AUTO INDUSTRY DIVISION
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Lakewood, CO 80214
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DEALER/WHOLESALER APPLICATION CHECKLIST

The following information is being provided to ensure your application is not missing any required documentation. The Auto Industry Division (Division) strongly recommends that you use this information to aid you in completing the application. Should you need additional forms or need to verify the correct fee you may download all forms from our web site: *www.colorado.gov/revenue/enforcement*

Please be advised that the Colorado Motor Vehicle Dealer Board (Board) is the State licensing authority for Dealer/Wholesaler licenses. The Board has statutory authority to issue or deny license applicants.

Review the requirements below to determine if you Qualify for a Dealer/Wholesaler license:

- The Board requires a **net worth of at least $100,000.**
- The Division will obtain a credit bureau report from Experian. This report is an indicator of an applicant's financial fitness. The Dealer Board requires a Vantage **score of at least 701 or higher for each applicant.**
  - It is suggested that if you are not sure of your score that you contact Experian to run your own credit report.
  - If derogatory information appears, it must be resolved or explained in an attachment to your application.
- **Background check: a background check will be done on every applicant. If the applicant has ever been convicted of or pled no contest to any felony or misdemeanor crime supporting court documents must be included with the application.**

All documents submitted shall be on 8.5" x 11" size paper. Do not submit double sided copies. Do not submit Legal size copies.

Application:

- **Application (DR 2109)** — Complete all requested information sign and date.
- **License Fee** — Check should be made payable to the Department of Revenue.
- **Addendum (DR 2109B)** — Each owner, partner, LLC/LLP member, stockholder (5% or more), director or officer must complete an addendum and sign on the signature line.

Education:

- **Pre-Licensing Education Program Certificate is required** – See web site to confirm if this requirement applies to you: *www.colorado.gov/revenue/enforcement*
- **Mastery Exam** — Per C.R.S. 12-6-113 - … If the applicant is a corporation, the managing officer shall take such examination, and, if the applicant is a partnership, all the general partners shall take such examination. No license shall be issued except upon successful passing of the examination.
  - Instructions are located on the Division web site. *www.colorado.gov/revenue/enforcement*
  - All Owners selling via the Dealer license must pass the Mastery Exam and provide a copy of the Exam Affidavit, form DR 2097.

- **Examination Affidavit** — (DR 2097) must be filled out completely and signed by the applicant and examination administrator.

Bond:

- **Surety Bond** with **FULL LEGAL NAME** and DBA must appear on the "principal line," which needs to be signed by an owner or a partner, a corporate officer or LLC member. Bond amounts are as follows:
    - $50,000 for Dealer/Wholesaler
    - $5,000 for small trailer dealers (weighing less than 2000 pounds)

Identification:

- **Secure Verifiable Identification –** A photocopy of an appropriate identification such as a Colorado Driver's License for the applicant (unless the applicant is a corporation or LLC) and all people who filled out an Addendum (DR 2109B).
- **Affidavit – Restrictions on Public Benefits (DR 4679) -** must be filled out by applicant (unless the applicant is a corporation or LLC) and all people who filled out an Addendum (DR 2109B).

Financial Condition:

- **Statement of Financial Condition (DR 2114) -** A financial statement is required for the applicant and each owner, member, or partner. If filing as a corporation or LLC a financial statement is also required. We must know how the corporation or LLC will be funded. All financial statements must be completed on the DR 2114. No other financial statement forms will be acceptable. **Please do not mix your personal assets and liabilities with the corporation or LLC . The corporation or LLC must have its own assets/liabilities.**
- **<u>NOTE:</u> All assets other than cash must have an independent valuation of their worth, such as NADA value for a vehicle.**
    - When using "cash in banks," please provide at least 12 months of bank statements as verification of the dollar amount that is being entered on the form. **Attach copies of the entire statement.** (Be aware that more than 12 months may be requested as part of the background investigation).
    - When using marketable securities, please provide a statement verifying the dollar amount that is being entered on the form. Please provide the entire statement. Additionally, attach documentation regarding the cash out value.
    - When using real estate, we must have the complete address of the property and proof of ownership, such as the property tax statement. A copy of the mortgage balance must accompany the application, as well as the valuation of said property, ie: County Assessors report.
    - When using motor vehicles, please submit a copy of title and/or lien statement that appears in the name(s) of the applicant. Please include a valuation for the motor vehicles, such as: NADA, Kelly Blue Book, etc. that establishes the average trade-in value.
- All statements must include applicant's name/identifying information.

Business documents — If filing as a: **Limited Liability Company/Limited Liability Partnership/Corporation:**

- **Certificate of Good Standing from the Colorado Secretary of State.**
- **Constituent Filed Document**. The Articles of Incorporation (corporation, nonprofit corporation, cooperative or cooperative association), Articles of Association (limited partnership association), Articles of Organization (limited liability company), Certificate of Limited Partnership (limited partnership) or Statement of Registration (limited liability partnership or limited liability limited partnership). (Not the summary document filed with the Colorado Secretary of State).
    - Note: You may visit the Secretary of State's web site at *www.sos.state.co.us* for further information.

- **Bylaws** of the Corporation, operating agreement for a limited liability company, or the partnership agreement for any partnership.
- **Trade Name** - If doing business in a name other than the corporate name, attach a copy of the Certificate of Assumed or Trade Name.
    - If foreign corporation, submit a copy of Certificate of Authority to do business in Colorado.
- **Business Plan -** all applicants must submit a business plan, including, but not limited to:
    - Staffing
    - Hours of operation
    - Overhead costs
    - Sales projections
    - Inventory acquisition
    - "Floor-planning"/financing/lines of credit
- **Lease** – A copy of the lease (if applicable).

Place of Business:

- **Place of Business Affidavit (DR2044)** — Boxes under New/Used/Auction Dealers must be completed by any dealer doing retail business. Residence phone number must be given under Wholesalers doing wholesale business.
- **Photographs of Location –** All photographs shall be submitted on 8.5" x 11" single side sheets of paper.
    - A photograph of the main entrance to the dealership.
    - A photograph of the signage along the main street from both directions.
    - A photograph of the entire building from the main street.
    - Photograph of adequate sanitary facilities (bathroom).
    - Any additional photographs you think would be helpful to the Motor Vehicle Dealer Board in determining the suitability of the dealership.

Miscellaneous Documents:

- **Franchise Agreement** — If applying as a franchised dealer please ensure that the manufacturer is licensed to do business in Colorado. You may ask them for a copy of their license or contact the Division for that information. If the manufacturer is licensed **you must provide a letter of intent followed by the final franchise/dealer agreement with your application. The agreement must state the type of vehicles and makes you are authorized to sell.**
- **Dealer Plate Affidavit (DR 2640)**— Form is complete and signed.
- **Sales Tax License** — (Colorado Business Registration Form **CR 0100**) a Colorado sales tax account number or a copy of the sales tax license must be provided as well as proof of trade name registration.
- **Written Correspondence** – If you have anything you wish the Motor Vehicle Dealer Board to take into account or need to explain any licensing character, criminal character, or financial character issues please provide it with the application. **Failure to disclose any licensing character, criminal character, or financial character issues in writing with the application is considered a material misstatement and may result in your license being denied. <u>When in doubt provide an explanation.</u>**

<u>NOTE:</u> During the background investigation, additional information may be requested/required. If you would like to authorize the Background Investigator to discuss your application with anyone other than yourself, or other co-applicants, please provide a signed authorization with your application packet.