirements of this section.

3 Del.C. § 2505

§ 2505. Execution of bond; bond form; action upon bond

The bond referred to in this chapter shall be executed by the applicant and by a surety company authorized and qualified to do business in this State as surety in favor of the Secretary in his official capacity for the benefit of all producers with whom the applicant shall transact business, for the period that the license is in force. Such bond shall be upon a form prescribed or approved by the Department and shall be conditioned to secure the faithful accounting for payment to producers, agents or representatives, of all agricultural products purchased, handled or sold by the dealer. Any producer claiming to be injured by the nonpayment, fraud, deceit or negligence of any dealer may bring action therefor upon the bond against the principal or the surety, or both, by the filing of a verified complaint. Such verified complaint shall be upon a form prescribed or approved by the Secretary.