

4501:1-3-11**Net worth and bond.**

- (A) No person as defined in division (A) of section 4517.01 of the Revised Code shall be issued a motor vehicle dealer's license or be permitted to operate under such license unless the person has a net worth, verifiable upon request by the registrar, in the sum of at least seventy-five thousand dollars.
- (B) The net worth of any person shall be equal to that person's assets less liabilities.
- (1) The term "assets" shall include all money, receivables, prepaid items, and other property, be it real or personal, tangible or intangible;
 - (2) The term "liabilities" shall include all obligations, short term and long term, for which the person is responsible.
- (C) Each application for a used motor vehicle dealer licensed under Chapter 4517. of the Revised Code, recieved on or after the effective date of this rule, shall post with the attorney general's office in favor of this state a bond of a surety company authorized to do business in this state, in an amount of not less than twenty-five thousand dollars. The surety bond is used solely for the purpose of replenishing funds that have been dispersed to compensate retail purchasers of motor vehicles, as pursuant to section 4505.181 of the Revised Code.
- (D) Each surety bond shall include the following:
- (1) The business name on the bond must correspond exactly with the business name on file with the bureau of motor vehicles and the secretary of state, as applicable;
 - (2) A copy of the bond must accompany the application before a license is issued;
 - (3) The bond shall not be canceled by a surety company with less than thirty days notice in writing to the registrar. If a bond is canceled and the licensee fails to file a new bond with the bureau of motor vehicles in the required amount on or before the bond's effective date of cancellation, the licensee shall appear before the motor vehicle dealers board for failure to comply with Chapter 4517. of the Revised Code and this chapter of the Administrative Code;
 - (4) The bond shall be maintained during the entire period for which a used motor vehicle dealer's license is held;
 - (5) The licensee shall notify the registrar and the surety company within fifteen days of any change in information that is contained in the application for the surety bond.

(E) Notwithstanding the requirement of division (C) of this rule, no surety bond is required if, a used motor vehicle dealer, or any sole proprietor, officer of a corporation, trustee of a business trust, or in the case of a partnership or limited liability company, partner or member that currently holds or has held a new motor vehicle dealers license, used motor vehicle dealers license or a leasing dealers license within a period of one year immediately preceding the date of application and the previous license was not suspended, revoked, or found in violation of section 4505.181 of the Revised Code.

Replaces: Replaces fromer 4501:1-3-11

Effective:

Five Year Review (FYR) Dates:

Certification

Date

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