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.”


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.
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:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Residence Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>CORPORATE NAME</th>
<th>BUSINESS ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>_______________</td>
<td>________________</td>
<td>_____</td>
<td>_____</td>
<td>_____</td>
</tr>
</tbody>
</table>

| D/B/A NAME  | PRESIDENT    |
| ____________ | ____________ |

| OWNER       | VICE PRESIDENT |
| ____________ | ______________ |

| PARTNER     | SECRETARY     |
| ____________ | ____________ |

| TREASURER   |               |
| ____________ | ____________ |

## ASSETS

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cash on Hand</td>
<td>$__________</td>
</tr>
<tr>
<td>2. Cash in __________ (Name of Bank)</td>
<td>$__________</td>
</tr>
<tr>
<td>3. Cash in __________ (Name of Bank)</td>
<td>$__________</td>
</tr>
<tr>
<td>4. Accounts</td>
<td>$__________</td>
</tr>
<tr>
<td>5. Receivables</td>
<td>$__________</td>
</tr>
<tr>
<td>6. New and Used Cars &amp; Trucks</td>
<td>$__________ (At cost or book value – whichever is lower)</td>
</tr>
<tr>
<td>7. Parts and Accessories</td>
<td>$__________</td>
</tr>
<tr>
<td>8. Other Inventory (Describe)</td>
<td>$__________</td>
</tr>
<tr>
<td>9. __________________________</td>
<td>$__________</td>
</tr>
<tr>
<td>10. __________________________</td>
<td>$__________</td>
</tr>
</tbody>
</table>

## LIABILITIES

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>21. Accounts Payable</td>
<td>$__________</td>
</tr>
<tr>
<td>22. Notes Payable</td>
<td>$__________</td>
</tr>
<tr>
<td>23. # of New Cars Floor-Planned</td>
<td>$__________</td>
</tr>
<tr>
<td>24. # of New Trucks &amp; Impl. Floor-Pln.</td>
<td>$__________</td>
</tr>
<tr>
<td>25. # of Demonstrators Floor-Planned</td>
<td>$__________</td>
</tr>
<tr>
<td>26. Used Vehicles Floor-Planned</td>
<td>$__________</td>
</tr>
</tbody>
</table>

## Receivables

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>27. Customer Deposits on Motor Vehicles to be Delivered (Names to be furnished upon request)</td>
<td></td>
</tr>
<tr>
<td>a. Cash</td>
<td>$__________</td>
</tr>
<tr>
<td>b. Trade-in on other merchandise</td>
<td>$__________</td>
</tr>
<tr>
<td>28. Soc.Sec. &amp; Unemploy. Comp.</td>
<td>$__________</td>
</tr>
</tbody>
</table>

## Mortgages Payable On:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>30. Land and Buildings (Auto Business)</td>
<td>$__________</td>
</tr>
<tr>
<td>31. Auto Machinery (tools &amp; equipment)</td>
<td>$__________</td>
</tr>
<tr>
<td>32. Office Furniture and Fixtures</td>
<td>$__________</td>
</tr>
<tr>
<td>33. Other ______________________</td>
<td>$__________</td>
</tr>
</tbody>
</table>

## Reserves and Contingent Liabilities

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>35. Land and Buildings (Auto Business)</td>
<td>$__________</td>
</tr>
<tr>
<td>36. Other ______________________</td>
<td>$__________</td>
</tr>
</tbody>
</table>

## Capital

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>39. Stock Outstanding</td>
<td>$__________</td>
</tr>
<tr>
<td>40. Proprietor’s Investment</td>
<td>$__________</td>
</tr>
<tr>
<td>41. Partner’s Investments</td>
<td>$__________</td>
</tr>
</tbody>
</table>

## Statement of Truth

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
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 _____________________
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 ______________
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 ___________
Know all men by these presents

Forward original bonds to:

SURETY BOND NUMBER: ____________

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 _____________________________________________________________________________
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 many, 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:

Dealership Name: _________________________________________________

Owner’s Signature: ________________________________________________

___________________________________________________________
Surety

by ______________________________________________________________

Surety Authorized Signature

Title: ________________________________

STATE OF RHODE ISLAND

County of _______________________

On this _______ day of ____________________, 20____ before me personally appeared the above-named ________________________________, representing ________________________________, 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