

each business location where health club services are sold as well as any other registration information the Division deems appropriate.

(B) (1) EACH PERSON WHO REGISTERS UNDER THIS SUBTITLE SHALL PAY A REGISTRATION FEE OF NOT MORE THAN \$250 AT THE TIME OF REGISTRATION.

(2) ON SEPTEMBER 1 OF EACH YEAR FOLLOWING THE INITIAL REGISTRATION, EACH REGISTERED PERSON SHALL PAY A RENEWAL FEE IN AN AMOUNT SET BY THE DIVISION OF NOT MORE THAN \$250 TO THE DIVISION.

(3) THE FEES COLLECTED UNDER THIS SUBSECTION MAY ONLY BE USED FOR THE ADMINISTRATION AND ENFORCEMENT OF THIS SUBTITLE.

[(b)] (C) At least one member of the board of directors of each seller of health club services in this State shall be a resident of a county where a club of the seller is located and shall serve as a resident agent for receipt of service of process.

[(c)] (D) The Division may bring an action for mandamus against a health club to require the club to register or to have and maintain the surety required by this section.

[(d)] (E) (1) (I) [A] SUBJECT TO THE PROVISIONS OF PARAGRAPH (3) OF THIS SUBSECTION, A person who sells health club services agreements shall purchase a surety bond in an amount not less than [\$50,000, or shall file with the Division an irrevocable letter of credit or cash] THE AGGREGATE VALUE OF OUTSTANDING LIABILITIES TO MEMBERS, INCLUDING ALL PREPAID FEES, MEMBERSHIP FEES, DUES, DEPOSITS, INITIATION FEES, AND FEES FOR HEALTH CLUB SERVICES.

(II) THE AMOUNT OF THE BOND SHALL BE BASED ON A REPORT PREPARED BY AN ACCOUNTANT DESCRIBING THE HEALTH CLUB'S OUTSTANDING LIABILITIES TO MEMBERS.

(III) THE REPORT SHALL BE SUBMITTED AT THE TIME OF INITIAL REGISTRATION AND UPDATED AT EACH RENEWAL UNDER SUBSECTION (B) OF THIS SECTION.

(2) (I) THE AMOUNT OF THE BOND SHALL BE INCREASED AS NECESSARY TO TAKE INTO ACCOUNT CHANGES IN THE HEALTH CLUB'S OUTSTANDING LIABILITIES.

(II) IF A REGISTRANT'S OUTSTANDING LIABILITIES EXCEED THE AMOUNT OF THE BOND, AND THE REGISTRANT HAS FAILED TO INCREASE THE BOND, THEN THE REGISTRANT SHALL IMMEDIATELY STOP SELLING HEALTH CLUB SERVICES AGREEMENTS AND SHALL REFRAIN FROM SELLING HEALTH CLUB SERVICES AGREEMENTS UNTIL THE REQUIREMENTS OF THIS SUBSECTION HAVE BEEN SATISFIED.