



## INDEPENDENT DEALER (GDN) INSTRUCTION PACKET

### Purpose:

This instruction packet is the companion to *Form LF001, APPLICATION FOR GENERAL DISTINGUISHING NUMBER (INDEPENDENT DEALERS)*. The application is for a license to sell *used* motor vehicles or new/used utility trailers / semitrailers only.

### Instructions:

**Before you begin:** Please read all of this information carefully before completing and mailing your application. Incomplete or inaccurate information may delay issuance of your license. When applying for a license, **PLEASE DO NOT WAIT** until the last minute to file. File early to alleviate delays.

1. **The following pages guide you through the application step by step. Please read the instructions carefully and contact us if you have any questions.**
2. **A license will not be issued until an applicant has met all the requirements.**
3. **Make sure that each document you submit shows your business name and DBA.**

### Additional Licensing Notes:

- All licenses are issued for a term of two years.
- General Distinguishing Numbers (GDNs) are non-transferable.
- Information about the GDN categories can be found in item number 12.
- NEW VEHICLE SALES – only franchised dealers may sell new motor vehicles (including travel trailers). Franchised dealers operate under agreements with manufacturers or distributors to sell new vehicles. If you wish to become a franchised dealer, **do not complete this application**. Please call us at the number on the top of this page, and we will help you get the forms you need.
- Dealerships (except trailer dealers) may be open Saturday or Sunday, but not both.
- A note about names:
  - Dealers may not use the word “lease,” “leasing,” or any variation in their DBA unless they have a lessor or lease facilitator license or are applying for a leasing license (as a lessor or lease facilitator).
  - Retail dealers may not use “Wholesale” in the name under which they are conducting business.
- If you wish to have multiple locations, see Attachment F for details.
- Chapter 215, Motor Vehicle Distribution Rules, and Chapter 503 of the Texas Transportation Code contain more details related to licensing. They are available online at: <http://txdmv.gov/statutes-and-rules>
- You can find more about the [Dealer License Application Process](#) and [Application Tips](#) online at: <http://www.TxDmv.gov/dealers>

**APPLICATION CONTACT: Please complete the top box indicating the name and contact information for the person we may contact regarding this application.**

#### 1. TYPE OF BUSINESS:

Select the box to indicate your business type.

#### 2. BUSINESS NAME:

Enter your business name matching the business type you selected in Question 1:

- A. **For a Sole Proprietor:** The business name is the owner's name and must match what is shown on your driver license or ID, as you provide in Attachment B.
- B. **For a Partnership:** The business name is the name of each partner and must match what is shown on the

driver license or ID for each partner, as you provide in Attachment B.

- C. **For a Business Entity:** The name entered for the corporation, LLC, LP, LLP, or LTD, must match your legal name recorded with the Secretary of State.
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**3. DBA/ASSUMED NAME: (Name under which this location will operate)**

Enter any assumed name(s) (also called DBA, for "Doing Business As") you will be using.

- A. The assumed name(s) must be registered with the proper authority.
- (1) In Texas, the proper authority for corporations, LLCs, LPs and LLPs is the Secretary of State, (512) 463-5555. <http://www.sos.state.tx.us/corp/>
  - (2) Sole proprietors and general partnerships must register with their County Clerk in the county where the dealership will be located.
- B. The assumed name you put on this application must exactly match the assumed name as it is registered.
- C. Attach copies of the Assumed Name Certificates for the name(s) you will be using. Do not send your filing documents.
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**4. MILITARY SERVICE:**

Please indicate if the applicant is a "Military Spouse" and holds an equivalent license in another state, as defined by TEX. OCC. CODE §55.004 and 43 TEX. ADMIN. CODE §215.86. If yes, please provide supporting documentation with your application.

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**5. EIN/SSN:**

Enter the IRS-assigned Employer Identification Number (EIN). Sole Proprietors may use their Social Security Number (SSN).

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**6. PHYSICAL ADDRESS:**

Enter the street number and name, city, zip code, and the Texas county. This will be your licensed location where the office is located.

- A. You may not conduct business from any other location(s) unless you are also licensed for that location.
- B. Proof of occupancy documentation (lease, tax receipt, or deed) must be maintained for each location. If requested by TxDMV, you must submit this documentation. (If leasing the property, the lease cannot expire before the license.)
- C. Locations:
- (1) The location must meet all local zoning ordinances and deed restrictions.
  - (2) Wholesale and retail dealers may not share a business structure.
  - (3) No more than four (4) retail or eight (8) wholesale dealers may occupy the same business structure or be licensed for that structure.
  - (4) If our license records show four (4) retail or eight (8) wholesale located in the same structure, we will **not** be able to approve the application until the records are updated to show a dealer has closed, moved, etc.
  - (5) If a lessor or lease-facilitator is already licensed in the location in which you are applying, you may not be approved for this location.
  - (6) You may call us, at the number on the top of this page, to make an inquiry on the number and type of licenses in a business structure.
- D. The physical address of the dealer's office must be recognized by the U.S. Postal Service or capable of receiving U.S. mail. NOTE: Verification of the physical address may be required.
- E. Additional location(s) in the same city – Include a new assumed name certificate if it is different from the assumed name for your main location. (Note: Sole Proprietors and General Partnerships: If your additional location is in the same city limits, but a different county, make sure the Assumed Name Certificate is from the correct county.)
- F. All physical addresses must be listed on the address line of the bond.
- G. To obtain a license for an additional location outside the city limits, you must file a separate, new application with required attachments. A separate bond is also required.
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**7. MAILING ADDRESS:**

Enter your mailing address if it is different from your physical address.

- A. This is the address TxDMV will use to mail all correspondence, licenses, dealer plates, etc.
  - B. If your mailing address is not in Texas, we will need an alternate in-state mailing address to send your license(s) and metal dealer plates.
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**8. BUSINESS PHONE NUMBER & BUSINESS FAX NUMBER:**

Enter the phone and fax number(s) you will use for your dealership.

- A. A working telephone is required and must be **listed in the name under which the dealer does business**. This telephone must be answered by a bona fide employee, answering service, or answering machine between the hours of 8 a.m. – 5 p.m., Monday through Friday.
  - B. A dealer who conducts business in conjunction with another business (both owned by the dealer with the same business name/DBA) may use the same telephone number and listing for both businesses. If the business name of the dealership differs from that of the other business, a separate telephone listing is required.
  - C. A dealer who conducts business in conjunction with another business **not** owned by the dealer must have a separate telephone number and listing.
  - D. Multiple dealers who occupy the same business location shall **each** have a separate telephone number and listing.
  - E. A fax number is optional.
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**9. BUSINESS EMAIL & WEBSITE:**

Enter the email address of the business. The business email and the email used for eTags (details on page 6) do not have to be the same. The website is optional.

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**10. LICENSE CONTACT NAME, PHONE, & EMAIL:**

Enter the name, phone number, and email of a person TxDMV may communicate with concerning the daily operations of the dealership.

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**11. FEES:**

Determine the total fees required: (Payment and mailing instructions are on page 7 of this packet.)

- A. The GDN fee is \$700.
- B. The fee for each metal dealer license plate is \$90.
- C. Specify the quantity of metal dealer plates you require. There is a limit to the number of plates you may receive. See *LP703 for Plate Limits*.
- D. Metal dealer plates may be applied for with the new application, with a renewal, or any time during the license term, but *always expire* on the same date as the license.
- E. If paying with a credit card, use page 8 of the LF001 application or separate form 2293.

Note: If you are requesting additional license plates over the maximum amount allowed for your license type, and do not yet have proof of sales (or meet the proof of sales requirement), you may apply for a waiver of the metal plate allocation restrictions. See Form LP703 for details.

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**LF001 PAGE TWO**

Please enter your business name on the top of this page. (If you are typing into this form, this field should already be completed for you.)

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**12. GDN TYPE BEING APPLIED FOR:**

When applying for GDN, you have options for the types of vehicles you deal with. Select only one category. If you are applying for a GDN in more than one category, you must submit a separate application, with all attachments and fees.

- Retail: Selling to the public
- Wholesale: Selling to other dealers

**TYPES OF GENERAL DISTINGUISHING NUMBERS (GDNs):**

**1. Motor Vehicle**

- May buy, sell (retail and wholesale), or exchange used motor vehicles, including motor homes, neighborhood vehicles, ROVs and ATVs, but NOT including motorcycles, mopeds, or motor scooters.
  - May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on motor vehicles only.
  - **Bond and Power of Attorney (POA) is required.**
- 2. Motorcycle**
- May buy, sell (retail and wholesale), or exchange used motorcycles, motor scooters, mopeds, ROVs, and ATVs.
  - May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates only on these vehicles.
  - **Bond & POA is required.**
- 3. Travel Trailer**
- May buy, sell (retail and wholesale), service, or exchange used travel trailers, camping trailers, and pop-ups.
  - May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on travel trailers only.
  - **Bond is NOT required.**
- 4. Trailer/Semitrailer**
- May buy, sell (retail and wholesale), or exchange new and used utility trailers and/or semitrailers.
  - May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on utility trailers/semitrailers only.
  - Selling new trailers or semitrailers only requires a GDN license. It does not require a Franchise License or bond.
  - **Bond is NOT required.**
- 5. Wholesale Only**
- May buy, sell, or exchange all GDN types listed above with OTHER LICENSED DEALERS ONLY (Texas GDN dealers and dealers from another state or country authorized by Texas law to purchase a vehicle in Texas).
  - May NOT sell vehicles to retail purchasers.
  - May use dealer's temporary tags and metal dealer license plates.
  - Wholesale Dealers are not required to have a five vehicle display area.
  - **Bond & POA is required.**
- 6. Wholesale Motor Vehicle Auction**
- May offer vehicles for sale, by bid, only to licensed dealers at a bona fide auction at the licensed location (physical address applied for in Question 6).
  - The holder of a wholesale motor vehicle auction general distinguishing number may display its dealer temporary tags on any vehicles that are transported to or from the licensed auction location by a bona fide employee or agent of the auction.
  - May not allow their facilities or GDN to be used by any other person or GDN for the purpose of the sale or auction of vehicles.
  - In general, there may be only one Wholesale Motor Vehicle Auction for a particular location and this space cannot be shared with other GDN types. The exception is that the holder of a Wholesale Motor Vehicle Auction is allowed to have one additional GDN for that location.
  - **Bond & POA is required.**
- 7. Independent Mobility Motor Vehicle (IMMV)**
- May buy, sell, or exchange modified motor vehicles that are designed and equipped to transport a person with a disability.
  - This license type does not allow you to sell used motor vehicles that have not been modified for mobility.
  - May service or repair the devices installed on mobility motor vehicles.
  - Requires a converter license as well as this GDN type. The expiration dates of the IMMV license, the converter license, and the bond must be the same.
  - Requires a completed *Mobility Dealer Affirmation* (LF002), available on our website at: <http://www.TxDMV.gov/forms-dealers>.
  - Must be certified by the manufacturer of each mobility device that the dealer installs, if the manufacturer offers certification.
  - Is required to maintain insurance requirements, have a welder certification, and be registered with the National Highway Traffic and Safety Administration.
  - If choosing to sell or arrange for the sale and delivery of a new mobility motor vehicle, the transaction must occur through the franchised dealer of the motor vehicle's chassis line make. The IMMV dealer may not sell or offer to sell new motor vehicles that are not mobility motor vehicles.
  - **Bond & POA is required.**

**13. – 24. YES/NO QUESTIONS: All questions must be answered.**

- A. Attach detailed explanations, as necessary for questions 13-16.
  - B. While you are no longer required to submit proof of occupancy, you must affirm that you will maintain proof of occupancy documentation (lease, tax receipt, or deed) for each location. If requested by TxDMV, you must submit this documentation. (If leasing the property, the lease cannot expire before the license.)
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**25. CERTIFICATION OF RESPONSIBILITY**

The application must be signed by the applicant (owner, officer, managing partner, or authorized agent). By signing this application, the applicant swears that:

- A. All statements contained on the application and provided attachments are true and complete.
  - B. Applicant is not delinquent in any court-ordered child support.
  - C. Applicant agrees to allow the Texas Department of Motor Vehicles to examine, during working hours, the ownership papers for each registered or unregistered vehicle in the applicant's possession or control.
  - D. Applicant has complied with all applicable state laws and municipal ordinances. This includes (where applicable) licensing by other state agencies or municipalities, zoning ordinances, etc.
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**26. ATTACHMENTS TO THE APPLICATION**

**A. OWNERSHIP INFORMATION**

Use pages 5 and 6 of the application or a separate copy of *Form LF601*. You may duplicate page 6, as needed.

- 1. Answer the question pertaining to felony convictions (and charges) truthfully.**
    - a. Prior convictions may not prevent you from obtaining a license. Answering this question falsely may result in denial of your license and civil penalties.
    - b. MVD may investigate applicants answering "Yes" to this question. This investigation may add to your processing time.
    - c. You must attach copies of all final court judgments for any convictions.
    - d. Any felony conviction is a material change that must be reported to the TxDMV by the applicant or license holder.
  - 2. Complete as many information blocks as needed for the following:**
    - a. Owners: list all individuals and business entities with any ownership interest in the dealership (this includes sole proprietors) until total ownership indicated equals 100%.
    - b. If the dealership is publicly traded or nonprofit, please mark the appropriate box. Owners of publicly held businesses (shareholders) or nonprofit corporations do not need to be listed, but an officer or a director must be listed instead.
  - 3. Specific Information:**
    - a. Name of Person or Business Entity: Enter the legal first and last name for individuals; list the complete business name of business entities.
    - b. Title: Enter the title. Examples could be: Owner, President, CEO, Partner, General Partner, Member, etc.
    - c. % of Ownership: For all individuals and businesses entities listed, enter the percentage of ownership. Ownership percentages must total 100%.
    - d. Date of Birth: List the date of birth for all individuals listed.
    - e. Driver License # and State for Sole Proprietor or General Partners: Enter the driver license number and issuing state. If the individual does not have a driver license, enter "NONE". If the driver license was issued in a foreign country, provide that information.
    - f. Enter the Employer Identification Number (EIN) for business entities.
    - g. Enter the Social Security Number (SSN) for persons. If any individual does not have an SSN, attach a separate document with identifying data for the individual with an explanation as to why they do not have a SSN.
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**B. PROOF OF IDENTITY:**

Attach a photocopy of current driver license for the owner(s) of the dealership, the president of the dealership, or the managing partner of the dealership. If this is a General Partnership, you must submit a driver license for **each** partner. (If a driver license is not available, you may submit a valid passport, current US Armed Forced Identification Card, or state issued identification card.)

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**C. ASSUMED NAME CERTIFICATES:**

Provide a copy of the assumed name certificate issued by the proper authority. The assumed name(s) must be registered with the proper authority.

1. **The proper authority for corporations, LPs, LLPs, and LLCs is the Texas Secretary of State.**
2. **The proper authority for sole proprietors and general partnerships is the county clerk in the county the dealership is located.**

The assumed name you list on this application must match the assumed name exactly as it is registered.

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**D. SURETY BOND:**

1. **The following GDN types (who are not licensed as a franchised dealer) must submit a \$25,000 motor vehicle surety bond:**
    - a. Motor vehicle dealer,
    - b. Motorcycle dealer,
    - c. wholesale only dealer,
    - d. wholesale motor vehicle auction,
    - e. independent mobility vehicle dealer (IMMV).
  2. **A bond (or bond's rider) must be supported by a Power of Attorney from the surety company. The bonding company's representative, who signs the bond/rider, must be listed on the Power of Attorney.**
  3. **A separate bond is required for each GDN category.**
  4. **Contains:**
    - a. The surety bond must be on forms exactly matching the approved sample in this package.
    - b. The business name in which the GDN is to be issued must be shown on the bond. (The DBA is not required.)
    - c. All information on the bond must exactly match the information on the application. This includes business name, street number(s) and name(s), suite number(s), city, state and zip code(s).
    - d. A sample bond is provided on the last page of this packet. There is not a set format for a rider or Power of Attorney.
  5. **Term:**
    - a. The bond term must be issued for at least two years and expire on the last day of the month. This corresponds to the dealer license expiration date.
    - b. Your lease cannot end prior to the bond's expiration.
    - c. Your bond must end on the last day of the month.
  6. **Signatures:**
    - a. The bond must be signed and dated by both the dealer and the bonding agent (Attorney in Fact).
    - b. Make sure all required signatures are on the bond. This is the most common deficiency on new applications.
  7. **Errors:**
    - a. Misspellings and typographic errors will invalidate the document. These can be corrected with a rider and Power of Attorney.
    - b. If there are any errors on the bond, contact your bonding company or bonding agent to get a rider to correct the errors. Making changes on the document itself will invalidate it.
    - c. We will not accept a rider with an "obligee" or "in favor of" listing our agency. You may use a variation of "Unknown third party" or "Person who claims a judgment."
  8. **If you are also applying for additional location(s) (within the same city limits of your main location *and* of the same GDN type), all physical addresses must be listed on the address line of the bond.**
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**E. CERTIFICATE OF INCORPORATION, ORGANIZATION, OR PARTNERSHIP:**

A certificate of filing from the secretary of state is acceptable. Attach these if applicable. We do not need copies of your corporate charter. If the entity was formed out of state, submit a Certificate of Authority issued by the Texas Secretary of State.

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**F. ADDITIONAL LOCATIONS OF THE SAME LICENSE TYPE:**

If you are applying for more than one location, within the same city limits AND of the same GDN type, please list these on a separate piece of paper.

1. **Include the following for each location:**
  - a. Contact person's name, phone, fax, and email address (If these are the same as the business contacts, please state this.)
  - b. Physical address, including county

- c. Business phone number (and fax number, if any)
- d. Email address
- 2. Be sure to include the Assumed name certificate, if applicable – see Attachment C for details
- 3. All physical addresses must be listed on the address line of the bond

**G. APPLICATION FOR eTAGS: Complete the *Application for New eTags Account*, on page 7 of Form LF001.**

- 1. The rules for use of temporary tags, or eTags, are found in 43 TAC Chapter 215, Subchapter E.
- 2. Dealers must place a temporary buyer's tag on any vehicle sold to a retail purchaser. Each tag must contain a unique number from the temporary tag database.
- 3. GDN Dealers may issue dealer temporary tags, buyer's temporary tags, and Internet-down temporary tags for each type of vehicle the dealer is licensed to sell.
- 4. Each dealer/licensee must have their own account in the eTags Database for obtaining the temporary tag number.
- 5. To sign up and receive your username and password, fill out the *Application for New eTags Account* form, contained in the LF001 application.
- 6. Make sure you have printed your Internet Down tags in case they are needed when eTags is unavailable.
- 7. More information about eTags, as well as the login for the eTag Database, can be found on our website at <http://www.TxDMV.gov/dealers/etags>.

**H. FEES:**

Payment can be made by Credit Card, Personal Check, Money Order, Cashier Check, or Wire Transfer.

- A. Mail or fax this form, all fees, and attachments, to the address matching your type of payment. (See table on the next page.) Failure to do so will result in delays.
- B. If paying by credit card, you may fax the entire package (including the credit card form) to (512) 465-3599. If you choose to do this, do NOT mail the package.
- C. DO NOT submit the application via two methods; pick only one.
- D. If you wish to overnight your application, please note that only the U.S. Postal Service delivers overnight mail to post office boxes.

METHOD OF PAYMENT	INSTRUCTIONS	FORWARD TO
CREDIT CARD Amount must be between \$5 and \$2000	Complete the "Credit Card Payment Form" Form 2293 Mail or fax form and documents	Texas Department of Motor Vehicles Motor Vehicle Division P. O. Box 26487 Austin, TX 78755  Fax: (512) 465-3599
PERSONAL CHECK OR MONEY ORDER <b>(A fee of \$30 will be charged for returned checks)</b>	Pay to: Texas Department of Motor Vehicles Mail check/money order and documents	Texas Department of Motor Vehicles Motor Vehicle Division P. O. Box 13044 Austin, TX 78711-3044
Wire Transfer	Account Number to Credit: 463600001 Reference: (i.e. - Remitter's name / you) Attention: 608-Texas Department of Motor Vehicles Motor Vehicle Division, Chema Sanchez or Keith Parker	Financial Institution: Comptroller, Austin, TX Routing Number: 114900164 Account Name: Comptroller of Public Accounts, Treasury Operations

## Application Processing and General Information:

**1. Application Processing & Time:**

- A. Your application fees are processed by the State Comptroller's Office before TxDMV may begin application processing.
- B. Applications are processed in the order received. However, if more information is needed, these are noted as deficiencies.
- C. You can find more about the *Dealer License Application Process* and *Application Tips* (including common deficiencies) online at: <http://www.TxDMV.gov/dealers>
- D. Applications should be as complete as possible before submission; however, do not wait until the last minute to file your application.

## 2. Approving applications:

- A. When there are no application deficiencies, the license is approved. Your license is printed and mailed (along with your dealer plates, if any) to the Texas mailing address listed on your application.
- B. If there are deficiencies, you will be contacted by a licensing specialist.
  - (1) Contact by phone or email will be attempted before a list of deficiencies is mailed.
  - (2) Please correct any deficiencies and return the appropriate documentation.

## 3. Metal Dealer Plates:

- A. Metal dealer plates are valid during the license term and expire at the same time as the license.
- B. Plate Limits
  - (1) For a new application, plate limits are: Auction 0; Wholesale 1; All others 2.
  - (2) If you are renewing, see TxDMV.gov Form LP703 for plate allowances, or call TxDMV for more information.
  - (3) If the dealer wants more plates, you will be required to submit your proof of sales. See Form LP703 for details.
- C. Instead of receiving plates in pairs, dealers are only issued one metal plate per plate number, which must be attached to the rear license plate holder of the vehicle.
- D. The fee is \$90 per plate for the two-year license term.
- E. You may order plates with a new application or when renewing your license. You may also order new plates at any time during the license period by submitting an *Affidavit and Application for License Plates (Form LF701)*, available on our website.
- F. The plate expiration date is the same as the GDN license expiration date, regardless of when the dealer plates were ordered.
- G. THERE IS NO GRACE PERIOD for an expired dealer plate.

## 4. Making Changes to your License:

You must submit an *Application to Amend Independent Motor Vehicle Dealer's License (Form LF021)* when information about your business has changed. Some examples are:

- A. Opening, closing, or moving a dealership to a new location within the same city limits. You must submit the form within 10 days of the opening, closing or relocation.
- B. Adding an additional location. (This means adding an additional, new location within the same city limits as an existing GDN. Attachments are required for each location.)
- C. Changing from wholesale to retail, or retail to wholesale.
- D. Changing the business name.
- E. Changing the DBA (assumed name).
- F. Changes to: mailing address, phone number, fax number, email address, and/or contact information.

Other changes to your license:

- A. Relocating outside the city limits of your original location **requires a new application, fees, and attachments (including a new bond)**.
- B. Changes in ownership that affect the business entity type. Under some circumstances, you may need to file a new application. For example, if you are currently licensed as a Sole Proprietor and become incorporated, you will need to file a new application. If you are a corporation and do a conversion to a Limited Partnership, you will only need to amend your license. Please contact our office first, to make sure you complete the appropriate forms.

If you have any questions about the changes you are making to your business, please call us at (888) 368-4689 or (512) 465-3000.

## 5. Duplicate Licenses:

- A. To request a reprint or a duplicate license please complete form LF901, available at <https://txdmv.gov/forms-dealers>.
- B. You may fax this request to 512-465-7310 or mail to:
  - Motor Vehicle Division
  - P.O. Box 26487
  - Austin, TX 78755
- C. The fee for this request is \$50.

## 6. License Renewal:

- A. Your license term is two years.



- B. Renewal fees are \$400 for each GDN and \$90 for each metal dealer plate.
- C. MVD will mail you a renewal notice 75 to 90 days prior to license expiration. You should return your renewal notice, required attachments, and the proper fee(s) at least 45 days prior to expiration to ensure that your license does not expire.
- D. You are responsible for maintaining your license. If you do not receive your renewal notice, contact MVD to obtain one.
- E. **THERE IS NO GRACE PERIOD!** Once your license expires, you may not sell vehicles, transfer titles, etc. Your dealer plates are also expired.
- F. **Penalty fees are assessed if your renewal form is received at MVD more than 30 days after expiration. These penalty fees are 50% of the total license fee for each 30 days of default.**
- G. Must complete the renewal within 90 days of your expiration or you will have to apply for a new license.

# SAMPLE

(Revised 4/14)

## MOTOR VEHICLE DEALER'S SURETY BOND

Bond # \_\_\_\_\_

KNOW ALL BY THESE PRESENTS, THAT

Name \_\_\_\_\_

Address(es) \_\_\_\_\_

City, State, and Zip \_\_\_\_\_

As principal, whose place of business and any supplemental location(s) operated under the same general distinguishing number is/are located at the address(es) set forth above, and

Name \_\_\_\_\_

Address(es) \_\_\_\_\_

City, State, and Zip \_\_\_\_\_

as Surety, duly authorized and qualified to do business as a surety company in this State, are held and firmly bound to such persons who shall conduct business with said Principal in its capacity as a motor vehicle dealer in the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000), for the payment of which sum, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns.

WHEREAS, the above-named Principal is applying for a license as a motor vehicle dealer,

AND WHEREAS, said Principal is required by law (Tex. Transp. Code §503.033) to submit a properly executed surety bond, conditioned as set forth below, with said application for license,

AND WHEREAS, the bond shall run concurrently with the period of the license issued to the Principal.

THE CONDITION OF THIS OBLIGATION is such that, if during the effective period of this obligation, the Principal shall pay all valid bank drafts, including checks, drawn by the Principal for the purchase of motor vehicles and transfer good title to each motor vehicle that the Principal purports to sell, then this obligation shall be void; otherwise to remain in full force and effect.

IT IS FURTHER UNDERSTOOD AND AGREED that the above obligation shall extend, without notification to the Surety, to any change of officers of the Principal if the Principal is a corporation, to any additional locations or changes of address of the Principal or to any substitution of business name of the Principal wherein ownership is not changed.

IT IS FURTHER UNDERSTOOD AND AGREED that this bond shall be opened to successive claims up to the face value of the bond. The Surety shall not be liable for successive claims in excess of the bond amount, regardless of the number of claims made against the bond. Recovery against the bond may be made by a person who obtains a judgment against a dealer assessing damages and attorney's fees for an act or omission on which the bond is conditioned if the act or omission occurred during the term for which the general distinguishing number will be valid. Payment of any judgment by the Surety shall be immediately reported to the Texas Department of Motor Vehicles, Motor Vehicle Division, P.O. Box 26487, Austin, Texas 78755.

IN WITNESS WHEREOF said Principal and Surety have executed this bond to be effective on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and to expire on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

DATED this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
(PRINCIPAL)

By: \_\_\_\_\_  
(OFFICER'S OR PROPRIETOR'S SIGNATURE)

DATED this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
(SURETY)

By: \_\_\_\_\_

In accordance with Tex. Transp. Code §503.033, this form is prescribed but not furnished by the Texas Department of Motor Vehicles as approved by the Attorney General of Texas on July 16, 1985.