

Form 2603—General Information
(Automobile Club Assignment of Certificate of Deposit)

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

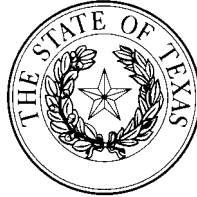
Automobile Clubs are governed by Chapter 722 of the Texas Transportation Code (the “Automobile Club Services Act”) and the secretary of state’s administrative rules found in 1 Texas Administrative Code Chapter 75.

Section 722.004 of the Automobile Club Services Act requires an automobile club to accompany an application for certificate of authority with proof of \$25,000 in security. The Automobile Club Services Act authorizes the secretary of state to approve security offered to satisfy this requirement. The secretary of state approves and will accept assignments of certificates of deposit containing the information set forth in this form in satisfaction of the security requirement.

Instructions for Form

- **Assignor:** Provide the name and mailing address of the person to whom the certificate of deposit was issued.
- **Automobile Club:** Provide the name of the automobile club applying for the certificate of authority. The name of the automobile club must match the name on the application for certificate of authority. The assignor and the automobile club are typically the same entity.
- **Certificate of Deposit:** Provide the number used by the financial institution to identify the certificate of deposit.
- **Financial Institution:** Provide the name and mailing address of the financial institution or credit union that issued the certificate of deposit. The issuing financial institution or credit union must be either: (1) a financial institution in Texas whose deposits are insured by the Federal Deposit Insurance Corporation or the Savings Association Insurance Fund; or (2) a credit union insured by the National Credit Union Administration.
- **Agreement & Understanding of the Parties:** A person who is authorized to sign on behalf of the assignor must sign and date the assignment.
- **Acknowledgement by Financial Institution:** Before the assignment form is submitted to the secretary of state, a person authorized to sign on behalf of the issuing financial institution or credit union must sign and date the assignment.
- **Receipt for Security & Directions to Pay Earnings:** Leave this section blank. Upon filing, the secretary of state will execute this section authorizing the issuing financial institution or credit union to pay any earnings on the certificate of deposit to the Assignor and send a copy of the filed Assignment of Certificate of Deposit to the financial institution or credit union.
- **Delivery Instructions:** *A copy of the document issued by the financial institution or credit union that evidences the existence of the certificate of deposit must be filed along with the executed assignment form.* The documents may be mailed to P.O. Box 13550, Austin, Texas 78711-3550 or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701.

Submit to:
SECRETARY OF STATE
Statutory Documents Section
P O Box 13550
Austin, TX 78711-3550
512-475-1769
512-475-2815 - Fax
Filing Fee: None.



**AUTOMOBILE CLUB
ASSIGNMENT OF CERTIFICATE
OF DEPOSIT**

| | | | | | |
|-----------------|------------------------|--|--------------|--------------------|--|
| ASSIGNOR | Name: | _____ | | | |
| | <i>Mailing Address</i> | <i>City</i> | <i>State</i> | <i>Zip</i> | |
| AUTOMOBILE CLUB | Name: | _____ | | | |
| CERTIFICATE | Number: | _____ | Payee: | The State of Texas | |
| OF DEPOSIT | Amount: | twenty-five thousand dollars (\$25,000.00) | | | |
| FINANCIAL | Name: | _____ | | | |
| INSTITUTION | <i>Mailing Address</i> | <i>City</i> | <i>State</i> | <i>Zip</i> | |

AGREEMENT & UNDERSTANDING OF THE PARTIES

In order to obtain a certificate of authority for the automobile club specified (the "auto club") and for the purpose of providing security for injuries caused by the auto club's failure to faithfully perform in selling or providing club services or failure to pay any fines or penalties levied against the auto club for failure to comply with the provisions of the Automobile Club Services Act, Transportation Code Chapter 722, the ASSIGNOR specified, for the benefit of the state or any party injured by the auto club's failure to faithfully perform in selling or providing club services, in the name of the auto club, assigns and sets over irrevocably to the secretary of state any and all right, title, claim and interest of whatever nature of ASSIGNOR in and to the CERTIFICATE OF DEPOSIT ("CD") described above.

ASSIGNOR agrees that this assignment carries with it the right to any insurance on the CD that may now or in the future exist and includes and gives to the secretary of state the exclusive right to redeem, collect and withdraw at any time any part of or the full amount of the CD to be applied as a payment to the state or to any party injured by the auto club's failure to faithfully perform in selling or providing club services. (The right of the secretary of state to apply the CD shall not be affected by a subsequent change in the trade name or business location of the person or entity on whose behalf this assignment is executed.)

ASSIGNOR understands and agrees that by this assignment all right, title and claim to interest in, use of and control over the disposition of the CD is relinquished and that such CD is to be held by the financial institution identified to the sole use and subject to the exclusive control of the secretary of state. This CD may be released only by the secretary of state's written direction.

This is notification by the ASSIGNOR to the financial institution of the terms of this assignment.

Date: _____

Signature of authorized person for ASSIGNOR

Printed or typed name of authorized person for ASSIGNOR

ACKNOWLEDGEMENT BY FINANCIAL INSTITUTION

The FINANCIAL INSTITUTION acknowledges the assignment of this CERTIFICATE OF DEPOSIT ("CD") to the secretary of state. We certify that we have recorded the assignment and have retained a copy.

We certify that we do not have, nor do we have knowledge of, anyone else having any lien, encumbrance, right, hold, claim to or obligation of the CD. We accept the CD with knowledge that it has been irrevocably

posted for and on behalf of the state or any party injured by the auto club's failure to faithfully perform in selling or providing club services and we agree to act as the sole agent for the purpose of holding this security for the secretary of state's exclusive use. We agree not to release, make payment, or otherwise divert or dispose of the CD except in accordance with the written instructions of the secretary of state. It is understood that notice to or consent of the ASSIGNOR to disposition of the CD by the secretary of state shall not be required. We further agree not to exercise any offset rights we may have with respect to this CD or to otherwise impede, hinder, delay, prevent, obstruct or interfere with the secretary of state's right to redeem and collect this CD promptly.

Date: _____

Signature of authorized person for FINANCIAL INSTITUTION

Printed or typed name of authorized person for FINANCIAL INSTITUTION

RECEIPT FOR SECURITY & DIRECTIONS TO PAY EARNINGS

The secretary of state acknowledges receipt of the assignment of the CERTIFICATE OF DEPOSIT ("CD") for the automobile club identified. The FINANCIAL INSTITUTION is authorized and directed to pay any earnings on the CD to the ASSIGNOR until otherwise notified by mail from the secretary of state.

Date: _____

Signature of authorized person for SECRETARY OF STATE

Printed or typed name of authorized person for SECRETARY OF STATE