



STATE OF RHODE ISLAND

DIVISION OF MOTOR VEHICLES

DEALERS' LICENSE AND REGULATIONS OFFICE

600 New London Avenue, Cranston, RI 02920-3024

Phone: 401-462-5733 Fax: 401-462-5789 www.dmv.ri.gov

INSTRUCTIONS FOR FRANCHISE APPLICATION

The following instructions must be followed, and the Application for a Franchise Dealer's License must be accompanied by all the following documents:

1. The proposed dealership name and location must first be approved by the Dealers' License & Regulations Office prior to submitting this application.
2. The application, a financial statement prepared by a certified public accountant (CPA), and employee forms must be completed in full, signed and notarized, and accompanied by an approved line of credit for fifty thousand dollars (\$50,000) from a financial institution, in the dealership's name.
3. \$50,000 surety bond (from insurance company) completed, signed, and notarized in the D/B/A name.
4. Four (4) pictures of the outside of building from all angles, to include the entire building and lot display area. Also, a picture of a 24-square foot sign (minimum size) stating the exact dealership name. Use the D/B/A name if the business is using one.
5. A franchise dealer must first comply with Rhode Island General Law §31-5.1-4.2 (having the Manufacturer/Distributor Issue Letter(s) of Intent). If no protests are received after the 30-day protest period, your application will go before the board. **Manufacturer/Distributor must be licensed with the Dealers' License & Regulations Office.**

Upon receipt of the above, the application will be investigated and scheduled for a hearing before the Dealer's Hearing Board. If the application is approved by the Board, the following additional documents must be received in this office within thirty (30) days in order to finalize the application and issue the dealer's license.

6. Call the Licensing Aide (401) 462-5732 to request license and plate numbers that have been assigned.
7. You must contact the Rhode Island Division of Taxation to obtain a sales tax permit and to order the blue tax forms. The Division of Taxation is located at One Capitol Hill, Providence and can be contacted at (401) 574-8869 or 574-8895. Please submit a copy of the tax permit and the blue tax form to this office.
8. **\$302.50 License Fee** (money order or check), made payable to "**Dealers' License & Regulations Office.**"
9. Business telephone number.
10. Insurance form (GU-1338 certificate) must be filed with the Department of **Financial Responsibility at the Division of Motor Vehicles, 600 New London Avenue, Cranston, RI 02920.** This form should be in the D/B/A name only. For information, contact the Financial Responsibility Office (401) 462-9246.
11. A Franchise Dealer must furnish the Dealer Agreement.
12. A blank Bill of Sale form must be provided to the Dealers' License & Regulations Office for approval.

APPLICATION FOR FRANCHISE



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OFFICIAL USE ONLY

License #: _____

Date Granted: _____

Date Issued: _____

Check #: _____

Plate #: _____

1. Date: _____
2. Corporate Name: _____
3. D/B/A Name: _____

Principal Business Location: _____

E-mail: _____

Business #: _____ Fax #: _____

Home #: _____ Cellular #: _____

4. Type of Vehicles:

- Passenger Cars Only
 Trucks Only
 Passenger Cars & Trucks
 Motorcycles
 Tractor-trailers

5. How long have you been established as a dealer? _____

6. Make of vehicles _____

7. Franchise or Contract:

Name	Address	Date

8. Floor Space: Sales _____ Service _____

Yard Space: Sales _____ Service _____

Value of Service Station Equipment: _____

9. Give names and addresses of ALL officers and members of the firm:

Title	Name	Residence Address

10. Number of Salespersons Employed: _____

11. Name of Insurance Company: _____ Policy #: _____

12. Business References and telephone #s:

I, the undersigned, hereby declare that I am _____ (title, if any) of the above firm and the above information is true to the best of my knowledge or belief.

Written signature of applicant: _____

State of Rhode Island

County of: _____

Subscribed and sworn to before me this _____ day of _____, 20____

Notary Public

Commission expires _____

FINANCIAL STATEMENT AND BALANCE SHEET

CORPORATE NAME _____	BUSINESS ADDRESS _____	CITY _____	STATE _____	ZIP CODE _____
D/B/A NAME _____	PRESIDENT _____			
OWNER _____	VICE PRESIDENT _____			
PARTNER _____	SECRETARY _____			
TREASURER _____				

ASSETS

Current Assets	Amount
1. Cash on Hand	\$ _____
2. Cash in _____ Name of Bank	\$ _____
3. Cash in _____ Name of Bank	\$ _____
Receivables	
4. Accounts \$ _____	\$ _____
Inventories (At Cost Plus Freight)	
5. New and Used Cars & Trucks <i>(At cost or book value – whichever is lower)</i>	\$ _____
6. Parts and Accessories	\$ _____
7. Other Inventory (Describe)	\$ _____
8. _____	\$ _____
9. _____	\$ _____
10. _____	\$ _____
Prepaid Expenses	
11. Rent and Insurance	\$ _____
12. Other Prepaid Expenses	\$ _____
Fixed Assets	
13. Land and Buildings (Auto Business)	\$ _____
14. Auto Machinery (tools & equipment)	\$ _____
15. Office Furniture and Fixtures	\$ _____
Other Assets Not Listed Above	
16. _____	\$ _____
17. _____	\$ _____
18. _____	\$ _____
19. _____	\$ _____
20. TOTAL ASSETS	\$ _____

LIABILITIES

Current Liabilities	Amount
21. Accounts Payable	\$ _____
22. Notes Payable	\$ _____
23. # of New Cars Floor-Planned	\$ _____
24. # of New Trcks. & Impl. Floor-Pln.	\$ _____
25. # of Demonstrators Floor-Planned	\$ _____
26. # Used Vehicles Floor-Planned	\$ _____
27. Customer Deposits on Motor Vehicles to be Delivered <i>(Names to be furnished upon request)</i>	
a. Cash	\$ _____
b. Trade-in on other merchandise	\$ _____
28. Soc.Sec. & Unemploy. Comp.	\$ _____
29. TOTAL (lines 21-28 incl.)	\$ _____
Mortgages Payable On:	
30. Land and Buildings (Auto Business)	\$ _____
31. Auto Machinery (tools & equipment)	\$ _____
32. Office Furniture and Fixtures	\$ _____
33. Other _____	\$ _____
34. Judgment Outstanding	\$ _____
Reserves and Contingent Liabilities	
35. Land and Buildings (Auto Business)	\$ _____
36. Other _____	\$ _____
37. _____	\$ _____
38. TOTAL (lines 21-35 incl.)	\$ _____
Capital	
39. Stock Outstanding	\$ _____
40. Proprietor's Investment	\$ _____
41. Partner's Investments	\$ _____
42. TOTAL (lines 39-42 incl.) <i>(Should equal total assets)</i>	\$ _____

STATE OF _____) SS.
COUNTY _____)

I, _____, being first duly sworn on oath, depose and say that the foregoing statement in behalf of the above named applicant and the report of the consumer's deposits are true to the best of my knowledge, except those matters therein stated on information and belief, and I believe them to be true.

Subscribed and sworn to before me on this _____ day
of _____, 20____.

Signature of Partner, Owner or Active Officer

Notary Public

CPA Signature

LICENSE NUMBER



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EMPLOYEE LIST

Corporate Name: _____

D/B/A Name: _____

List all employees who are presently on your payroll and receive W-2 forms:

Name: _____ Driver's License #: _____
Name: _____ Driver's License #: _____
Name: _____ Driver's License #: _____
Name: _____ Driver's License #: _____
Name: _____ Driver's License #: _____
Name: _____ Driver's License #: _____
Name: _____ Driver's License #: _____
Name: _____ Driver's License #: _____
Name: _____ Driver's License #: _____

TOTAL NUMBER OF EMPLOYEES LISTED: _____

NOTE: Please submit a new list every time there is an employee change. 1099 forms are not accepted in the Dealers' License & Regulation Office.

Have you or any of your employees had any criminal charges or violations of Rhode Island General Laws lodged against them? [] YES [] NO

If so, please explain in detail on an additional sheet.

I, the undersigned, hereby declare under penalty of perjury, that I have examined this statement regarding the number of employees, and to the best of my knowledge this is true and correct. Rhode Island General Laws § 31-11-17.

Signature of Owner, Partner, or Corporate Officer: _____

State of Rhode Island

County of: _____

Subscribed and sworn to before me this _____ day of _____, 20____

Notary Public

Commission expires _____



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DEALERS' EMPLOYEE AUTHORIZATION

Dealership Licensed Name: _____

Business Address: _____

Authorization #: _____

The following people, including owner, partner, or corporate officer, are properly authorized to pick up 20-day Temporary Plates, Loaner Agreement forms, and other forms as allowed by the Department of Motor Vehicles for the above named dealership.

Name: _____ Driver's License #: _____

Name: _____ Driver's License #: _____

Name: _____ Driver's License #: _____

It is understood that every dealership is entitled to list a maximum of three (3) employees who are noted on the Employee List receiving a W-2 form. You must contact the Dealers' License & Regulations Office if you need to make any changes to this list.

NOTE: This is not an authorization to register vehicles in the Dealers' Room.

Signature of Owner, Partner, or Corporate Officer: _____

Printed Name: _____

State of Rhode Island

County of: _____

Subscribed and sworn to before me this _____ day of _____, 20____

Notary Public

Commission expires _____



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DEALERS' RUNNER AUTHORIZATION

Dealership Licensed Name: _____

Business Address: _____

AUTHORIZED RHODE ISLAND DEALER RUNNERS

Name: _____ Driver's License #: _____

Name: _____ Driver's License #: _____

Name: _____ Driver's License #: _____

Signature of Owner, Partner, or Corporate Officer: _____

Printed Name: _____

State of Rhode Island

County of: _____

Subscribed and sworn to before me this _____ day of _____, 20____

Notary Public

Commission expires _____

Forward original bonds to:
RHODE ISLAND DEALERS' LICENSE AND REGULATIONS OFFICE
600 New London Avenue, Cranston, RI 02920-3024

That we _____
of _____
as principal and _____
a corporation organized under the laws of the State of _____
and authorized to do business in the State of Rhode Island and having an office at _____
in the State of Rhode Island as surety are held and firmly bound unto the Rhode Island Dealers' License and Regulations Office in the State of
Rhode Island in the penal sum of _____ dollars (\$ _____) lawful money of the United
States of America, well and truly to be paid to the said Regulations Office or their successors, or assigns, for which payment, well and truly to be
made, we bind ourselves, ours heirs, executors, administrators and successors jointly and severally, firmly by these presents. Said Regulations
Office may assign to purchasers/sellers of motor vehicles from the principal any and all right arising out of this obligation. WHEREAS, The
principal has applied or about to apply to the Rhode Island Dealers' License and Regulations Office for a license to conduct the business of a
motor vehicle dealer pursuant to the provisions of Chapter 1499 Public Laws 1956, as amended, for the year commencing
_____, 20_____ and ending December 31, 20_____ at _____ in the State of Rhode Island.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said principal shall faithfully comply with the provisions of
the motor vehicles dealers license law, being Chapter 1499 Public Laws of 1956 as amended or as hereafter amended, and shall promptly pay
all costs and damages incurred or caused by any violation of the provisions of said Chapter or any regulation of the Rhode Island Dealers'
License and Regulations Office, then this obligation is to be void, otherwise to remain in full force and effect, subject, however, to the following
conditions:

1. The aggregate liability of the Surety on account of any and all defaults hereunder shall in no event exceed the penal sum of this bond.
2. Unless previously canceled, as hereinafter provided, this bond shall be in effect for the period of said license. Ending December 31st of
the above-stated calendar year. The Surety may, however, at any time terminate its obligation hereunder by giving sixty (60) days
written notice to said Principal and the Rhode Island Dealers' License and Regulations Office, in which event the liability of the Surety
shall, at the expiration of said sixty (60) days, cease and determine, except as to such liability of the Principal for violation of said
Chapter or regulation of said Regulations Office occurring prior to the expiration of said sixty (60) days.
3. No action to recover hereunder may be brought after the expiration of two (2) years from the termination of this bond.

Signed, sealed and delivered
in the presence of:

Print Name of Insurance Agency

Dealership Name: _____
Owner's Signature: _____

by _____
Surety Authorized Signature
Title: _____

STATE OF RHODE ISLAND
County of _____

ACKNOWLEDGEMENT OF PRINCIPAL
(As owner, partner or corporate officer)

On this _____ day of _____, 20_____ before me personally appeared the above-named
_____, representing _____

as to me known and known to me to be the same person described in and who executed the above instrument and duly acknowledged the
execution of the same.

Notary Public

Approved _____, 20_____ Rhode Island Dealers' License and Regulations Office

Administrator

**IMPORTANT NOTE: THIS BOND IS NOT VALID UNLESS PROOF OF ACCEPTANCE (Power of Attorney Authorization) FROM
INSURANCE COMPANY IS ATTACHED TO THIS DOCUMENT. SUBMIT ORIGINAL BONDS TO THE DEALERS'
LICENSE AND REGULATION OFFICE, 600 NEW LONDON AVENUE, CRANSTON, RI 02920**