



Security Samples

Providing Security in the Form of a Letter of Credit

Please have your financial institution provide a draft copy of your Letter of Credit to the PCC branch. The letter of credit must be issued by a financial institution listed in the Qualified Financial Institutions document maintained by the Alberta Treasury Board and Finance.

In general, an issuing financial institution must be a viable financial institution with operations in Canada. This includes all chartered banks, Credit Unions, and Alberta Treasury Branches.

Please do not submit the original without talking to our office first as this can result in unnecessary delays if the security is incorrect.

The following information must be included on the Letter of Credit:

Irrevocable Letter of Credit

Beneficiary: His Majesty the King in Right of Alberta as represented by the Minister of Advanced Education

Beneficiary Address:

c/o Director, Private Career Colleges Branch 20th Floor, Commerce Place
10155 – 102 Street
Edmonton, Alberta T5J 4L5

Account: Legal entity o/a Institution name

Amount: (Based on projected tuition revenue and the Security Requirements Table)

The statement that “Partial drawings are permitted” is required.

Note: The beneficiary to be named in the body of the Irrevocable Letter of Credit is the Director, Private Career Colleges Branch.

Providing Security in the Form of a Surety Bond

Your insurance company can use the below template to provide a surety bond.

Province of Alberta
The *Private Vocational Training Act*
CHAPTER P-24
STATUTES OF ALBERTA, 2000

Private Vocational Training Surety Bond

Bond No.....

This SURETY BOND given by..... (Legal Entity o/a Institution Name) as Principal, and..... (Name of Insurer or Bonding Company) as Surety to His Majesty the King in the right of the Province of Alberta as represented by the Minister of Advanced Education as Obligee;

WHEREAS a person licensed to operate a private vocational school is required to deposit security for the due performance of contracts entered into with students of the Principal. Therefore, the Principal and the Surety are jointly and severally bound unto the Obligee in the sum of.....Dollars (\$.....) for the payment of which the Principal and the Surety hereby bind themselves, their respective legal representatives and successors;

- This obligation shall enure to the benefit of the students entering into contracts with the Principal, his successors and assignees;
- The Minister or his Designate may call upon the Surety to satisfy the amount owing to the student in any case where the Principal fails to provide the services contracted or fails to repay the fees to a student as provided in the Private Vocational Training Act and the Regulation thereto.
- The liability of the Sureties, or any of them shall not be discharged or affected by any extension of time given to the Principal to perform his obligations by the Obligee;
- The Obligee shall have the right to proceed hereunder against any or all of the Sureties jointly or severally, with or without the Principal in any such proceeding;
- This bond shall bind the parties herein for any acts or omissions occurring during the term of the bond.

The said term shall be from the day of, 20....., to the day of, 20.....;

Notice of liability under such bond shall be given to the Surety within two years from the date of termination of the bond; If the Surety wishes to terminate the Suretyship, it shall give 90 days' notice in writing to the Principal and to the Director, Private Vocational Training of such termination. The Surety shall remain liable for any failure of the Principal to fulfill his contract with the students. Such liability shall be effective for a period of 90 days after the date of termination of the suretyship;

The Surety shall pay any claims within 60 days of receipt of the claim. The aforesaid period may be extended upon written consent of the Director, Private Vocational Training.

SIGNED AND SEALED in the presence of:

.....

..... (Principal)

..... (Surety)

**This bond and any correspondence relating to this bond should be directed to: Director, Private Career Colleges Branch, Alberta Advanced Education
20th Floor Commerce Place, 10155 - 102 Street, Edmonton, Alberta T5J 4L5**