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

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Please direct comments or questions about this publication to:

United States Department of Agriculture
Grain Inspection, Packers and Stockyards Administration
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(202) 720-0219

www.gipsa.usda.gov

GIPSA Toll-Free HOTLINE
1-800-998-3447



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USDA

Grain Inspection,
Packers and Stockyards
Administration

How To File A Bond Claim

United States
Department of Agriculture

www.gipsa.usda.gov



HOW TO FILE A BOND CLAIM

1. Request a claim form and instructions from one of our Regional Offices. Or go to www.gipsa.usda.gov to download a form. Use form P&SP-2110 for claims against market agencies selling livestock on commission (clause 1), and form P&SP-2120 for all other bond claims (clauses 2, 3, & 4).
2. Complete the claim form.
3. Ask a public notary to notarize the claim (to validate your identity).
4. If available, provide copies of the following to support your claim:
 - a. Buyers' invoices or accounts of sale showing the date of the transaction, numbers of head and species of livestock, weight, price, etc.
 - b. Insufficient funds (also known as "NSF") checks, if issued.
 - c. Notices from your bank showing why checks issued or remitted in payment for livestock were returned.
 - d. 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 GIPSA; the surety or trustee on the bond; or both. The filing date is the date your claim is first received.*

BONDS AND BOND CLAIMS

The Packers and Stockyards Act requires all market agencies and dealers, and those slaughtering packers whose average annual livestock purchases exceed \$500,000, to maintain a bond. The minimum bond amount is \$10,000. You can find lists of bonded entities with their names, addresses, and bond amounts; blank bond forms; and payment requirements at www.gipsa.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 any condition clause of the bond may also maintain suit to recover on the bond. 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 chart to help you determine what the "date of the transaction" is:

If you sold livestock to a ...	The date of the transaction is the date when ...	Unless sold on grade/ grade and weight basis, then it is the date when ...
Market agency selling livestock on commission (auction market),	The market agency sold your livestock.	(Not applicable)
Market agency buying on commission, dealer, or packer,	The buyer purchased your livestock.	The grade/ grade and weight was determined.

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

1. The claim is not timely filed, or
2. You also file suit in court to recover under the bond . . .
 - a. in the first 120 days or
 - b. later than 547 days . . .
 after the date of the transaction on which the court action is based.

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

1. The bond amount,
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 of the valid claims that were timely filed is \$25,000. If you timely filed a \$5,000 bond claim; the surety or trustee determines the whole amount is a valid claim; and you did not file court action during the prohibited periods, your estimated pro-rata share of the bond might 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 a GIPSA, P&SP Regional Office.** Please submit any documents that are not ready when you fax the initial claim (such as a notarized version of the claim or supporting documents) to the same regional office at your earliest convenience.