

## **Manufacturers, Distributors, Representatives & Buyer Agents**

**(1 C.C.R. 205-1)**

**REGULATION 12-6-101 (11).** All manufacturers doing business in the state of Colorado, irrespective of whether they maintain or have places of business herein, must be licensed as such.

The sale of any new and unused motor vehicles, either directly or indirectly in the state of Colorado shall constitute doing business in the state by the manufacturer and shall subject such manufacturer to the requirements of this article. (1 C.C.R. 205-1)

**REGULATION 12-6-105 (1)(c).** All applications for licenses must be approved by the administrator before they can be issued.

An application for a new license shall be acted upon promptly and written notice of the action taken by the administrator sent to the applicant either by personal service upon him or by certified mail sent to the last address furnished to the administrator by the applicant. If the applicant becomes subject to denial, the grounds therefor shall be given to the applicant and an opportunity for a hearing provided within 30 days after notice is given to the applicant. Such hearings shall be held in accordance with and in the same manner as those hearings which involve a suspension or revocation of a license. Failure to appear for the hearing without good cause shown shall be grounds for automatic denial of the application. (1 C.C.R. 205-1)

**REGULATION 12-6-105 (1)(d).** The administrator, on his own motion or upon the sworn complaint of any person, charging any licensee with a violation of any provision of the law or any rule or regulation promulgated by the administrator concerned with the sale and distribution of motor vehicles shall determine through an investigation conducted by him and his agents and representatives, the probable truth of such charge or charges. (1 C.C.R. 205-1)

**REGULATION 12-6-105 (1)(e).**

1. All applications for licenses shall be made upon forms prescribed by the administrator. No application will be considered which is not complete in every material detail, nor which is not accompanied by a remittance in full for the whole amount of the annual license fee.

If the applicant is a partnership, it shall submit with the application a certificate of partnership.

If the applicant is a corporation, it shall submit with the application a copy of its articles of incorporation, and if a foreign corporation, evidence of its qualification to do business within the state. In addition, each corporation applicant shall submit the names and addresses of all persons holding over ten percent of the outstanding and issued capital stock of said corporation. Any transfer of ten percent or more of the capital stock of any corporation holding a license under the provisions of this article shall be reported to the administrator not less than ten days prior to such transfer. All such reports shall be made on forms supplied by the administrator.

Upon request of the administrator, each applicant for a license shall provide suitable additional evidence of their residence, good character and reputation. Applicants and licensees shall also submit upon request by the administrator all required information concerning financial and management associations and interests of other persons in the business.

No licensee shall change the name or trade name of the business, his place of business or business address without submitting written notice to the administrator, not less than ten days prior to the change.

All information submitted to the administrator, by application for license or otherwise, shall be given fully, faithfully, truthfully and fairly. The failure of an applicant or licensee to so inform the administrator shall be grounds for the suspension, revocation, or denial of the license.

2. A change in the operating entity of a licensee's business shall be cause for the revocation of the license and shall require a new application and fee. (1 C.C.R. 205-1)

**REGULATION 12-6-105 (1)(f).** If it shall appear from an investigation by the administrator and his agents and representatives, or shall otherwise come to the attention of the administrator that there is probable cause to believe that a licensee has violated any provision set forth in this article or any rule or regulation promulgated in accordance therewith, the administrator shall issue and cause to be served upon such licensee either by certified mail at the last address

furnished the executive director by the licensee, or by personal service upon the licensee, a notice of hearing.

A hearing shall be held at a place and time designated by the administrator on the day stated in the notice, or upon such other day as may be set for good cause shown. Evidence in support of the charges shall be given first, followed by cross-examination of those testifying thereto. The licensee, in person or by counsel, shall then be permitted to give evidence in defense and explanation, and shall be allowed to give evidence and statements in mitigation of the charges. In the event the licensee is found to have committed the violation charged, evidence and statements in aggravation of the offense shall also be permitted.

After considering all the evidence and arguments presented at the hearing, the administrator will make a final determination either at the hearing or within a reasonable time thereafter, and send the licensee by certified mail at the last address furnished the administrator by the licensee or by personal service upon him a notice of final determination. In the event the licensee is found not to have violated any law, rule or regulation, the charges against him will be dismissed. If the licensee is found to have violated some law, rule or regulation, a cease and desist order shall be issued by the administrator, and in the proper case his license suspended or revoked on such terms and conditions and for such period of time as to the administrator shall appear fair and just. The decision of the administrator shall include a statement of findings and conclusions upon all the material issues of fact, law, or discretion presented by the record and the appropriate rule, order, sanction, relief or denial thereof. Failure to appear for the hearing without good cause shown shall be grounds for automatic suspension or revocation of the license.

Cease and desist orders shall be issued by the administrator, after due notice and hearing in accordance with this article and the rules and regulations promulgated therewith for any unlawful acts engaged in by a licensee as enumerated in Section 12-6-120 (2) C.R.S., as amended. (1 C.C.R. 205-1)

**REGULATION 12-6-114.** The administrator, by accepting the filing of written warranties, is not authorized to mediate disputes between manufacturers, dealers and retail purchasers of motor vehicles.

If the manufacturer provides no written warranty on any motor vehicle or parts thereof, written notice of this fact shall be given to the administrator and placed on file with him. The filing of

such disclaimer of warranty shall not exempt such manufacturer from possible claims against him under this article. (1 C.C.R. 205-1)

**REGULATION 12-6-115 (5).** Agreement means contract or franchise or any other terminology used to describe the contractual relationship between manufacturers, distributors and motor vehicle dealers.

Manufacturers and distributors shall notify the administrator immediately of the appointment of any additional dealers, of any revisions or additions to the typical written agreement on file, or of any supplements to such agreement. Agreements are deemed to be continuing unless the manufacturer or distributor has notified the administrator of the discontinuation or cancellation of the agreement of any of its dealers.

If a manufacturer or distributor does not enter into any formal written agreement with its dealers, written notice to this effect shall be given to the administrator and placed on file by him.

The administrator may be appointed as the agent for service of process in the state of Colorado. In any case wherein a licensee or licensees are served with process by service thereof upon the administrator, the administrator shall no later than two days after the service of said process upon him mail a copy thereof to each such licensee addressed to the licensee at the last address furnished to the administrator by the licensee, by certified mail with request for return receipt. (1 C.C.R. 205-1)

**REGULATION 12-6-118 (1) (b).** No license shall be issued to or held by any person, unless he is with respect to his character, record and reputation, satisfactory to the administrator. (1 C.C.R. 205-1)