325A.06 FINANCIAL REQUIREMENTS.

Subdivision 1. **Surety bond.** Every invention developer rendering, offering to render, or advertising invention development services in this state shall maintain a continuous corporate surety bond issued by a surety admitted to do business in this state, and equal to either ten percent of the invention developer's gross income from the invention development business in this state during the invention developer's preceding fiscal year, or $50,000, whichever is larger. A copy of the bond shall be approved by and filed with the attorney general before the invention developer renders, offers to render, or advertises invention development services in this state. The attorney general shall maintain a list of all outstanding bonds filed under this subdivision. The invention developer shall have 90 days after the end of each fiscal year within which to change the bond as may be necessary to conform to the requirements of this subdivision.

Subd. 2. **Bond administration and enforcement.** The bond required by subdivision 1 shall be in favor of the state of Minnesota for the benefit of any person who, after entering into a contract for invention development services with an invention developer, is damaged by fraud or dishonesty of the invention developer in performance of the contract, by the insolvency or the cessation of business by the invention developer or by the intentional violation of sections 325A.01 to 325A.10 by the invention developer. Any person claiming against the bond may maintain an action at law against the invention developer and the surety company.

The aggregate liability of the surety company to all persons for all breaches of conditions of the bond shall in no event exceed the amount of the bond.

Subd. 3. [Repealed, 2001 c 190 s 5]

History: *1977 c 288 s 6; 2001 c 190 s 2; 2004 c 251 s 11*