

## Business Disposal Application Information

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: [SBG.Colorado.gov/AID](http://SBG.Colorado.gov/AID).

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

**Review the requirements below to determine if you qualify for a Business Disposal 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 and fingerprint verification: 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 inch size paper. Do not submit double sided copies. Do not submit legal size copies.**

### Application

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- **Application (DR 2995)** - Complete all requested information sign and date.
- **License Fee** - Check should be made payable to the Department of Revenue.
- **Addendum (DR 2996)** - Each owner, partner, LLC/LLP member, stockholder (5% or more), director or officer must complete an addendum and sign on the signature line.

### Verification of Fingerprints

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Provide a Verification of Fingerprints form (DR 2197) and either a receipt/confirmation from a 3rd party vendor or two (2) fingerprint cards. See the Auto Industry Division website listed above for specific requirements that must be met by all applicants.

### Bond

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**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 amount is as follows:

- **\$50,000**

## Identification

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**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).

## Financial Condition

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- **Statement of Financial Condition (DR 2997)** - 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 2997. 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.**
- **Note:** 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, Kelley Blue Book, etc. that establishes the average trade-in value.
- All statements must include applicant's name/identifying information.

## Business Documents

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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).
  - **Note:** You may visit the Secretary of State's web site at [www.sos.state.co.us](http://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.
- **Lease** - A copy of the lease for the primary location listed on the DR 2995 application.
- **Business Plan** - All applicants must submit a business plan, including, but not limited to:
  - Staffing
  - Hours of operation
  - Overhead costs
  - Sales projections
  - Inventory acquisition

### Miscellaneous Documents

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- **Sales Tax License** - Colorado Sales Tax Withholding Account Application (**CR 0100AP**). 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. When in doubt provide an explanation.**
- **Dealer Plate Affidavit (DR 2640)** - Form is complete and signed.

**Note:** 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.