

REPRESENTATIVE INSTRUCTION PACKET

Purpose:

This application is for a license to represent a manufacturer, distributor, or converter. This instruction packet is a companion to Form LF401. The *Application for New Motor Vehicle Representative License* (representative application) is also imbedded in forms LF201 and LF 301. For other types of licenses visit www.TxDMV.gov/dealers or call us at (512) 465-3000 or toll-free (888) 368-4689.

Important:

Before you begin: Please read all information carefully before completing your application. Incomplete or inaccurate information may delay issuance of your license.

When applying for a license, **PLEASE FILE EARLY TO AVOID 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.

Licensing Notes:

- A representative license allows a person or business entity to act as an agent for a manufacturer, distributor, or converter.
- A separate license must be obtained for each company represented.
- The representative's license term matches the entity being represented (manufacturer, distributor, or converter). Likewise, it expires and is renewed with the entity's license.
- A representative is not allowed to sell new or used motor vehicles to Texas consumers, including municipalities.
- The definition of representative does not include office or clerical personnel, production personnel, etc., whose
 duties do not include contacting franchised dealers or dealership employees. See TEXAS OCCUPATIONS CODE
 §2301.002(29) and TEXAS ADMINISTRATIVE CODE §215.102 for details.
- You can find more about the license application process online at: http://www.TxDMV.gov/dealers

INSTRUCTIONS by Page

Page One

1. BUSINESS TO BE REPRESENTED:

- A. Check the appropriate box indicating whether applicant intends to represent a manufacturer, distributor, or converter.
- B. Enter the name of the manufacturer, distributor, or converter that the applicant will represent and their license number (if there is one).

2. APPLICANT'S NAME:

Enter your business name matching the appropriate business type:

- A. **For a Sole Proprietor**: The business name is the owner's name.
- B. **For a Partnership**: The business name is the name of each partner.
- 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.

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 in Texas must register with their County Clerk in the county where the office will be located.
 - (3) Businesses located out of Texas should register with the appropriate authority for your state.
- 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. Label the copies as "Rep Application, Attachment B." Do not send your filing documents.

4. JOB TITLE:

If the applicant is an individual, enter the job title of the applicant. This is not required if the applicant is a corporation. LLC, LP, or other type of business entity.

5. MILITARY SERVICE:

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

6. PHYSICAL ADDRESS:

Enter the street number and name, city, state, and zip code of the physical address where applicant conducts business as a representative.

Items 7 - 10 must reflect the manufacturer's, distributor's, or converter's contact information

(If you are typing into form LF201 or LF301, these fields should already be completed for you.)

7. MAILING ADDRESS:

Enter the manufacturer's, distributor's, or converter's mailing address if it is different from your physical address. This is the address TxDMV will use to mail all correspondence, licenses, etc.

8. BUSINESS PHONE NUMBER & BUSINESS FAX NUMBER:

Enter the manufacturer's, distributor's, or converter's phone and fax number(s).

BUSINESS EMAIL & BUSINESS WEBSITE:

Enter the manufacturer's, distributor's, or converter's email address and website (if available).

10. CONTACT NAME, PHONE NUMBER, & EMAIL:

Enter the name, phone number, and email of a person TxDMV may communicate with concerning applications and license(s). This must match the manufacturer's, distributor's, or converter's contact person.

11. FEES:

Determine the total fees required:

- A. The representative fee is \$200.
- B. If paying with a credit card, use page 5 of the representative application package.

Page Two

Please enter the representative's name and business being represented on the top of this page. (If you are typing into the dynamic version of this form, this should already be completed for you.)

12. - 15. YES/NO QUESTIONS:

- A. All questions must be answered.
- B. Attach detailed explanations, as necessary.

- C. The Texas Occupations Code Chapter 2301 restricts manufacturer, distributor, or converter ownership or control of a dealer or dealership. Manufacturer/distributor ownership or control of a dealership is generally prohibited, with two exceptions:
 - (1) Dealerships that were purchased by the manufacturer/distributor from a franchised dealer and that are for sale at a reasonable price and on reasonable terms and conditions.
 - (2) Dealer development dealerships operated under a plan for the dealer to acquire full ownership within a reasonable time and under reasonable terms and conditions. In order to qualify for this exemption:
 - (a) The dealer must be a member of a group that has been historically underrepresented in the manufacturer's, distributor's, or converter's dealer body, OR
 - (b) The dealer must be a qualified person who lacks the resources to purchase a dealership outright.

16. ATTACHMENTS TO THE REP APPLICATION

A. OWNERSHIP INFORMATION:

Use page 3 of the representative application package or a separate copy of Form LF603. You may duplicate page 3, 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. If the representative is an individual or employee of a manufacturer, distributor, or converter, complete the second section:
 - a. Check the box for the correct type of entity.
 - b. Complete the information fields for the person. Field details are as follows:
 - i. Name of Owner: Enter the legal first and last name.
 - ii. Title: Enter the title. Examples could be: Owner, President, CEO, Partner, General Partner, Member, etc.
 - iii. Date of Birth: List the date of birth for the individual.
 - iv. Driver License #, State, and Expiration Date: Enter the driver license number, issuing state, and expiration date. If the individual does not have a driver license, enter "NONE". If the driver license was issued in a foreign country, provide that information.
 - v. Enter the Social Security Number (SSN) for persons. If the 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.
- 3. If the representative is a company, complete the third section:
 - a. Check the box for the correct type of business.
 - b. If the business is nonprofit or publicly traded, 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.
 - c. Complete as many sections necessary for all individuals and business entities that own the company, until total ownership indicated equals 100%. If you need more sections, please reprint the page. Details are as follows:
 - i. Name of Owner: Enter the legal first and last name for individuals; list the complete business name of business entities.
 - ii. Title: Enter the title. Examples could be: Owner, President, CEO, Partner, General Partner, Member, etc.
 - iii. % of Ownership: Enter the percentage of ownership. Ownership percentages must total 100%.
 - iv. Date of Birth: List the date of birth for all individuals listed.
 - v. Driver License #, State, and Expiration Date: Enter the driver license number, issuing state, and expiration date. If the individual does not have a driver license, enter "NONE". If the driver license was issued in a foreign country, provide that information.

vi. 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.

B. 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. Businesses located outside Texas should register with the appropriate authority for your state.
- 2. If you are physically located in Texas:
 - a. The proper authority for corporations, LPs, LLPs, and LLCs is the Texas Secretary of State (SOS).
 - b. The proper authority for sole proprietors and general partnerships is the county clerk for the county where the office is located.

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

C. CERTIFICATE OF INCORPORATION, ORGANIZATION, OR PARTNERSHIP:

If you will be physically located in Texas, a *Certificate of Filing* or *Certificate of Authority* from the Texas SOS is acceptable. (If the entity was formed out of state and will be located in Texas, submit a *Certificate of Authority* issued by the Texas SOS.) If you are located outside Texas, submit documentation from the appropriate authority for your state. We do not need copies of your corporate charter.

D. FEES:

If the representative application is included with a manufacturer/distributor or converter application, the fees may be combined into one payment. (See pages 4-5 of Form LF401 Application for New Motor Vehicle Representative License for payment options.) Checks and money orders should be made payable to the Texas Department of Motor Vehicles. A fee of \$30 will be charged for returned checks.

17. AUTHORIZED APPOINTMENT

The application must be signed by the manufacturer, distributor, or converter to verify the applicant is an authorized representative.

18. CERTIFICATION OF RESPONSIBILITY

The application must be signed by the applicant, licensee, 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 and that all documents submitted with this application are complete, submitted in their entirety, and are accurately represented.
- B. Applicant is not delinquent in any court-ordered child support.

Page Three

This is the *Representative Information*. It is **Attachment A** to the representative application. You may use this instead of downloading LF603 separately.

Please enter the representative's name and business being represented on the top of this page. (If you are typing into the dynamic version of this form, this should already be completed for you.)

Page Four

This is the Payment and Mailing instructions. There is a place to the representative's name and business being represented on the top of this page; however, this page does not need to be submitted. It is included for your information.

Page Five

This is the credit card form, *Form 2293 Payment by Credit Card*. If you choose to pay your application fees via credit card, you may use this instead of downloading Form 2293 separately.

Please enter the representative's name and business being represented on the top of this page. (If you are typing into the dynamic version of this form, this should already be completed for you.)

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 *License Application Process* and *Application Tips* (including common deficiencies) online at: http://www.TxDMV.gov/dealers
- 2. Approving applications:
 - A. When there are no application deficiencies, the license is approved. Your license is printed and mailed (along with your metal plates, if any).
 - 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. Making Changes to your License:

You must submit an Application to Amend Representative License (Form LF422) when information about your business has changed. Some examples are:

- A. Change in business name (individual or company).
- B. Change or addition to the DBA (company only).
- C. Change of physical address (individual or company).

Changes in ownership: 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 in order to 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.

- 4. Duplicate Licenses:
 - A. To request a reprint or a duplicate license please complete form LF901.
 - B. You may fax this request to 512-465-7310 or mail to:

TxDMV Motor Vehicle Division

P.O. Box 26487

Austin, TX 78755

- C. The fee for this request is \$50.
- License Renewal:
 - A. Your license term matches the entity you are representing.
 - B. The renewal fee is \$200 for each representative.
 - C. MVD will mail the renewal notice to the entity you are representing 75 to 90 days prior to license expiration.
 - D. This entity should return the renewal package at least 45 days prior to license expiration to ensure that the license does not expire.
 - E. Penalty fees are assessed for each 30 day period past the license expiration date. These penalty fees are 50% of the total license fee for each 30 day period in default. If a license renewal is not received within 90 days of the expiration date, then you will be required to re-apply.