

Dealer Bond Application Instructions

In the top right hand corner on the line with Agent under it type in "FBL"

#1 for Name should be the exact name of the dealership you are applying for.

#3 The amount of the bond should be \$50,000

#4 Obligee is "State of Iowa"

The financial **section (5)** of the bond application may be either filled out or you may provide prepared financial statements on a separate sheet.

For new car dealers questions **#6 through #18** either put N/A or your best estimate.

New car dealers: You must have approval from the manufacturer and if not, the bond should not be prepared until that approval is obtained.

You need a copy of the manufacturer's approval to get your dealers license.

Page 2: Signature Instructions

1. Agreement date must be the same or prior to the bond effective date.
2. If principal is a corporation, the President should sign and his/her signature attested by a different corporation officer, and notarized. If there is a corporate seal, stamp or impress by the signature.

If a proprietorship or individual then he/she should sign as applicant for the business and his/her signature must be witnessed and notarized.

3. For Indemnity, on a corporation all owners and spouses should sign individually, using no titles, and their signatures need to be witnessed and notarized.

On a proprietorship or individual, all owners and their spouses need to sign individually and their signatures witnessed and notarized.

**Return the signed, notarized, original application to IADA Services, Inc.
1111 Office Park Road, West Des Moines, IA 50265.**



OLD REPUBLIC SURETY COMPANY

Bond No. _____

P.O. BOX 1976

DES MOINES, IOWA 50306

Agent _____

APPLICATION FOR MOTOR VEHICLE DEALER BOND

- Name _____ SS. # or Bus. Tax # _____
- Home Address _____ THIS FIRM IS A:
Business Address _____ Corporation
 Partnership
 Proprietorship
- Amount of Bond \$ _____ Effective _____
- Obligee _____
- As a basis for the consideration of your application please complete in detail the following financial statement, or attach a previously prepared current statement.

FINANCIAL STATEMENT as of _____, _____

STATEMENT IS FOR: Business Personal Combined Business & Personal

ASSETS		LIABILITIES	
Cash on hand	\$ _____	Accounts Payable	\$ _____
Cash in Bank	_____	Notes Payable (not to banks)	_____
Cash in Bank	_____	Loans from Banks (how secured)	_____
Accounts Receivable	_____	Chattel Mortgages (describe) _____	_____
Notes Receivable	_____	Mortgages or Liens on Real Estate _____	_____
Merchandise on hand	_____	Reserves (describe) _____	_____
Stock or bonds (describe) _____	_____	Taxes Due (describe) _____	_____
Real Estate (describe and give location) _____	_____		
_____	_____		
_____	_____		
In whose name is title? (State if joint with wife)	_____	If a corporation -	
_____	_____	Capital Stock, paid in	_____
Other Assets (describe)	_____	Surplus	_____
_____	_____	If an individual or partnership -	
_____	_____	NET WORTH	_____
TOTAL ASSETS	\$ _____	TOTAL LIABILITIES	\$ _____

- Years experience as Owner _____ Under what business name? _____
Salesman _____ What company? _____ Address _____
- Annual sales volume: New vehicles \$ _____ Used vehicles \$ _____
- Number of units sold annually: New vehicles # _____ Used vehicles # _____
- If used cars purchased at auctions, give names and addresses of auctions: _____
- With what manufacturers do you hold franchise? _____
- With what banks and financial institutions do you do business? _____
- Have you ever been in bankruptcy (business or personal). _____
If yes, explain _____
- Have you ever operated under another name or location? _____ If so, include _____
- Are you engaged in any other line of business? _____
- Has application for this bond ever been declined? _____ By whom? _____ Why? _____
- Prior Surety on this bond? Name _____ Address _____
- Reason for changing Sureties (if applicable) _____
- Business References. Persons acquainted with you at least 5 years (Bankers, Merchants or Suppliers, etc.)

NAME	OCCUPATION	ADDRESS (Give Street Address, Town and State)
1.		
2.		
3.		

INDEMNITY AGREEMENT

The undersigned applicant and indemnitors, hereby certify and represent the information and statements contained in this application to be true and request the Company, which shall include the named company, any co-surety(ies), any reinsuring company(ies), and any company(ies) which have been procured to execute the bond(s), their successors or assigns, to become Surety for and furnish the above bond and such other bond(s) as may now or hereafter be requested on behalf of the named applicant including any continuation, substitution, extension or alteration thereof, and hereby authorizes and requests banks, materialman or other individual, firm or corporation, to furnish any information requested concerning any transaction with the undersigned. Should the Company execute said bond(s), the undersigned agree as follows: (1) To pay the Company the premium as long as liability shall continue under the bond and until evidence of termination of liability is furnished satisfactory to the Company. (2) To indemnify the Company and hold it harmless against all loss, liability, costs, claim damages, and expense, internal or external of whatever kind and nature including but not limited to investigative, accounting, engineering, the fee and disbursement of counsel whether on salary, retainer or otherwise which the Company may sustain or incur for or by reason of said Company writing said bond(s). (3) If requested, to place the Company in funds immediately to meet any claim or demand before the Company shall be required to make payment. (4) The undersigned, and each of them, assign, transfer and convey to the Company all rights, title interest and estate in and to all property, real, personal or mixed, tangible or intangible, wherever situated or of whatever nature and all interests and rights now owned and hereafter acquired and if sold the proceeds therefrom, the foregoing personal and mixed property to include but not be limited to all goods, consumer or otherwise, all commercial paper, negotiable or otherwise, all monies, bank accounts and deposits, checking, saving or otherwise; all warehouse receipts, bills of lading and other documents of title; all securities, investments or otherwise; all accounts, receivable or otherwise; all contract rights; all equipment, machines, tools and part(s); all furniture and fixtures; all general intangibles; all farm products; all inventory and all property described in Article 9 of the Uniform Commercial Code in which the undersigned presently have or hereafter acquire an interest, the assignment being effective as of the date hereof, unless there is no abandonment of, breach of, delay or default in the performance of the obligations contracted in or covered in such bond or of this agreement or any other agreement with the Company and no failure of the undersigned to promptly pay, discharge or satisfy any and all obligations which might constitute a claim under such bond. (5) To authorize the Company and its representatives, without notice to make schedules of all property assigned under this agreement and to attach the same thereto at any time and when attached shall by reference be incorporated herein; and in addition, shall be authorized to file or record this agreement and attachments or a copy thereof under any provision of law governing such; this document constitutes a financing statement in accordance with the Uniform Commercial Code with such additions as needed to permit its filing under such Code. (6) To irrevocably nominate and appoint the Company and its authorized representatives as attorney-in-fact with the right, but not the obligation to exercise all rights assigned, transfer and set over to the Company and in the name of the undersigned to make, execute and deliver, but not be obligated, additional documents deemed necessary to give full effect to the assignment. (7) To authorize the Company to adjust, settle or compromise any claim, demand, suit or judgment upon said bond(s) and defend such suit and appeal such judgment or at its election to have the case, cross-action or proceeding, or any part of it or them dismissed or any appeal, writ or error, certiorari or any part thereto dismissed and to fill in any blank or blanks left in this application and indemnity agreement. (8) To accept as prima facie evidence, voucher(s), itemized statement(s) sworn to an officer of the Company in the event of payment by the Company. (9) To waive all right or claim to property including homestead, as exempt from levy, execution, sale or legal process under the law of any State(s) including any specific law or statute limiting the liability of the undersigned. (10) At the Company's option, monies due or to become due the undersigned from other members of Old Republic Surety Group, through insurance proceeds or bonding payments may be utilized to pay or help pay obligations undernamed this agreement as an offset.

The Company may decline to become surety on any bond of the applicant and in case it does act as surety shall have the right to withdraw or cancel same whenever it shall see fit, without disclosing the reason on which its act is based and the Company shall not be responsible for any loss or damage that may be sustained by reason of such action. Separate actions may be brought as they accrue and that bringing of suit or recovery of judgment shall not prejudice or bar other suits on other causes of action whether therefore or hereafter arising. Nothing shall be construed to waive or abridge any rights or remedy which the Company might have if this instrument were not executed.

Venue, at the Company's option for litigation and/or arbitration, shall be in the County designated on the front page under the description of the Company's address. If any provision(s) or sub-part of any provision of this Agreement is held to be void or unenforceable under the laws of the place governing its construction or enforcement, this Agreement shall not be void or unenforceable thereby, but shall continue as through such provision or sub-part of such provision were omitted.

This agreement shall bind the undersigned, the heirs, executors, administrators, successors and assigns of the undersigned, jointly and severally.

PLEASE BE SURE application is dated, witnessed or attested, signed and notarized in full.

This Agreement shall be effective this _____ day of _____, _____.

Witness or Attest: _____ **APPLICANT** _____ (SEAL)

By _____
(Officers Name and title if a corporation)

State of _____
County of _____ **SS NOTARY ACKNOWLEDGMENT of applicant's signature.**

Subscribed and sworn to before me this _____ day of _____, _____, X _____ (SEAL)
NOTARY PUBLIC

INDEMNITY

In consideration of the aforesaid Surety executing the bond or instrument herein applied for, the undersigned join or joins in the foregoing indemnity agreement, and agree or agrees to be jointly and severally bound thereunder, and by all of the terms, covenants, and conditions thereof; the undersigned admits and declares that it has a material, substantial, and financial interest in the performance of the obligation which the bond or instrument applied for is given to secure, or in execution of the bond or instrument applied for, and asserts that if a corporation or a partnership is fully empowered to obligate itself hereby.

INDEMNITORS:
WITNESS: _____ Signature _____ (SEAL)
_____ Address _____
WITNESS: _____ Signature _____ (SEAL)
_____ Address _____
WITNESS: _____ Signature _____ (SEAL)
_____ Address _____

NOTARY ACKNOWLEDGMENT of Indemnitors' signatures.

State of _____
County of _____ **SS**
Subscribed and sworn to before me this _____ day of _____, _____, _____ NOTARY PUBLIC (SEAL)

WITNESS AND NOTARIZATION MUST BE COMPLETED FOR INDEMNITORS' SIGNATURES