

Dealer Number _____

NORTH CAROLINA DIVISION OF MOTOR VEHICLES
MOTOR VEHICLE DEALER SURETY BOND
Please read instructions on reverse side before executing bond.

BOND NUMBER _____ EFFECTIVE DATE _____ TIME _____ (A.M.) (P.M.)

KNOW ALL MEN BY THESE PRESENTS: That we, _____
(FIRM NAME AS LICENSED)

doing business at _____

as Principal and _____ as Surety are duly authorized to do business within the State of North Carolina, as Surety, are held and firmly bound to indemnify any person who may be aggrieved by fraud, fraudulent representation or violation by said Principal or sales representatives acting for such Principal within the scope of the employment of such sales representatives of any of the provisions of Articles 12 and 15 of Chapter 20 of the North Carolina General Statutes in the amount of Fifty Thousand Dollars (\$50,000) and Twenty-Five Thousand Dollars (\$25,000) for each additional place of business within this State at which motor vehicles are sold, lawful money of the United States of America, for payment of which we bind ourselves, jointly and severally, our joint and several heirs, executors, administrators, successors and assigns; provided that the aggregate liability under this bond shall not exceed _____ Thousand Dollars (\$)) for each license year for which the bond is effective.

WHEREAS, the Principal desires that a motor vehicle dealer's license be issued and thereafter reissued from time to time by the Commissioner of the North Carolina Division of Motor Vehicles; and

WHEREAS, the bond executed by the Principal and Surety is filed with the Commissioner in compliance with G.S. 20-288(e), to enable the Principal to obtain a license from the Division of Motor Vehicles under the provisions of that law.

NOW, THEREFORE, this bond is conditioned on the Principal's promise to faithfully conform to and abide by the provisions of Articles 12 and 15 of Chapter 20 of the North Carolina General Statutes.

This bond may not be cancelled by the Surety unless: (1) the Principal has terminated the operations or its business or its license has been denied, suspended or revoked under G.S. 20-294; (2) there is a nonpayment of the premium in accordance with the terms for the issuance of the surety bond and the Surety has complied with the requirements of G.S. 20-288(f); or (3) an act or omission by the license holder or his representative that constitutes a substantial and material misrepresentation or nondisclosure of a material fact in obtaining the surety bond or renewing the bond and the Surety has complied with the requirements of G.S. 20-288(f). The Surety may refuse to renew a surety bond by providing written notice of nonrenewal to the license holder and to the Commissioner not less than 30 days prior to the premium anniversary date of the surety bond under the requirements of G.S. 20-288(g). Cancellation under (1), (2), and (3) may be had only upon 30 days' written notice to the Commissioner of Motor Vehicles by the Surety and shall not affect any liability incurred or accrued prior to the termination of such 30 day notice period. Cancellation for nonpayment of premium under (2) is not effective if the amount due is paid before the effective date set forth in the notice of cancellation required under the guidelines set forth in G.S. 20-288(f). The nonrenewal of a surety bond shall not affect any liability incurred or accrued prior to the premium anniversary date of the surety bond.

(PRINCIPAL)

(SURETY)

BY: _____
(TITLE)

(ADDRESS)

BY: _____
(TITLE)

MOTOR VEHICLE DEALER'S SURETY BOND INSTRUCTIONS

1. Every applicant for a motor vehicle dealer's license must file with such application an executed surety bond in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00). Exception: Dealers selling only trailers of 4,000 pounds or less and manufacturers of, or dealers in, mobile or manufactured homes who furnish a bond pursuant to G.S. 143-143.12 are exempt from filing bond.
2. A firm, corporation or individual owning more than one motor vehicle dealership in North Carolina may declare one of the locations as the principal place of business and file a \$50,000.00 bond. The other locations owned by the same firm, corporation or individual may file a \$25,000.00 bond for each additional location.
3. The North Carolina Division of Motor Vehicles has prescribed a standard form of bond for motor vehicle dealer - Motor Vehicle Dealer's Surety Bond (Form LT-409) which is set forth on the reverse side hereof.
4. This bond must be executed by the principal (Dealer) and surety (Bond Company) and filed with the North Carolina Commissioner of Motor Vehicles at the time of applying for a motor vehicle dealer's license. Applications for dealer's license will not be acted upon until the application, bond and all other required documents are filed, and the appropriate fees paid to the North Carolina Division of Motor Vehicles.
5. The bond must be signed by either the owner, partner or corporate officer of the dealership (Principal).
6. The bond must be signed by a surety company authorized to do business in North Carolina. If signature is by an agent or an attorney-in-fact, a certified copy of Power of Attorney must be attached to the surety bond, or a continuing copy of his appointment must be on file with the Division.
7. The bond must be effective either prior to or at the date of filing of application for license.
8. A change of ownership requires a new bond. A rider will suffice for a change of name and/or change of town address.