

**(ON BANK LETTERHEAD)**

Issuing Bank: Irrevocable Letter of Credit No.: \_\_\_\_\_

Place and Date of Issue: Expiration Date and Place for  
Presentation of Documents:  
September 30, 2011  
Bank Counters

Applicant: Beneficiary:  
S.C. Department of Consumer Affairs  
3600 Forest Drive, 3rd Floor  
P.O. Box 5757  
Columbia, SC 29250-5757

Amount: \$50,000.00 (U.S. Dollars)

We hereby establish our irrevocable letter of credit, number \_\_\_\_\_, in your favor for the account of \_\_\_\_\_ (Name of Applicant PEO) up to the aggregate amount of \$50,000.

This letter of credit is available for payment, in whole or in part, against presentation of your drafts at sight drawn on us bearing the clause: "Drawn under \_\_\_\_\_ (Name of Bank) letter of credit number \_\_\_\_\_, accompanied by the following documents:

1) Beneficiary's signed statement addressed to the applicant, stating: \_\_\_\_\_ (applicant's name) has failed to comply with provisions of South Carolina law regarding the regulation of professional employer organizations, S.C. Code Ann. § 40-68-10 et. seq. (Supp. 2006) as determined by the Administrator after notice and opportunity for hearing. We are therefore entitled to the sum of \$\_\_\_\_\_ drawn under letter of credit number \_\_\_\_\_.

or

2) Beneficiary's signed statement addressed to the Applicant stating that it has not replaced this letter of credit number \_\_\_\_\_ with another letter of credit or other evidence of financial responsibility acceptable to the Department within 45 days of the expiration date of the credit, and therefore we are entitled to the sum of \$ \_\_\_\_\_ drawn under letter of credit number \_\_\_\_\_.

The original Letter of Credit must accompany all draws.

We hereby engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation of documents to us on or before the expiration date. Should this Letter of Credit be terminated before the expiration date, (Name of Bank) will provide 45 (forty-five) days advance written notice to the beneficiary named above.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. UCP500.

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Signature of Authorized Bank Representative