

Agricultural Marketing Service

How to File a Bond Claim

Claim Filing Process

1. Request a claim form and instructions from one of our Packers and Stockyards Division (PSD) regional offices. Or go to www.ams.usda.gov to download a claim form and related instructions. Use form PSD 2110 for claims against market agencies selling livestock on commission (bond condition clause 1), and form PSD 2120 for all other claims against dealers, clearing firms, and packers (bond condition clauses 2, 3, & 4).
2. Complete the claim form.
3. Ask a notary public to notarize the claim (to validate your identity).
4. Provide copies of the following to support your claim:
 - Buyers' invoices or accounts of sale showing the date of the transaction, numbers of head and species of livestock, weight, price, etc.
 - Insufficient funds (also known as "NSF") checks, if issued.
 - Notices from your bank showing why it returned the check issued in payment for livestock.
 - A full statement explaining the transaction on which you are basing your claim.
5. Keep copies of your claim, supporting documents, and proof of when and how you filed your claim.
6. File a copy of the claim form and supporting documents with PSD, the surety or trustee on the bond, or both. The filing date is the date your claim is first received.*

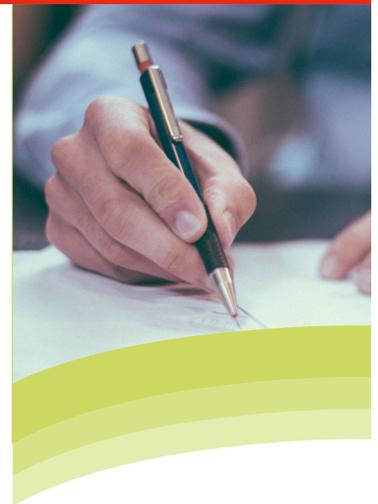


Bond and Bond Claim Requirements & Information

The Packers and Stockyards Act requires all dealers and market agencies (selling or buying) to be bonded. Slaughtering packers with average annual livestock purchases exceeding \$500,000 must also maintain a bond. The minimum bond amount is \$10,000. You can find lists of bonded entities with their names, addresses, and bond amounts, as well as blank bond forms and payment requirements at www.ams.usda.gov.

When a bonded entity does not pay you for livestock, filing a bond claim may reduce your loss. Anyone damaged by a bonded entity's failure to comply with the terms of the bond may submit a claim. You do not have to be named on the bond to make a claim against it.

You must file your bond claim within 60 days from the date of the transaction on which the claim is based. Use the



following to help you determine what the "date of the transaction" is:

- The date of the transaction is the date when the market agency (auction markets and selling on commission firms) sold your livestock.
- If you sold livestock to a dealer, packer or, market agency buying on commission, the date of the transaction is the date when the buyer purchased your livestock (live weight transactions).
- If you sold the livestock on a performance or contract bases (e.g., contract weight, dressed weight, grade and yield, formula, etc.) then the transaction date is when all the applicable pricing factors are known and the final price can be determined.

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The surety or trustee on the bond does not have to pay your claim if:

1. The claim is not timely filed, or
2. Claim is not made on amounts due from the sale proceeds of a livestock sale, or
3. You file suit in court to recover under the bond:
 - in the first 120 days, or
 - later than 547 days after the date of the transaction which the claim is based.

What you receive from the proceeds of a bond also depends on:

1. The bond amount being claimed upon, and
2. The total of all the valid claims against the bond that were timely filed, and
3. The amount of your own valid claim that was timely filed.

For example, multiple people file claims against a \$20,000 bond. The total dollar amount of the valid claim(s) that claimant(s) timely filed is \$25,000. You timely filed a \$5,000 bond claim, and the surety or trustee determines the whole dollar amount is valid. If you did not file court action during the prohibited periods, your estimated pro-rata share of the bond should be $(\$5,000/\$25,000) \times \$20,000 = \$4,000$.

*NOTE: If the 60-day filing deadline is less than a week away, we recommend that you fax your signed claim form to one of our PSD regional offices. Please submit any documents you omitted when you faxed the initial claim (such as a notarized version of the claim or supporting documents) to the same regional office as soon as possible.

PSD Eastern Regional Office

75 Ted Turner Dr. S.W., Suite 230
Atlanta, GA 30303

Phone: 404-562-5840

Fax: 404-562-5848

Email: PSDAtlantaGA@ams.usda.gov

Region includes Alabama, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, and the Territories of the U.S., including Puerto Rico.

PSD Midwestern Regional Office

210 Walnut Street, Room 317
Des Moines, IA 50309

Phone: 515-323-2579

Fax: 515-323-2590

Email: PSDDesMoinesIA@ams.usda.gov

Region includes Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska,

North Dakota, Ohio, South Dakota, and Wisconsin.

PSD Western Regional Office

3950 North Lewiston, Suite 200
Aurora, CO 80011

Phone: 303-375-4240

Fax: 303-371-4609

Email: PSDDenverCO@ams.usda.gov

Region includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nevada, New Mexico, Oklahoma, Oregon, Texas, Utah, Washington, and Wyoming.

Please direct comments or questions about this publication to:

USDA Agricultural Marketing Service

Fair Trade Practices Program

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