

CR 84-147

CERTIFICATE

RECEIVED

State of Wisconsin)
) ss.
Department of Transportation)

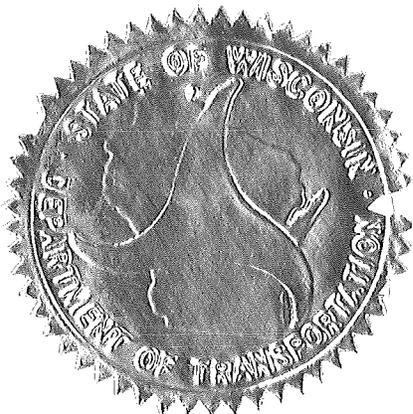
FEB 12 1985
1:45 pm
Revisor of Statutes
Bureau

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Lowell B. Jackson, P.E., Secretary of the Wisconsin Department of Transportation and custodian of the official records of the Department, do hereby certify that the annexed rule relating to the financial qualifications of motor vehicle wholesaler and dealer license applicants, mobile home dealer license applicants, motor vehicle salvage license applicants, and moped dealer license applicants was duly approved and adopted by this Department on January 31, 1985.

I further certify that the annexed copy has been compared by me with the original on file in this Department and that the same is a true copy thereof and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department of Transportation, in the City of Madison, Wisconsin, this 31st day of January, 1985.



Lowell B. Jackson

LOWELL B. JACKSON, P.E.
Secretary
Wisconsin Department of
Transportation

OFFICE OF THE SECRETARY

| | | |
|--------------------------------------|---|----------|
| IN THE MATTER OF THE ORDER TO CREATE | : | |
| CHAPTER TRANS 140, WIS. ADMIN. CODE, | : | |
| RELATING TO THE FINANCIAL QUALIFICA- | : | |
| TIONS OF MOTOR VEHICLE WHOLESALER | : | ORDER |
| AND DEALER LICENSE APPLICANTS, | : | ADOPTING |
| MOBILE HOME DEALER LICENSE APPLI- | : | RULE |
| CANTS, MOTOR VEHICLE SALVAGE LICENSE | : | |
| APPLICANTS AND MOPED DEALER LICENSE | : | |
| APPLICANTS | : | |

Analysis Prepared by the Wisconsin Department of Transportation

General summary of the rule. This order creates Chapter Trans 140 to establish by rule the Department's policies and procedures relating to the financial qualifications of motor vehicle wholesaler and dealer license applicants, mobile home dealer license applicants, motor vehicle salvage license applicants, and moped dealer license applicants. Statutory interpretations and policies included in the rule are:

1. Trans 140.01 designates the purpose, scope and authority for adoption of the rule.
2. Trans 140.02 establishes definitions for terms used in the chapter.
3. Trans 140.03 provides guidelines for the submittal of balance sheet information. This should be a full and complete balance sheet prepared according to generally accepted accounting principles.
4. Trans 140.04 specifies asset valuation and reporting criteria. Often in a new business cash may be the largest asset or the only asset. The value the business would have in the event of liquidation is determined, in part, by the ratio of cash to total assets. For this reason the Department discounts certain asset values which may not be available to creditors in the event of bankruptcy. These include such items as intangible assets or property held exempt under state bankruptcy exclusion law.
5. Trans 140.05 provides guidelines for reporting liabilities. Scheduling liabilities allows for the determination of the amount of current liability compared to long-term liabilities. This allows for the ratio analysis of current assets to current liabilities and other financial ratios.
6. Trans 140.06 contains guidelines for net worth reporting.
7. Trans 140.07 provides guidelines for financial statements for the various types of business entities who apply for a license. Since parent corporations may divest themselves of a subsidiary with little difficulty, applicants must supply separate balance sheet information. Consolidated financial statements do not allow the Department to evaluate the stand-alone ability of a subsidiary.

8. Trans 140.08 specifies the number of copies a dealer applicant must supply for financial information.
9. Trans 140.09 provides general requirements for dealer applicants. If the Department has concerns about the dealer's financial status, the Department may require a balance sheet or operations statements within the licensing year. A statement of operations may be required with the balance sheet at the time of issuance of the license. This clarifies items on the balance sheet or provides a more complete financial picture of the business.

The sales volume categories used in setting minimum financial requirements were arrived at after statistically sampling the dealer applications over the past two license periods. This sampling helped determine a correlation between number of dealers within each category.

The dollar amounts of net worth were determined by consulting studies done by the Small Business Administration on level of capitalization and consulting with the State Banking Commissioner's Office and the Department of Revenue. The State Banking Commissioner is co-licensor with DOT in many cases and therefore evaluates financial qualifications. The Department of Revenue evaluates business soundness when businesses apply for sales tax permits.

TRANS 140.10 provides criteria for the bonding of dealer license applicants. Bonding levels in this section are consistent with the net worth criteria table in TRANS 140.09.

Fiscal Estimate. There is no anticipated fiscal effect on state or local government.

Pursuant to authority vested in the department of transportation by s. 110.06, 218.01(5), 218.25 and 227.014, Stats., the department hereby adopts administrative rules interpreting ss. 218.01(2)(b), (h) and (3)(a)1 and 7, 218.11(3) and (6)(a) and (q), 218.21(1), (1m), (4) and (6), and 218.41(2)(c) and (3)(a), Stats., as follows:

TEXT OF RULE

SECTION 1. Chapter TRANS 140 of the Wisconsin Administrative Code is created to read:

CHAPTER TRANS 140

DEALER LICENSING FINANCIAL ELIGIBILITY REQUIREMENTS

TRANS 140.01 PURPOSE AND SCOPE. (1) STATUTORY AUTHORITY. As authorized by ss. 110.06(1), 218.01(5), 218.25, and 227.014, Stats., the purpose of this chapter is to establish the department's administrative interpretation of s. 218.01(2)(b), (h) and (j) and (3)(a)1 and 7, Stats., relating to the financial qualifications of motor vehicle wholesaler and dealer license applicants, s. 218.11(3) and (6)(a) and (g), Stats., relating to the financial qualifications of mobile home dealer license applicants, s. 218.21(1), (1m), (4) and (6), and 218.22(1) and (3)(a) and (g), Stats., relating to the financial qualifications of motor vehicle salvage dealer license applicants, and s. 218.41(2)(c) and (3)(a), Stats., relating to the financial qualifications of moped dealer license applicants.

(2) APPLICABILITY. (a) This chapter applies to any sole proprietorship, partnership or corporate entity applying for or holding a Wisconsin dealer's license under any of the statute sections cited in sub. (1).

(b) The provisions of this chapter do not apply to an applicant for a motor vehicle dealer license who submits a bond in accordance with s. 218.01(2)(j).

[NOTE: Forms used in this chapter are: MD-2195 Financial Statement, MVD-2077 Motor Vehicle Dealer, Mobile Home Dealer or Salesperson Bond, MVD-2077A Moped Dealer Bond, MVD 2511-84 Motor Vehicle Dealer Bond.]

TRANS 140.02 DEFINITIONS. In this chapter:

(1) "Discounted" means an asset which is not considered at full value when determining the financial statement net worth.

(2) "Financial statement" means a balance sheet showing assets, liabilities, and net worth.

(3) "Intangible asset" means an asset which does not have a readily determined value, such as goodwill, and is not generally offered for sale.

(4) "Major liability" means a liability equal to or greater than 10% of the total liabilities listed on the financial statement.

(5) "Net worth" means the difference between the asset and liability values on a balance sheet. Negative net worth is the excess of liabilities over assets.

(6) "Pro-forma statement" means a statement presented anticipating some event or events which will occur in the future.

(7) "Substantial portion of the assets" means a value greater than 30% of all assets.

TRANS 140.03 BALANCE SHEET INFORMATION. (1) All license applicants shall submit a balance sheet dated not more than 90 days prior to the date of application, that is prepared in accordance with generally accepted accounting principles. A small business as defined in s. 227.016 which does no interim financial reporting may submit a balance sheet from the close of the business' most recent fiscal year. The balance sheet shall contain the following:

(a) Assets.

(b) Liabilities.

(c) Net worth.

(d) The signature of one of the corporate officers, partners, or owners.

(e) The name of any bank or financial institution used by the applicant.

(f) A schedule of securities owned, if any.

(g) A schedule of all real property held, its fair market value, book value and the amount and terms of any indebtedness.

(2) Pro forma statements shall not be accepted.

(3) If the department determines that there has been a misstatement on a financial statement, the misstatement shall be grounds for denial or revocation of the license.

[NOTE: Form MVD-2195 Financial Statement. Form is attached.]

TRANS 140.04 ASSET REPORTING. (1) VALUATION. The financial statement shall present assets in terms of historical cost or book value of assets. In lieu of a statement presented with historical cost of fixed assets or book value of assets, the department shall consider a statement presenting fair market value information of fixed assets if clearly labeled and accompanied by an appraisal report of a certified appraiser or tax appraisal.

(2) CASH. Whenever a substantial portion of the assets of an entity is in the form of cash, confirmation of the amount is required from the financial institution holding the cash.

(3) RECEIVABLES. When a substantial portion of the assets of an entity are in the form of receivables from another individual, partnership or corporation, all or part of the receivables shall be discounted in considering the net worth of the applicant. In order to evaluate the quality of a receivable, a financial statement from the individual, partnership or corporation may be required. In no case will the department discount factory receivables.

(4) INVENTORY. The financial statement shall include the number of units in inventory and the number of units floor planned or used for loan collateral. A GAAP presentation of inventory values would not allow for the use of a reserve account for balance sheet information compiled for external purposes. As an exception to a GAAP presentation, the department will allow the use of a reserve account to accurately assess the value of inventory.

(5) CERTAIN ASSETS NOT TO BE CONSIDERED. The department shall not consider the following assets in evaluating the financial statement of an applicant:

(a) As specified in s. 815.20, Stats, equity in homestead property up to \$25,000;

(b) As specified in s. 815.18, Stats., items of personal property which are exempt from execution;

(c) Any intangible asset values;

(d) Leasehold improvements; and

(e) All other assets subject to prior liens, security agreements, or other pledges.

TRANS 140.05 LIABILITY REPORTING. (1) REPORTING. All liabilities and contingent liabilities shall be reported. The terms, amount and conditions of any major liabilities shall be separately scheduled. This schedule should show the names of individuals or institutions who hold the debt, the amount of debt, and the terms of repayment. A list of customers and the amounts on deposit with the dealer should be attached to the financial statement.

(2) RATIO ANALYSIS. A ratio analysis comparing liabilities with assets shall be used to evaluate a dealer's financial potential. Current liabilities which exceed current assets shall be grounds for the denial, suspension or revocation of a dealer's license. An exception to this section will be when the current ratio is less than 1 to 1 solely due to the manner the dealership has chosen to account for leasing operations.

TRANS 140.06 NET WORTH REPORTING. (1) TREASURY STOCK. Treasury stock held by a corporation shall be reported separately on the balance sheet and clearly labeled as treasury stock.

(2) PREVIOUS PROFIT. Profit from the previous period of operations shall be reported separately in the net worth section of the balance sheet.

(3) NEGATIVE NET WORTH. A financial statement with a negative net worth is evidence of lack of financial ability to conduct business and the license shall be denied or revoked.

TRANS 140.07 TYPES OF ENTITIES. (1) SOLE PROPRIETORSHIPS. A sole proprietorship may report the entire value of assets jointly owned by the sole proprietor and by one or more persons on its financial statement. The financial statement shall be signed by the sole proprietor.

[NOTE: An example of a joint asset would be a home owned by the sole proprietor and his or her spouse.]

(2) PARTNERSHIPS. Partnerships shall submit a statement for the partnership as a whole and individual statements for each of the general partners. If the partnership agreement provides for anything other than an equal sharing by the partners, it shall be prominently noted on the statements. The provisions of sub. (1) relating to the listing of jointly owned assets also apply to this subsection.

(3) CORPORATIONS. (a) A financial statement is required for the corporation which will hold the license. A financial statement of a controlling corporation, parent corporation or an interlocking corporation may be submitted, but shall not be substituted for the financial statement of the applicant.

(b) The individual who holds the office of president of a corporation may not also hold either the office of secretary or vice president, as specified by s. 180.41, Stats.

TRANS 140.08 COPIES REQUIRED. Salvage dealers, motor vehicle wholesalers, and moped dealers shall file one copy of their financial statement with the department. All other dealers shall file their financial statements in duplicate. The department shall forward the duplicate copy to the co-licensor, the office of the commissioner of banking.

TRANS 140.09 GENERAL REQUIREMENTS. (1) OPERATING STATEMENT. If required by the department, the applicant shall submit an income statement or other financial statement. The department may require a dealer to submit updated

financial information during the license year if questions arise regarding the dealer's financial condition.

(2) ACCEPTABLE NET WORTH. (a) The following guidelines are used in determining the acceptable level of net worth of an applicant:

NET WORTH CRITERIA

| Dealer Type | <u>Annual Vehicle Sales Volume</u> | | | | |
|--------------------------|------------------------------------|---------------|----------|-----------|-----------|
| | New | 1-10 | 11-50 | 50-150 | Over 150 |
| New Auto or Truck | \$15,000 | \$20,000 | \$25,000 | \$ 50,000 | \$ 75,000 |
| Used Auto or Truck | \$10,000 | \$10,000 | \$15,000 | \$ 30,000 | \$ 35,000 |
| Mobile Home | \$25,000 | \$25,000 | \$50,000 | \$100,000 | \$150,000 |
| Motor Vehicle Salvage | \$ 5,000 | -----N/A----- | | | |
| Motor Vehicle Wholesaler | \$ 7,500 | \$ 7,500 | \$10,000 | \$ 20,000 | \$ 25,000 |
| Moped and Motorcycles | \$ 7,500 | \$ 7,500 | \$10,000 | \$ 20,000 | \$ 25,000 |

(b) The department may deny the license of an applicant who fails to meet the net worth criteria set out in para. (a).

TRANS 140.10 BONDING. (1) FORM. As provided by s. 218.02(2)(h), Stats., a surety bond is the only acceptable form of security. The surety bond shall be filed on a form prescribed by the department and issued by a bonding company licensed by the State of Wisconsin.

[NOTE: Form MVD 2077 Motor Vehicle Dealer, Mobile Home Dealer, or Salesman Bond.]

(2) WHEN REQUIRED. In accordance with s. 218.01(2)(h), Stats., the department may require a surety bond of not less than \$5,000, nor more than \$15,000, when the applicant does not meet the net worth guidelines specified in this chapter. The amount of the bond required is determined by the dealer's financial statement, the sales volume, or anticipated sales volume of the dealer, and the financial history and stability of the dealer.

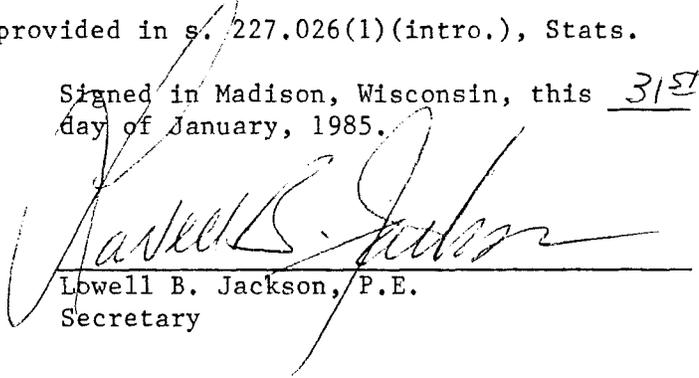
[NOTE: Form MVD 2077.]

(3) WHEN OPTIONAL. An applicant for a motor vehicle dealer license may meet the financial responsibility requirement of licensing by submitting a surety bond in lieu of a financial statement. That bond shall be in an amount not less than \$25,000, as required by s. 218.01(2)(j) and 218.21(4), Stats.

[NOTE: Form MVD 2511-85, Motor Vehicle Dealers Bond.]

The rules contained in this order shall take effect upon the first day of the month following publication as provided in s. 227.026(1)(intro.), Stats.

Signed in Madison, Wisconsin, this 31st
day of January, 1985.



Lowell B. Jackson, P.E.
Secretary

FINANCIAL STATEMENT

MVD-2195 6-79

State of Wisconsin / Department of Transportation

Salvage dealer, wholesaler and moped dealer applicants need file only one copy (all others must submit in duplicate).

As at _____ 19____ License Numbers of All Your Dealerships _____

Firm _____
 (Association - Corp. - Partnership - Individual) (Strike Three) Street or RFD _____ City _____ Zip Code _____

Owner _____ President _____
 Partner _____ Vice-President _____
 Partner _____ Secretary _____
 Assoc. Members _____ Treasurer _____

| ASSETS | | Amount | LIABILITIES | | Amount |
|--|------------------------|----------|---|----------|-----------|
| Current Assets | | | Current Liabilities | | |
| 1. Cash on Hand (Not cash in bank) | | \$ _____ | 43. Accounts Payable | | \$ _____ |
| 2. Cash in _____ | } Show Name of Bank | _____ | 44. Notes Payable - Bank (Schedule C) | | _____ |
| 3. Cash in _____ | | _____ | 45. Notes Payable - Other (Schedule C) | | _____ |
| 4. Securities Owned (Complete Schedule A) | | _____ | 46. Customer deposits on motor vehicles to be delivered | | _____ |
| 5. Contracts in Transit (No. _____) | | _____ | (Attach itemized list) | | _____ |
| Receivables | | XXXXXX | 47. Dividends declared (Not paid) | | _____ |
| 6. Time contr. held by dealer on M.V.'s or M.H.'s | | _____ | 48. Accrued Payroll | | _____ |
| 7. Time contr. held by dealer on Mdse. | | _____ | 49. Accrued taxes or rent | | _____ |
| 8. Open Accounts less than 90 days | | _____ | 50. Soc. Sec., U.C., Withholding | | _____ |
| 9. Open Accounts past due | | _____ | 51. Sales tax owed | | _____ |
| 10. Others (describe) | | _____ | 52. No. _____ New cars, cycles, M.H.'s or Mopeds | | _____ |
| Inventories (At cost or book, whichever is lower) | | | Floor-Planned* | | _____ |
| 11. No. _____ New cars, cycles, M.H.'s or Mopeds | | _____ | 53. No. _____ New trks., Floor-Planned* | | _____ |
| 12. No. _____ New trucks | | _____ | 54. No. _____ Implements, Floor-Planned* | | _____ |
| 13. No. _____ Implements | | _____ | 55. No. _____ Demonstrators, Floor-Planned* | | _____ |
| 14. No. _____ Demonstrators | | _____ | 56. No. _____ Used vehicles, Floor-Planned* | | _____ |
| 15. No. _____ Used vehicles (at cost or book value whichever is lower) | | _____ | (*List in Schedule D) | | _____ |
| 16. Parts (New) | | _____ | 57. Total (Lines 43-56 inclusive) | | \$ _____ |
| 17. Accessories | | _____ | Mortgages Payable On: (Schedule B) | | XXXXXX |
| 18. Gas, oil, grease | | _____ | 58. Land & Buildings (Dealer Business) | | _____ |
| 19. Other Inventory (describe) | | _____ | 59. Land & Buildings (Other) | | _____ |
| 20. _____ | | _____ | 60. Machinery, Tools & Equipment | | _____ |
| 21. _____ | | _____ | 61. Office Furniture & Fixtures | | _____ |
| Prepaid Expenses | | XXXXXX | 62. Leased Vehicles | | _____ |
| 22. Taxes and Interest | | _____ | 63. Other: _____ | | _____ |
| 23. Rent and Insurance | | _____ | 64. Judgments outstanding | | _____ |
| 24. Other Prepaid Expenses | | _____ | Reserve for Depreciation & Amortization (Schedule B) | | XXXXXX |
| 25. Total (Lines 1-24 inclusive) | | \$ _____ | 65. Land & Buildings (Dealer Business) | | _____ |
| Fixed Assets (Complete Schedule B) | | | 66. Land & Buildings (Other) | | _____ |
| 26. Land & Buildings (Dealer Business) | | _____ | 67. Amortization of Leaseholds | | _____ |
| 27. Land & Buildings (Other) | | _____ | 68. Machinery, Tools & Equipment | | _____ |
| 28. Leasehold Improvements | | _____ | 69. Office Furniture & Fixtures | | _____ |
| 29. Machinery, Tools & Equipment | | _____ | 70. Leased Vehicles | | _____ |
| 30. Office Furniture & Fixtures | | _____ | 71. Other: _____ | | _____ |
| 31. Leased Vehicles | | _____ | 72. Total Liabilities & Reserves (Lines 57-71 inclusive) | | \$ _____ |
| Deferred Assets | | XXXXXX | Net Worth | | XXXXXX |
| 32. Deposits on contracts | | _____ | 73. Capital Stock | | _____ |
| 33. Factory reserve or bonus | | _____ | 74. Treasury Stock (if any) | | (_____) |
| 34. Finance reserve including holdbacks | | _____ | 75. Partners' Investments (Partnership) | | _____ |
| 35. Officers notes & accounts (corporation) | | _____ | 76. Other: _____ | | _____ |
| 36. Advances to employees | | _____ | 77. Surplus beginning of Year | \$ _____ | XXXXXX |
| 37. Others: _____ | | _____ | 78. Profit this Year | \$ _____ | XXXXXX |
| Other Assets Not Listed Above | | XXXXXX | 79. Total (Lines 77-78 inclusive) | \$ _____ | XXXXXX |
| 38. _____ | | _____ | 80. Less dividends declared | \$ _____ | XXXXXX |
| 39. _____ | | _____ | 81. Total Surplus | | _____ |
| 40. _____ | | _____ | 82. Net Worth | | _____ |
| 41. _____ | | _____ | 83. Total (Lines 72 plus 82) | | \$ _____ |
| 42. Total Assets (Lines 25-41 inclusive) | | \$ _____ | (Must equal total assets) | | _____ |

(OVER)

Schedule A **SECURITIES OWNED (Line 4 on Balance Sheet)**

| No. of Shares or Face Amount / | Issuer of Stocks or Bonds | Registered In Name Of | Book Value | Market Value |
|---|---------------------------|-----------------------|------------|--------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total present market value to line 4 of statement | | | \$ | |
| None of the above items are pledged as security except items _____ in the amount of | | | \$ | |

Schedule B **FIXED ASSETS AND RESERVES (Lines 26-31 and 58-71 on Balance Sheet)**

| Location of Property | Title in Name of (Specify if Joint) | Assessed Value | Cost or Market Value | INDEBTEDNESS Amount To Whom | Due Date | Depr. Reserve |
|------------------------------|-------------------------------------|----------------|----------------------|-----------------------------|----------|---------------|
| Real Estate, Dealer Business | | | | | | |
| Real Estate, Other | | | | | | |
| Leasehold Improvements | | | | | | |
| Machinery, Tools & Equipment | | | | | | |
| Office Furniture & Fixtures | | | | | | |
| Leased Vehicles | | | | | | |
| Other | | | | | | |

Schedule C **NOTES PAYABLE TO BANKS AND OTHERS**

| Payable To | Security, if any | Date Due | Amount |
|--|------------------|----------|--------|
| | | | |
| | | | |
| | | | |
| | | | |
| Totals to Lines 44 and 45 of statement | | | \$ |

Schedule D **FLOOR-PLAN LIABILITY PAYABLE**

| Name and Address of Finance Company | Number of Units | Amount |
|-------------------------------------|-----------------|--------|
| | | |
| | | |
| | | |

TOTAL

NOTE: If floor-plan liability or the number of units floor-planned under items 52-56 inclusive, exceeds the inventory value or the number of units listed under items 11-15 inclusive, kindly furnish us with an explanation.

I, the undersigned, hereby certify under penalty of 946.32 or 345.17 Wis. Stats., that the foregoing financial statement and supporting schedules submitted on behalf of the herein named applicant are true to the best of my knowledge.

Ic _____ (Signature of Active Officer, Partner, Owner, or Association Member)

MOTOR VEHICLE DEALER, MOBILE HOME DEALER, or SALESMAN BOND

KNOW ALL MEN BY THESE PRESENTS that we, _____ of _____, Wisconsin, as principal, and _____ of _____, a corporation duly licensed and authorized to transact business in the State of Wisconsin as surety, are held firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" as provided under Section 218.01 (2) (h) of the Wisconsin Statutes.

The conditions of this obligation are such that the above-named principal and the above-named surety are firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" in the sum of _____ (\$ _____) Dollars, lawful money of the United States of America, as made and provided under Section 218.01 (2) (h) of the Wisconsin Statutes.

This bond is given to satisfy the provisions and conditions of Sections 218.01 or 218.10 of the Wisconsin Statutes and the duly adopted rules and regulations pertaining thereto, adopting the statutory conditions and rules and regulations by reference.

Within two months after the receipt of a claim, the surety shall either deny liability on the claim and give written notice thereof to claimant, Commissioner of Banking and Secretary of the Department of Transportation, or settle such claim and give written notice thereof to said licensors.

Within ten days of any claim made against this bond said surety company shall mail notice thereof to aforesaid licensors.

This bond shall expire December 31, 19 ____.

Witness our hands and seals this _____ day of _____, 19 ____.

_____ By _____ (Seal)
PRINCIPAL (FIRM NAME)

_____ (WITNESSES AS TO PRINCIPAL) By _____ (Seal)

_____ SURETY COMPANY

_____ (WITNESSES AS TO SURETY) By _____

By _____

NOTE: If signed by agent, power of attorney must be attached. This bond shall be filed in duplicate with the Department of Transportation, the original for said department and the duplicate for the Office of Commissioner of Banking.

MOPED DEALER BOND

KNOW ALL MEN BY THESE PRESENTS that we, _____ of _____, Wisconsin, as principal, and _____ of _____, _____, a corporation duly licensed and authorized to transact business in the State of Wisconsin as surety, are held firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" as provided under Section 218.01(2)(h) of the Wisconsin Statutes.

The conditions of this obligation are such that the above-named principal and the above-named surety are firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" in the sum of _____ (\$ _____) Dollars, lawful money of the United States of America, as made and provided under Section 218.01(2)(h) of the Wisconsin Statutes.

This bond is given to satisfy the provisions and conditions of Section 218.41 of the Wisconsin Statutes and the duly adopted rules and regulations pertaining thereto, adopting the statutory conditions and rules and regulations by reference.

Within two months after the receipt of a claim, the surety shall either deny liability on the claim and give written notice thereof to claimant and Secretary of the Department of Transportation, or settle such claim and give written notice thereof to said licensor.

Within ten days of any claim made against this bond said surety company shall mail notice thereof to aforesaid licensor.

This bond shall expire December 31, 19 ____.

Witness our hands and seals this _____ day of _____, 19 ____.

_____ By _____ (Seal) PRINCIPAL (FIRM NAME)

_____ (WITNESSES AS TO PRINCIPAL) By _____ (Seal)

_____ SURETY COMPANY

_____ (WITNESSES AS TO SURETY) By _____

By _____

NOTE: If signed by agent, power of attorney must be attached. This bond shall be filed with the Department of Transportation.

MOTOR VEHICLE DEALER BOND

State of Wisconsin / Department of Transportation
Pursuant to Ch. 218.01, Wis Stats.

Bond in Force Through

December 31, 19

Motor Vehicle Dealer Name

Dealer Location (City)

, Wisconsin

Surety Company Name

Surety Location (City)

State

The above named motor vehicle dealer, as principal and the above named corporation duly licensed and authorized to transact business in the State of Wisconsin as surety, are held firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" as provided under Section 218.01(2)(h) of the Wisconsin Statutes.

The conditions of this obligation are such that the above-named principal and the above-named surety are firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" in the sum of twenty-five thousand dollars (\$25,000), lawful money of the United States of America, as made and provided under section 218.01(2)(h) of the Wisconsin Statutes.

The sum of not less than \$25,000 shall apply separately to each calendar year during which this bond is effective so that the full sum of at least \$25,000 shall be entirely available "for the benefit of any aggrieved parties" during each calendar year during which this bond is effective; thus, a liability of the surety incurred under this bond for an act of commission or omission occurring in one calendar year shall not reduce the not less than \$25,000 sum available for any other calendar year during which the bond is effective.

This bond is given to satisfy the provisions and conditions of Section 218.01 and in particular 218.01(2)(bb),(h) and (j) of the Wisconsin Statutes and to satisfy the duly adopted rules and regulations pertaining thereto, adopting the statutory conditions and rules and regulations by reference.

Within two months after the receipt of a claim, the surety shall either deny liability on the claim and give written notice thereof to claimant, Commissioner of Banking and Secretary of the Department of Transportation, or settle such claim and give written notice thereof to said licensors.

Within ten days of any claim made against this bond said surety company shall mail notice thereof to aforesaid licensors.

This bond and all obligations under it shall remain continuously in full force and effect through the date shown above and shall also remain continuously in full force and effect beyond that date so long as the principal's motor vehicle dealer license for the previous license year shall remain effective unless the bond is first terminated by surety giving 60 days written notice to both the Commissioner of Banking and the Secretary of the Department of Transportation; notice of termination, however shall not affect this bond respecting any obligation arising prior to 60 days following receipt of a notice of termination by each licensor.

If this bond is terminated and is not immediately replaced with another comparable bond, the principal's motor vehicle dealer license shall be suspended until another comparable bond is obtained.

In witness hereof, principal and surety have signed this bond on this date _____ 19 ____ .

X _____
(Witness to Principal Signature)

By _____
(Principal Firm Name)

X _____
(Witness to Principal Signature)

By X _____
(Signature of Principal Owner, Partner, Officer)

X _____
(Witness to Surety Signature)

(Surety Company Name)

X _____
(Witness to Surety Signature)

By X _____
(Signature of Surety Officer, Attorney-in-Fact)

NOTE: If signed by agent, attach power of attorney. File this bond in duplicate with:
The original for said department and the duplicate for the Office of Commissioner of Banking.

Wisconsin Dept. Of Transportation
Dealers Section
P.O. Box 7909
Madison, WI 53707-7909



State of Wisconsin \

DEPARTMENT OF TRANSPORTATION



RECEIVED

FEB 12 1985

Revisor of Statutes
Bureau

DIVISION OF MOTOR VEHICLES
4802 Sheboygan Avenue
P. O. Box 7949
Madison, WI 53707-7949

January 29, 1985

Mr. Gary Poulson
Assistant Revisor of Statutes
411 West, State Capitol
Madison, Wisconsin 53702

Re: Clearinghouse Rule 84-147
Relating to the Financial Qualifications of
Motor Vehicle Wholesaler and Dealer License
Applicants, Mobile Home Dealer License Applicants,
Motor Vehicle Salvage License Applicants, and
Moped Dealer License Applicants; Trans 140

Dear Mr. Poulson:

Enclosed for filing, pursuant to sec. 227.023, Wis. Stats., is a certified copy of CR 84-147, an administrative rule relating to the financial qualifications of dealers. An additional, uncertified copy of CR 84-147 is enclosed to be used as a printer's copy. This rule is submitted by the Wisconsin Department of Transportation.

Sincerely,

Mary M. Runkel
Executive Assistant

MMR:hml

Enclosures

cc: Sue Gallagher
DOT Office of Transportation Information

FINANCIAL STATEMENT

State of Wisconsin / Department of Transportation

MVD-2195 6-79

Salvage dealer, wholesaler and moped dealer applicants need file only one copy (all others must submit in duplicate).

As at _____ 19____ License Numbers of All Your Dealerships _____

Firm _____
 (Association - Corp. - Partnership - Individual) (Strike Three) Street or RFD _____ City _____ Zip Code _____

Owner _____ President _____
 Partner _____ Vice-President _____
 Partner _____ Secretary _____
 Assoc. Members _____ Treasurer _____

| ASSETS | Amount | LIABILITIES | Amount |
|---|------------------------|---|-----------------|
| Current Assets | | Current Liabilities | |
| 1. Cash on Hand (Not cash in bank) | \$ _____ | 43. Accounts Payable | \$ _____ |
| 2. Cash in _____ | } Show Name of Bank | 44. Notes Payable - Bank (Schedule C) | _____ |
| 3. Cash in _____ | | 45. Notes Payable - Other (Schedule C) | _____ |
| 4. Securities Owned (Complete Schedule A) | _____ | 46. Customer deposits on motor vehicles to be delivered (Attach itemized list) | _____ |
| 5. Contracts in Transit (No. _____) | _____ | 47. Dividends declared (Not paid) | _____ |
| Receivables | XXXXXX | 48. Accrued Payroll | _____ |
| 6. Time contr. held by dealer on M.V.'s or M.H.'s | _____ | 49. Accrued taxes or rent | _____ |
| 7. Time contr. held by dealer on Mdse. | _____ | 50. Soc. Sec., U.C., Withholding | _____ |
| 8. Open Accounts less than 90 days | _____ | 51. Sales tax owed | _____ |
| 9. Open Accounts past due | _____ | 52. No. _____ New cars, cycles, M.H.'s or Mopeds Floor-Planned* | _____ |
| 10. Others (describe) | _____ | 53. No. _____ New trks., Floor-Planned* | _____ |
| Inventories (At cost or book, whichever is lower) | | 54. No. _____ Implements, Floor-Planned* | _____ |
| 11. No. _____ New cars, cycles, M.H.'s or Mopeds | _____ | 55. No. _____ Demonstrators, Floor-Planned* | _____ |
| 12. No. _____ New trucks | _____ | 56. No. _____ Used vehicles, Floor-Planned* (*List in Schedule D) | _____ |
| 13. No. _____ Implements | _____ | 57. Total (Lines 43-56 inclusive) | \$ _____ |
| 14. No. _____ Demonstrators | _____ | Mortgages Payable On: (Schedule B) | XXXXXX |
| 15. No. _____ Used vehicles (at cost or book value whichever is lower) | _____ | 58. Land & Buildings (Dealer Business) | _____ |
| 16. Parts (New) | _____ | 59. Land & Buildings (Other) | _____ |
| 17. Accessories | _____ | 60. Machinery, Tools & Equipment | _____ |
| 18. Gas, oil, grease | _____ | 61. Office Furniture & Fixtures | _____ |
| 19. Other Inventory (describe) | _____ | 62. Leased Vehicles | _____ |
| 20. _____ | _____ | 63. Other: _____ | _____ |
| 21. _____ | _____ | 64. Judgments outstanding | _____ |
| Prepaid Expenses | XXXXXX | Reserve for Depreciation & Amortization (Schedule B) | XXXXXX |
| 22. Taxes and Interest | _____ | 65. Land & Buildings (Dealer Business) | _____ |
| 23. Rent and Insurance | _____ | 66. Land & Buildings (Other) | _____ |
| 24. Other Prepaid Expenses | _____ | 67. Amortization of Leaseholds | _____ |
| 25. Total (Lines 1-24 inclusive) | \$ _____ | 68. Machinery, Tools & Equipment | _____ |
| Fixed Assets (Complete Schedule B) | | 69. Office Furniture & Fixtures | _____ |
| 26. Land & Buildings (Dealer Business) | _____ | 70. Leased Vehicles | _____ |
| 27. Land & Buildings (Other) | _____ | 71. Other: _____ | _____ |
| 28. Leasehold Improvements | _____ | 72. Total Liabilities & Reserves (Lines 57-71 inclusive) | \$ _____ |
| 29. Machinery, Tools & Equipment | _____ | Net Worth | XXXXXX |
| 30. Office Furniture & Fixtures | _____ | 73. Capital Stock | _____ |
| 31. Leased Vehicles | _____ | 74. Treasury Stock (if any) | (_____) |
| Deferred Assets | XXXXXX | 75. Partners' Investments (Partnership) | _____ |
| 32. Deposits on contracts | _____ | 76. Other: _____ | _____ |
| 33. Factory reserve or bonus | _____ | 77. Surplus beginning of Year | \$ _____ XXXXXX |
| 34. Finance reserve including holdbacks | _____ | 78. Profit this Year | \$ _____ XXXXXX |
| 35. Officers notes & accounts (corporation) | _____ | 79. Total (Lines 77-78 inclusive) | \$ _____ XXXXXX |
| 36. Advances to employees | _____ | 80. Less dividends declared | \$ _____ XXXXXX |
| 37. Others: _____ | _____ | 81. Total Surplus | _____ |
| Other Assets Not Listed Above | XXXXXX | 82. Net Worth | _____ |
| 38. _____ | _____ | 83. Total (Lines 72 plus 82) | _____ |
| 39. _____ | _____ | (Must equal total assets) | \$ _____ |
| 40. _____ | _____ | | |
| 41. _____ | _____ | | |
| 42. Total Assets (Lines 25-41 inclusive) | \$ _____ | | |

(OVER)

MOTOR VEHICLE DEALER, MOBILE HOME DEALER, or SALESMAN BOND

KNOW ALL MEN BY THESE PRESENTS that we, _____ of _____, Wisconsin, as principal, and _____ of _____, _____, a corporation duly licensed and authorized to transact business in the State of Wisconsin as surety, are held firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" as provided under Section 218.01 (2) (h) of the Wisconsin Statutes.

The conditions of this obligation are such that the above-named principal and the above-named surety are firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" in the sum of _____ (\$ _____) Dollars, lawful money of the United States of America, as made and provided under Section 218.01 (2) (h) of the Wisconsin Statutes.

This bond is given to satisfy the provisions and conditions of Sections 218.01 or 218.10 of the Wisconsin Statutes and the duly adopted rules and regulations pertaining thereto, adopting the statutory conditions and rules and regulations by reference.

Within two months after the receipt of a claim, the surety shall either deny liability on the claim and give written notice thereof to claimant, Commissioner of Banking and Secretary of the Department of Transportation, or settle such claim and give written notice thereof to said licensors.

Within ten days of any claim made against this bond said surety company shall mail notice thereof to aforesaid licensors.

This bond shall expire December 31, 19 ____.

Witness our hands and seals this _____ day of _____, 19 ____.

By _____ (Seal) PRINCIPAL (FIRM NAME)

By _____ (Seal) (WITNESSES AS TO PRINCIPAL)

By _____ SURETY COMPANY

By _____ (WITNESSES AS TO SURETY)

By _____

NOTE: If signed by agent, power of attorney must be attached. This bond shall be filed in duplicate with the Department of Transportation, the original for said department and the duplicate for the Office of Commissioner of Banking.

MOPED DEALER BOND

KNOW ALL MEN BY THESE PRESENTS that we, _____ of _____, Wisconsin, as principal, and _____ of _____, _____, a corporation duly licensed and authorized to transact business in the State of Wisconsin as surety, are held firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" as provided under Section 218.01(2)(h) of the Wisconsin Statutes.

The conditions of this obligation are such that the above-named principal and the above-named surety are firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" in the sum of _____ (\$ _____) Dollars, lawful money of the United States of America, as made and provided under Section 218.01(2)(h) of the Wisconsin Statutes.

This bond is given to satisfy the provisions and conditions of Section 218.41 of the Wisconsin Statutes and the duly adopted rules and regulations pertaining thereto, adopting the statutory conditions and rules and regulations by reference.

Within two months after the receipt of a claim, the surety shall either deny liability on the claim and give written notice thereof to claimant and Secretary of the Department of Transportation, or settle such claim and give written notice thereof to said licensor.

Within ten days of any claim made against this bond said surety company shall mail notice thereof to aforesaid licensor.

This bond shall expire December 31, 19 ____.

Witness our hands and seals this _____ day of _____, 19____.

By _____ (Seal)
PRINCIPAL (FIRM NAME)

By _____ (Seal)
(WITNESSES AS TO PRINCIPAL)

SURETY COMPANY

By _____
(WITNESSES AS TO SURETY)

By _____

NOTE: If signed by agent, power of attorney must be attached. This bond shall be filed with the Department of Transportation.

MOTOR VEHICLE DEALER BOND

State of Wisconsin / Department of Transportation
Pursuant to Ch. 218.01, Wis Stats.

Bond In Force Through

December 31, 19

Motor Vehicle Dealer Name

Dealer Location (City)

, Wisconsin

Surety Company Name

Surety Location (City)

State

The above named motor vehicle dealer, as principal and the above named corporation duly licensed and authorized to transact business in the State of Wisconsin as surety, are held firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" as provided under Section 218.01(2)(h) of the Wisconsin Statutes.

The conditions of this obligation are such that the above-named principal and the above-named surety are firmly bound to the "State of Wisconsin for the benefit of any aggrieved parties" in the sum of twenty-five thousand dollars (\$25,000), lawful money of the United States of America, as made and provided under section 218.01(2)(h) of the Wisconsin Statutes.

The sum of not less than \$25,000 shall apply separately to each calendar year during which this bond is effective so that the full sum of at least \$25,000 shall be entirely available "for the benefit of any aggrieved parties" during each calendar year during which this bond is effective; thus, a liability of the surety incurred under this bond for an act of commission or omission occurring in one calendar year shall not reduce the not less than \$25,000 sum available for any other calendar year during which the bond is effective.

This bond is given to satisfy the provisions and conditions of Section 218.01 and in particular 218.01(2)(bb),(h) and (j) of the Wisconsin Statutes and to satisfy the duly adopted rules and regulations pertaining thereto, adopting the statutory conditions and rules and regulations by reference.

Within two months after the receipt of a claim, the surety shall either deny liability on the claim and give written notice thereof to claimant, Commissioner of Banking and Secretary of the Department of Transportation, or settle such claim and give written notice thereof to said licensors.

Within ten days of any claim made against this bond said surety company shall mail notice thereof to aforesaid licensors.

This bond and all obligations under it shall remain continuously in full force and effect through the date shown above and shall also remain continuously in full force and effect beyond that date so long as the principal's motor vehicle dealer license for the previous license year shall remain effective unless the bond is first terminated by surety giving 60 days written notice to both the Commissioner of Banking and the Secretary of the Department of Transportation; notice of termination, however shall not affect this bond respecting any obligation arising prior to 60 days following receipt of a notice of termination by each licensor.

If this bond is terminated and is not immediately replaced with another comparable bond, the principal's motor vehicle dealer license shall be suspended until another comparable bond is obtained.

In witness hereof, principal and surety have signed this bond on this date _____ 19 _____.

X _____
(Witness to Principal Signature)

By _____
(Principal Firm Name)

X _____
(Witness to Principal Signature)

By X _____
(Signature of Principal Owner, Partner, Officer)

X _____
(Witness to Surety Signature)

(Surety Company Name)

X _____
(Witness to Surety Signature)

By X _____
(Signature of Surety Officer, Attorney-in-Fact)

NOTE: If signed by agent, attach power of attorney. File this bond in duplicate with:
The original for said department and the duplicate for the Office of Commissioner of Banking.

Wisconsin Dept. Of Transportation
Dealers Section
P.O. Box 7909
Madison, WI 53707-7909