

How to get an Auto Dealer License to Sell Cars – by [Gerard Fairley](#)



Welcome to the exciting business of Auto Sales !

In this ebook, Im going to walk you thru the mechanics of getting your Auto Dealer License thru your local DMV agency. There is a **shortcut** into the business...where you can avoid DMV all together...it called → [Auction Access](#) So..anyway, you want to become an Auto Dealer. Sell used cars . Make Money. Well let me show you how to do it.

Decide how you want to approach your auto dealership business. You may want to go very casual and **not** set up the business name, a website, etc..because its your intent just to buy a few cars a year, ride them around and just rese-sell them on Craigslist or something. Real casual..so you may keep your business discrete like that. Others of you want to set up an official auto dealership business. This ebook illustrates the steps ...the work-flow of going thru the DMV process, and where to file for your business license, etc. Many people think about getting licensed, but eventually give up - frustrated and discouraged in a maze of confusion and the cost. They fall back into the trap of searching through ads every week, playing phone tag with 'almost customers', and driving around town all day hoping to find a deal, while the licensed dealers are at the dealer auctions and new car dealerships buying cars at below wholesale.

Remember all states make it a misdemeanor **crime** to buy and sell cars (for profit) without an auto dealer license. States regulate this by putting a strict limit on how many cars you can sell per year as a private party.

SUMMARY – 12 step check list

Note: The particulars vary from state to state...but this is a very accurate description of the necessary steps and requirements you will need regardless of what state you live in...in order to be approved by DMV for your Auto Dealer License and get your metal dealer plate(s).

Step 1

PRE-LICENSE CERTIFICATE OF COMPLETION

All states will require you to complete some kind of Pre-License course with an approved license school. This Pre License certificate is required to obtain your dealer's license. The certificate of completion from the pre-license class is usually valid for 6 months. Your local DMV will have a list of providers.

Step 2

BUSINESS CORPORATE STRUCTURE

Determine what your business structure will be, such as a corporation or LLC. I recommend working with a licensed professional such as an attorney, CPA or accountant to determine what the structure of your business should be. Options include: CORPORATION: S or C; LLC; LLP; SOLE PROPRIETOR; or PARTNERSHIP (Sole Proprietors working in partnership)

- If Corporation, a copy of Corporate Charter, Articles of Incorporation, and Minutes Reflecting Current Officers are required
- If Limited Liability Company, Articles of Organization and Operating Agreement are required.
- If Partnership, a Partnership Agreement is required
- If using a Fictitious Trade Name or "DBA" (does business as), a copy of the filing

Step 3

FEDERAL EMPLOYER I.D. NUMBER

Obtain Federal Employer I.D. Number or Social Security Number and Affidavit. Also known as EIN number. Go online to www.IRS.gov (or) call or visit a local IRS office.

Step 4.

APPROVED PROPERTY LOCATION

The dealership location must meet specific location requirements and be approved by a DMV Compliance Examiner. You will need to include a copy of your lease or proof of ownership with your application.

- Location Requirements:
- Cannot operate from your personal home residence
- Office must be a minimum of 100 square feet
- Must have enough parking spaces for the number of anticipated cars
- If sharing building, must have separate entrance and separate address
- Principle business must be Auto Sales
- Verify that a dealership is allowed at your desired location (Zoning regulations)

These are questions you may need to ask DMV :

- Can there be a dealership at that address or inside an area? If the answer is yes then also ask what is required by Code Enforcement.
- Does that governing agency have licensing requirements?
- What about Sign Ordinances?
- Does City Hall have their own requirements?

Step 5. Building Sign

Sign must be installed prior to submitting application. The sign must include the days and hours the business is open, and the sign must be visible from the roadway.

The sign must include the following:

- Days and hours posted
- Be visible from the roadway
- The sign image and dimensions must be provided to the compliance coordinator in advance

Step 6.

SALES TAX NUMBER

States require you to have a Sales Tax Registration Number. Go online to download your forms and apply for your state tax id number.

Step 7.

SURETY BOND AND GARAGE LIABILITY INSURANCE

You will be required to obtain a Surety Bond and Garage Liability (in some states) Policy coupled with an automobile policy for at least \$25,000 along with PIP Personal Injury Protection of \$10,00 or more

Step 8.

Finger Prints

Electronic fingerprinting may only be obtained from an approved vendor. Your local DMV will have an approved provider list. Some states require a more stringent background check.

Step 9. Deeds, Lease Agreements

A deed needs to be in the name of the dealership, not you. A contract is between the dealership and the landlord. If you own the property personally then you are also the landlord and need to register with the Department of Revenue for a sales tax number.

Step 10. Photos

Take photos of your dealership's entrance, parking area and spaces for your application. Take photos of your dealership to include with your application. 1. Dealership Entrance 2. Display and Inventory 3. Parking area and spaces

Step 11. DMV AUTO DEALER LICENSE APPLICATION

You can probably download your state DMV Auto Dealer License Application. If not, go to your local DMV and pick them up. The DMV application fee is usually between \$175 and \$400.

Step 12 Finalize

Once your application is complete, ensure that you have proper permits from the state, county, and city for your business. At this point you are waiting for final approval.

Ground Zero

Set up of your business

The beginning is the most important. Decide what you want to name your company. Decide what kind of business you are going to have..who you are going to target..what local region and/or demographic...what types of cars..what prices points. Jot this stuff down on paper...not just on a computer. It will be useful to refer back to when you hit a little bump in the road. This is also the baseline of your business plan.

You are creating your own success story..based on a few key fundamentals. So think of a name that reflects your vision and passion...and let's get to work.

Its helpful at this time while you are creating the identity (the brand or soul)of your company to think of a suitable website name (URL). In this day and age, you will in find and attract most of your clients online - thru various portals on the internet (social media, websites, YouTube, etc). Don't agonize over this ...but do give it some



thought...especially from an SEO perspective. SEO is search engine optimization. If you were focusing your brand in the South Florida area, you might use something like → SoFloridaAutoMall.comor something like that. You want to put your mind on the idea that you want to build a up a digital representation of your brand. SEO is going to drive organic traffic to your website based on the type of content you have contained there. Content starts with your URL website name. This is why I named my website autodealerlicenew.com because that is the sole purpose of the website broken down to its constituent business keywords.

If you plan to sell cars on an *official* basis...you will be carrying inventory of some kind. A website allows you to showcase this inventory at all hours of the day and night. You are just starting out so you don't want to incur too many upfront costs; a simple website will do for now (you can scale up later as money starts to roll in). There are many outfits online that will sell you a decent template website for \$250. Or you can create your own (wordpress, wix, etc.).

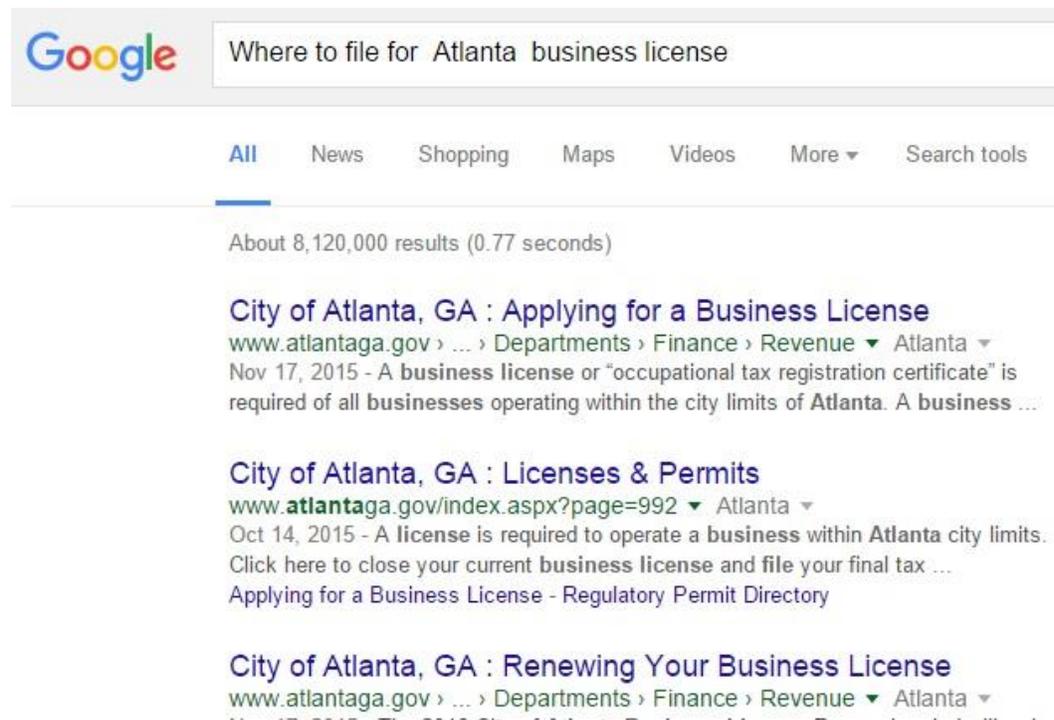
Another aspect to think about is creating a suitable email address in which to do your business. You can have a domain email address that looks more professional... such as this: gerard@autodealerlicenew.com or you can create something like → phillyautodealer4you@hotmail.com

These are the main tools that you will use to connect and stay connected to your customers and potential customers. You are running a professional business. The more you reflect this, the more you will get back in terms of high quality customers you will refer you to their own family, friends and professional networks.

After you Decide the name of your business – you will need to go register it at your local County Clerk or City Hall. Do a search for your local city .. For example I live in Atlanta, Georgia... so I would go to Google and do a search like this → “Where to file for Atlanta business license” I would then go down to city hall and file the necessary paper work.

Its my strong advice that you create a street address (UPS store or MailBoxes Etc) ...(\$20-\$35 monthly) ...and use this address when you file your business license. You can use your business name as sole proprietor or it can be your LLC .

You are only doing this until you actually get your building. Once you get your retail location, you can use the retail location on your DMV application. For right now, you are just registering your business name and getting a business license.



Remember, your business can operate under a different name than your company name. (A "doing business as" form takes minutes to complete.) And you can change your company name later, if you like.

Prepare a business plan. Writing up a business plan is an essential element in every business. If you are planning to have success..., it's crucial that you have a clear and well thought out business plan. At some point you may want to get a Dealer Floor Plan (financing for vehicles) and you will need this to show your creditors and licensing authorities that you are serious and committed, and have good business sense.

A business plan is no guarantee for success. It is, however, a prerequisite. Put some thought into this... Before you even go to DMV for any forms, spend a few days on your business plan. Do some research..and get a good feel for what you are about to get into. You may have car experience in the past, but now that you are going for your Auto Dealer License, you need all

your ducks lined up in a row. Everything has to be documented. Go here and download a free Auto Dealer Business Plan Template. Just plug in your information and the software will generate a complete business plan for you. <http://www.biztree.com/doc/car-dealership-business-plan-D11939>



The screenshot shows a web browser window with the address bar displaying www.biztree.com/doc/car-dealership-business-plan-D11939. The browser's address bar also shows several open tabs, including "Pin It", "My Sites", "www.gwinnettcourt...", "RE-EDUCATE YO...", "https://www.youtub...", "Bookmarks", "Trinity Academy | ...", "Abraham Hicks ~ 3 ...", and "Bashar - Brick Walls ...".

Car Dealership Business Plan

- 1 Fill-in the Blanks
- 2 Customize Template
- 3 Save As, Print, Share, Sign, Done.

Download Template App

Get 1.800+ Business Document Templates
To Help You Streamline Your Business

[INSERT IMAGE/LOGO]

[YOUR COMPANY NAME]

Below are ten fundamentals of a business plan and a brief description of each:

1. Vision – The Executive Summary. Every team needs a vision of what the future will be like when you reach your goals and are operating successfully. The executive summary is an abbreviated summary of that vision. It dictates who you are, what you do, why you do it and how you are going to achieve your goals. It contains your vision statement and the reason for going into business. What needs in the market place do you seek to fulfill ?

2. History – A brief account of the company's roots and how it began. Remember, history can be boring for many readers, so keep this section short and sweet. Talk about you, why you want to get into the car business. What are your qualifications? It's relevant because it illustrates the foundation of the company and gives insight to the direction of the future.

3. Goals and Objectives – Every organization or team needs goals that are SMART (Specific, Measurable, Achievable, Realistic and Time-Phased). Goals provide a target on which the team can focus their thoughts, actions and energy. Every goal needs objectives that serve as the stepping stones that pave the way to its attainment. Goals and objectives give the team clarity for its vision. They provide joint direction that helps guide the team and build momentum. How many cars do you want to sell per month ? How fast do you want to grow your business?

4. The Team – Biographies of the Key Players. Every team has all-stars. These are the players in key roles who are charged with executing the business plan. No matter how good the plan is, its ultimate success depends on the talent and drive of the key players. The best-laid plans will ultimately fail without a focused and talented team, just like the best teams and best players will ultimately lose without a game plan. Don't hold back either. This is your opportunity to sell your team to the world—be loud and be proud. If its just you for right now...that's groovy too 😊



5. The Product or Service – This is what you do, why people pay you money. This section describes in detail the product(s) or service(s) you offer. Be specific. Be different. This is the “secret sauce” about your business that you’re selling. You have to sell it to yourself, to employees, to investors, to banks and ultimately, to customers. As a car dealer, you must be able to answer the most basic of questions: Why should I buy a vehicle from you?

6. How do you plan to market your business? Marketing is all about understanding the needs of your customer and who they are. This is where you describe your niche in detail to illustrate your understanding of your customer and why they will choose you. Why are they going to buy cars from you? The Market – Wikipedia defines consumer market research as “a form of applied sociology that concentrates on understanding the behaviors, whims and preferences of consumers ... and aims to understand the effects of comparative success of marketing campaigns.” The marketing section of your plan has a distinct and important purpose of describing the market demographics of your business. This will include your advertising budget and where you plan to spend that money (social media, print, radio, etc.)

7. Strategy - The strategic section of your plan is the nuts and bolts of your business idea. This is where you describe in full detail your game plan for winning. This is where you describe how you’re going to achieve your goals and objectives. Where you are going to get your cars from. How many per month. How much you plan to spend on your cars and what are the re-sell price points. Where do you plan to re-sell your cars at..and with what budget. This section is the skeleton and support beams that holds together the entire plan by laying out a detailed strategic plan of action and allows for you to keep a God’s eye view of your business at all

times. Once you know your core strategy, you can channel your resources accordingly and make any adjustments as necessary.

8. Financial Projections – The financial projections section of a business plan typically accounts for a five-year period—two years of historical and comparative data and three years of informed projections based on the demand of the market and the company’s ability to meet a percentage of that demand. But hey, you are just starting..so do your best to come up with a three (3) year projection. It will help you put a dollar figure up on the board and a goal to shoot for. It will help you build the trajectory of your business. It will also be needed in the event you seek some outside funding from a bank or investor. Take my advice....first let your imagination run wild...then let your logic come in and edit. Let your logic do the clean up.

Example:

Say for instance you figure that your net target profit for each vehicle is \$1,200 and you project to sell four (4) per month in the first six months of the year. In the later 6 months of the year, you want to increase your vehicle target profit to \$1,750 per vehicle... and sell six (6) cars per month. Continue building on this model. Scale up. Scale up.

9. Exit Strategy – Most businesses have a specific life cycle. They start up, they grow, they change hands, they go public, etc. You may decide to sell your auto dealership and retire in Florida. The exit strategy depicts the projected life cycle of the business and the long-range plans of the owners (you). It also lays out a detailed exit plan for any investors (your parents..the bank, etc) as a way to specify and minimize the financial risk of their investment in your company.

10. SWOT Analysis – The final section of a business plan candidly highlights four strategic factors of influence that are used to evaluate the Strengths, Weaknesses, Opportunities and Threats of a business. The first two factors highlight the key strengths and weaknesses of the organization while the second two illustrate the current opportunities for expansion and threats to the existing business model. The purpose of the SWOT analysis is to identify the internal and external factors that will affect the ability of your company to achieve its stated goals. The factors like buy and selling of your cars (inventory), lease payments on your building and land lot. Did a competitor spring up across the street ? Are you spending more or less in advertising than last quarter or last year ? etc.

Get your Employer Identification number (EIN)

An EIN is the federal tax number used to identify your business. You don't need an EIN unless you will have employees or plan to form a partnership, LLC, or corporation.

W-9
Form (Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: Individual/sole proprietor Corporation Partnership Limited liability company Other (see instructions)

Address (number, street, and apt. or suite no.)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided should be the same as the one given on Line 1 to avoid backup withholding. For individuals, this is your Social Security Number (SSN). However, for a resident alien, sole proprietor, or partner, see the instructions on page 3. If you do not have a number, see How to get an employer identification number to enter.

Social security number
or
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person

Date

But even if you don't need an EIN, get one anyway: It's free, takes minutes, and you can keep your Social Security number private and reduce the chance of identity theft, because if you don't have an EIN, your SSN identifies your business for tax purposes.

An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. Generally, businesses need an EIN. You may apply for an EIN in various ways, and now you may apply online. This is a free service offered by the Internal Revenue Service and you can get your EIN immediately. You will need an EIN if you answer "Yes" to any of the following questions.

Do you have employees?	YES	NO
Do you operate your business as a corporation or a partnership?	YES	NO

Do you file any of these tax returns: Employment, Excise, or Alcohol, Tobacco and Firearms?	YES	NO
Do you withhold taxes on income, other than wages, paid to a non-resident alien?	YES	NO
Do you have a Keogh plan?	YES	NO
Are you involved with any of the following types of organizations? <ul style="list-style-type: none"> • Trusts, except certain grantor-owned revocable trusts, IRAs, Exempt Organization Business Income Tax Returns • Estates • Real estate mortgage investment conduits • Non-profit organizations • Farmers' cooperatives • Plan administrators 	YES	NO

Note: If you're using an online legal service to set up an LLC or corporation, don't use it to get your EIN. Instead, apply online at the IRS website. You'll have your EIN in minutes. And it's free.

Applying for an EIN is a free service offered by the Internal Revenue Service. Beware of websites on the Internet that charge for this free service.

The IRS [Internet EIN](#) application is the preferred method for customers to apply for and obtain an EIN. Once the application is completed, the information is validated during the online session, and an EIN is issued immediately. The online application process is available for all entities whose principal business, office or agency, or legal residence (in the case of an individual), is located in the United States or U.S. Territories. The principal officer, general partner, grantor, owner, trustor etc. must have a valid Taxpayer Identification Number (Social Security Number, Employer Identification Number, or Individual Taxpayer Identification Number) in order to use the online application.

Now it's time to head to your locality's administrative offices (City Hall)

Register your trade name

If you won't operate under your own name, your locality may require you to register a trade name. In most cases, you'll get approved on the spot.



Get your business license

General Business License – Check with your state or local government to find out what types of local licenses you might need. There is typically a nominal filing or administrative fee associated.

Your county or city will require a business license. The form takes minutes to fill out. Use your EIN instead of your Social Security number to identify your business (for privacy reasons if nothing else).



Determine if you need to file incorporation papers. In some cases you will be required to submit various incorporation papers together with your other application materials. In general, this will only apply if you are filing as a Corporation, Limited Liability Company, or a Limited Liability Partnership owned business. If you are in any doubt, speak to an advisor at your local DMV who will be able to provide you with information specific to your case.

The kind of documents you will be asked to submit include Articles of Incorporation, Corporate minutes, or other documents which identify the share holders, managers and officers.

You may be asked to estimate annual gross receipts. Do your best to estimate accurately, but don't agonize over it. You're just providing an estimate.

Ask your locality about other permits

Every locality has different requirements. In my area, for example, a "home occupation permit" is required to verify that a business based in a home meets zoning requirements.

Your locality may require other permits. Ask. They'll tell you.

Get a business bank account

One of the easiest ways to screw up your business accounting and possibly run afoul of the IRS is to commingle personal and business funds (and transactions). Using a business account for all business transactions eliminates that possibility.



Get a business account using your business name and EIN, and only use that account for all business-related deposits, withdrawals, and transactions.

Pick a bank or credit union that is convenient. Check out your local credit unions; often they provide better deals than banks.

Set up a simple accounting spreadsheet.

Worry about business accounting software like QuickBooks later. For now, just create a spreadsheet on which you can enter money you spend and money you receive. I advise you either get a copy of Microsoft Professional Office..it includes Excel Spreadsheets or Google Docs. I love Google Docs... it's a more modern version of Office..its free and all you need is a wifi. Microsoft charges a subscription fee for their software...so it really only makes sense to use it (Office) if you use Microsoft Outlook for your email. Google Docs has some useful features such as messaging within a document or file, collaborative editing, etc etc..and you can even access most of their apps on your smartphone.

Bookkeeping is simple, at least at first. All you need are Revenue and Expenses columns; you can add line items as you go.

Ok..now that you have set up your virtual back office...all of this can be on a laptop...Now you need your physical location.

You can do it at any point in the process (usually), but Its my suggestion to do your **pre-licensing** for your Auto Dealer License as soon as possible. While education is a pre-requisite for your license, it breaks down into two categories.

- Pre-License Education
- Continuing Education

All states require some kind or pre-license education course that you have to show proof of completing...before you can be approved for your license. Some states will require you to actually take a DMV issued test after your pre-license course. For other states the actual course completion certificate is adequate. But either way, you will be ready. So get this done early on in the process. Call your local DMV for provider list...many DMV agencies have this as a list on their website or downloadable PDF. Only go to these approved providers. You don't want to risk doing some online course that says that they are approved by such and such state...and when you actually submit your proof of course completion to DMV...you get rejected ☹

The auto dealer serious about their business must plan to renew their education certification every 6 months or a year. Do not take this lightly. Education is a big part of your arsenal of tools in terms of being successful in this business. Topics covered range widely from consumer protection and awareness, to the latest regulations and laws passed, to technological improvements in the industry and more.

Secure your retail location

Call your DMV and tell them you want to open a used car business and ask them what are the specific minimum building size, and land lot requirements .

Do this first and right away. The building and land lot requirements are going to cost you the most amount of money and time to acquire. Start right away. If you don't have at least \$5,000 - \$10,000 laying around for this...then you are not ready yet.

Before you actually fill out and submit the application for your Auto Dealer License...you have to have your location in place already (including lease agreement and pictures). So how do you do this ? You contact DMV as earliest as possible and get those minimum building requirements...and start your search. The idea is everything will line up at the right time.

You will need to submit a copy of a fully signed and authorized rental lease or proof of ownership. There are a number of requirements for the site itself (square footage, etc.) which will vary according to your location. But your site will need to comply to all the relevant local building codes, zoning and land-use ordinances depending on your dealership type.

You are going to have to look for a suitable building and land lot that are already together. The easiest way of course is to buy an existing car business...who you know already has their zoning in order. But of course you probably won't get it this easy. My advice is to call your local DMV first and ask what zoning code your used car lot and business have to be contained in. Every city and local region is different. The easy way is pay a broker a fee to find the land space for you. Go to Craigslist or Google and type in "Commercial Business Broker" and "Commercial Real Estate Broker" with your local city and find someone in. The principal value of a business broker is to act as a buffer between the buyer and the seller. A broker can say certain things to a buyer and certain things to a seller and wind up with a productive discussion. The broker can tell the owner the price is too high, relay what has to be done to make a deal--very openly and candidly--and discuss how the differences in viewpoint can be ironed out effectively.

If you're in the market to buy an existing used car business, a broker can help you find businesses for sale that fit your parameters, including location, size and price points. The broker will typically charge you a commission of 5 to 10 percent of the purchase price, but the assistance brokers can offer, especially for first-time buyers, is often worth the cost. However, if you're trying to save money, you might want to consider hiring a broker only when you're near the final negotiating phase. Brokers can offer assistance in several ways:

Prescreening businesses for you - Good brokers turn down many of the businesses they're asked to sell, either because the seller won't provide full financial disclosure or because the business is overpriced. Going through a broker helps you avoid these bad risks.

Helping you pinpoint your interests. A good broker starts by finding out about your skills and interests, then helps you select the right business for you. With the help of a broker, you may discover that a location suitable for your business, that is not listed or on Craigslist. Remember a broker has the local connections and resources that you do not.

Negotiating - During the negotiating process is when brokers really earn their keep. They help both parties stay focused on the ultimate goal and smooth over problems.

Assisting with paperwork - Brokers know the latest laws and regulations affecting everything from licenses and permits to financing and escrow. They also know the most efficient ways to cut through red tape, which can slash months off the purchase process. Working with a broker reduces the risk that you'll neglect some crucial form, fee or step in the process. your area.

Just let them know what you need and let them to find for you a vacant building and lot in your budget...that complies with necessary zoning for a used car business. Let the broker do the work for you...he wants the sale. More often than not, the broker (or owner) will negotiate for you the first 3-6 months free in your lease agreement. This gives you time to get your sign put up , a telephone land line put in and fill out our DMV auto dealer license application.

Yes...the building may cost you a few thousand dollars in deposits...just make sure you have an agreement in place with the land owner that says you can walk away if you are not approved for your auto dealer license by DMV. The terms may include that you lose one month deposit...or something like that. Because remember, you are going thru the DMV process and your auto dealer license will not be approved until you can show proof (pictures) of your car lot, building signage and place of business.



In general, you will need an exterior sign attached to the land or the building which clearly indicates the name and nature of the business (used cars). You will also need working telephone land line and a listed phone number. You will need adequate space to carry out all

administrative and financial work. You will have to include photographs of your site with your application. You should be prepared to get the location approved by the DMV inspector.

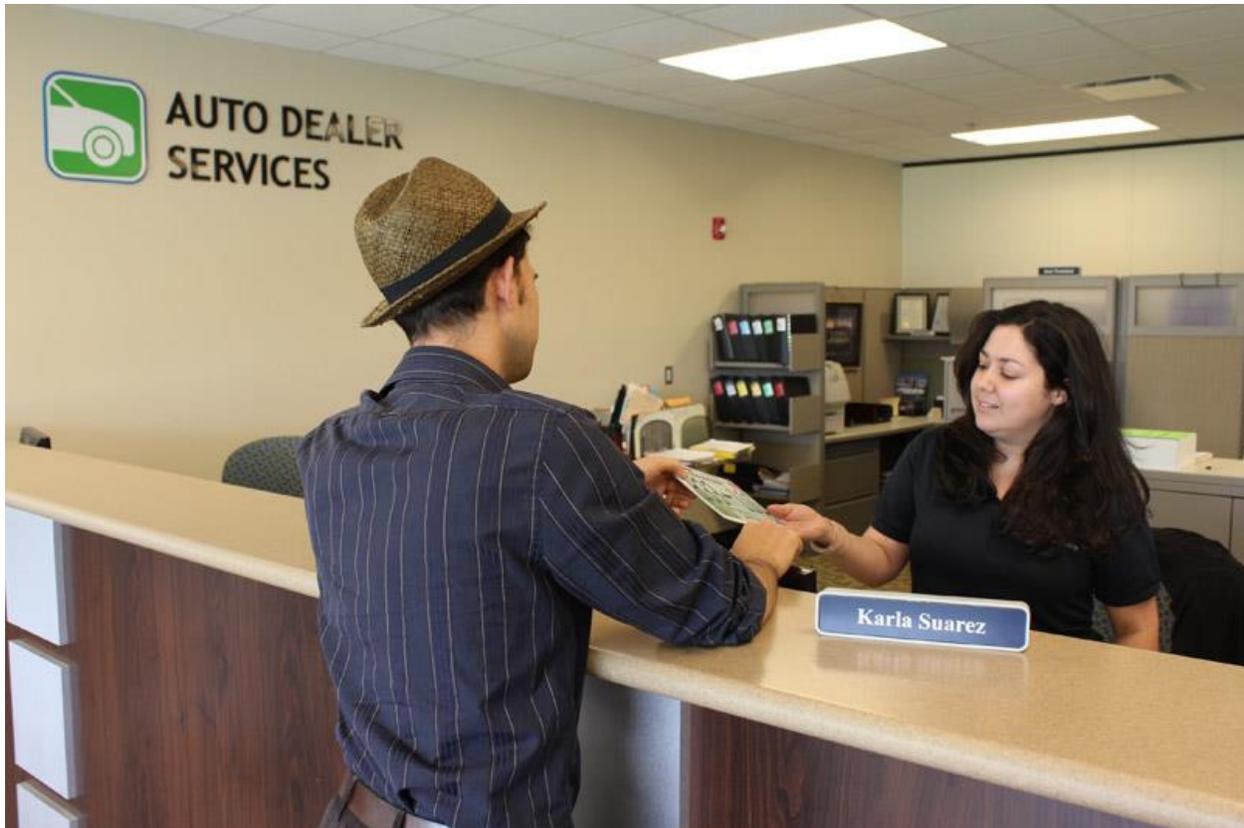


Complete your DBA name statement. A DBA (doing business as) name is any name that is different from your own. For example, if you are called "Big Mike" and you want to name your dealership "Big Mikes' Autos", you are not using a DBA name. But if you want to call it basically anything else, you are. "DMV Auto Group", "Luxury Carriers", "Cars and Drivers" anything that isn't your actual name is a DBA name.

You need to register a fictitious name to get the fictitious name statement, and this can take a couple of weeks. This statement is required to be submitted along with your application.

Figure out what kind of License you want to get. The states usually have several Class types or classifications.

The type of license you need depends on the type of business you intend to operate. If you are reading this ebook..most probably you want Class B License that your local state DMV issues.



Class A (New Vehicle Dealer) - A licensed new vehicle dealer buys and sells new vehicles under a franchise agreement or contract with the manufacturer of the new vehicle.

Class B (Used Vehicle Dealer) - A licensed used vehicle dealer buys and sells used vehicles.

Class C (Used Vehicle Parts Dealer) - A licensed used vehicle parts dealer buys or otherwise acquires late model major component parts for resale, either at wholesale or at retail. The dealer may also acquire whole vehicles to dismantle for the resale of parts, selling the remainder as scrap.

Class D (Broker) - A licensed broker is a dealer who, for compensation, brings a buyer and seller together, negotiates the terms of a transaction, or displays a vehicle offered for sale. In the broker's role regarding the sale, purchase, lease or exchange of vehicles or salvageable parts,

the broker does not have title or other legal interest in the vehicle or salvageable part. A person who conducts a vehicle auction is a type of broker and requires a Class D license.

Class E (Distressed Vehicle Transporter) - A licensed distressed vehicle transporter dealer may buy, transport, and sell vehicles only to a Class C Used Vehicle Parts Dealer; Class F Scrap Metal Processor; or Class R Automotive Recycler.

Class F (Vehicle Scrap Metal Processor) - A licensed vehicle scrap metal processor dealer processes vehicles into scrap metal by shredding, shearing, fragmenting, baling, or similar means. Crushing is not considered a scrap metal process since it is not the final step before remelting.

Class G (Vehicle Salvage Pool) - A licensed vehicle salvage pool dealer stores and displays damaged or distressed vehicles for insurance companies.

Class H (Foreign Salvage Vehicle Dealer) - A licensed foreign salvage vehicle dealer is licensed in another state and is engaged in this state in the business of purchasing, selling, or otherwise dealing on a wholesale basis in salvageable parts or late model distressed vehicles. This dealer buys or otherwise acquires late model major component parts for resale, either at wholesale or at retail. The dealer may also acquire whole vehicles to dismantle for the resale of parts, selling the remainder as scrap.

Class R (Automotive Recycler) - A licensed automotive recycler dealer buys or otherwise acquires late model major component parts for resale, either at wholesale or at retail. The dealer may also acquire whole vehicles to dismantle for the resale of parts, selling the remainder as scrap.

Class W (Wholesaler) - A licensed wholesaler dealer engages in the business of buying and selling used vehicles from and to licensed vehicle dealers. Wholesalers may not buy, sell or otherwise deal in vehicles to a person other than a licensed vehicle dealer.

Now remember each state has certain requirements for becoming a car dealer, and you will need to become familiar with yours if you want to do this right. The requirements can vary significantly, so there's no shortcut to investigating the rules and application procedures for your state. You have to go there with a sunny disposition. Mindset determines how your experience turns out. Bring all of your documentation you have so far with you in a folder. Tell the intake Clerk at DMV that you want all of the necessary applications to get your Class B (used car dealer) Auto Dealer License. You will be given an assortment of papers and applications to fill out.

Get all of the applications you need. Once you have accessed the appropriate forms (some states allow you to download them all), begin the progress of reading through them and planning out your responses to all the questions. Before you actually start filling in the form you will need to have a very solid understanding of your proposed car dealership. Gather all the documentation. Your state's DMV will most likely be able to provide you with their specific checklist so you can ensure that you haven't missed anything before you go ahead with the application. But rest assured, the 12 step check list I provided earlier in this document; covers all the bases. Everything you need to do (pre-licensing, etc), is contained there. Everything you need to have (building, documents, etc.), is also contained there.



Depending on the license, the forms will require you to give detailed information about aspects of the business, such as lot size, phone lines, office requirements, business hours, and filing systems.

So, let's just quickly review the **Documents and Information** that your local state DMV office will ask you to provide, in order to process your Auto Dealer License application:

All proposed dealers must complete a paper or digital application; have an established place of business; obtain fingerprints through a state sanctioned provider and provide copies of Articles of Incorporation (your LLC) or Assumed Name Filing for the business (DBA).

New and Used vehicle dealers must also have minimum level of No-fault fleet type insurance; either their own registered repair facility or an agreement with a registered repair facility; and at least 2 dealer plates.

Used vehicle parts dealers and automotive recyclers must have evidence of Worker's Compensation insurance or a notice of exclusion.

Be sure your proposed car or land lot is in the appropriate zoned area. Check and double check with your local Municipality: An applicant for a dealer license (with the exception of a foreign salvage vehicle dealer - Class H license) must provide written verification from the appropriate municipal and zoning authority that the applicant's established place of business meets applicable municipal and zoning requirements. Municipal and zoning approval forms will be included with a dealer license application and must be completed by the appropriate municipal and zoning authority. Self-certification by the applicant will not be permitted.

Established Place of Business: An established place of business is a place where the dealer keeps his books and records and conducts business. All applicants for a new or used vehicle dealer's license must certify that the business location meets the expanded established place of business requirements. Obtain a place of business, making sure that the location meets all zoning requirements. Take photos of your place of business that feature the sign and building prominently in the picture

Established a permanent phone at your place of business, making it easily verifiable; unlisted numbers are not acceptable.

Most states require you attend a pre-licensing seminar and you may have to pass a written test.

Surety Bond: Applicants for a new vehicle dealer, used vehicle dealer, or broker's license must obtain a surety bond. A surety bond is like an insurance policy and can be obtained from insurance companies or bonding companies. Different states have different minimum bond requirement amounts ...\$20,000 and higher. Auto dealer bonds are required from car

dealerships in every state. You shouldn't confuse them with insurance. While your insurance protects the cars you sell, auto dealer bonds serve as protection for your customers. By posting an auto dealer bond, you promise to run your business ethically. That means knowing the state's rules and regulations and acting in accordance with them. It also means treating your customers fairly and not using fraudulent business methods.

An auto dealer bond is underwritten by a surety bonds company, which guarantees that you are capable of keeping the agreement. This makes the surety legally responsible to cover all losses, caused by any negligent behavior on your part. Of course, it makes you legally responsible too. Auto dealer bonds go by other names too, such as MVD bonds, DMV bonds or used-car dealer bonds



Apply for a surety bond. You can usually get a quote from bond companies for free or for a small fee. You will have to have a good credit history, and your financial paperwork must be in order to be successful. If the quote is favorable, you can apply for a bond using the bonding company's form. You will have to provide information about your business and specify the amount of bonding needed. You will also have to sign a credit release agreement.

Depending on your locality and circumstances, it may be possible to submit cash, a certificate of deposit made payable to the DMV, or a passport account assigned to the DMV, in lieu of a surety bond.

After you have submitted all of your paperwork... Now you wait. Once you have submitted everything it is a waiting game. There is unfortunately no fixed amount of time it takes to process your application and again this is likely to vary from state to state. Some state will get your application processed and your Dealer Plates issued to you within 90 days.... But be

prepared to wait up until 120 days... So that means you have to have your building rent paid for at least 3 months before you can even legally do business out of it. It's a safe bet that if you are going to launch your auto dealership with the right level of finance, be prepared to have 6-9 months of expected bills (and contingency money) pre-paid and/or sitting in your bank account. This is not including your start –up inventory.

As you can see, to become a used Car Dealer can be an arduous and multistep process. After you spend a few thousand dollars securing your building, car land lot, phones, building signage and surety bonds ...the actual approval from start to finish can take you several months. And yes, this is the official entry point from your local DMV stand point.

If you are going to DMV..please make sure your nose is clean..they will dig into your past. You are getting Dealer Plates, so the Federal Government is lending its oversight and layer of scrutiny.



Pass the background check

Before you do too much work on the application process, it's a good idea to be confident that you pass the background check that most states and most bonding companies will require. The tests will seek to determine whether you have not only a solid financial history, but also have no crimes in your past that might be a problem.

The check isn't only concerned with past crimes, but also looks for examples of what the DMV call "moral turpitude" that might indicate somebody who wouldn't run an ethical dealership

Most people enlist an aid of a broker to help them through that process of becoming a state certified DMV auto dealer licensee. So that takes a while. It could take you several months. Paperwork filling up, ...and of course the more costs !

And then [there is our program](#), and similar programs like ours., where as you actually become a "sponsored dealer" under a dealer. Yes, we put you under a Dealer – a dealer who has already gone through that process of being certified by the state. The state says, okay, yes. Dealer so and so is now DMV certified. Here is your dealer number and your dealer license. And so what we do with our program is we put you under a dealer who is already certified by DMV, who already has the building and a signage etc. etc. And so thereby you are meeting those requirements of having that without actually having it. You can even get a metal Dealer Plate tag to put on that back of your cars. Ask us about details.

Yes, you will be a Dealer under a Dealer..you can do business in your name or LLC

You don't need a car lot if you become a "Dealer under a Dealer" in our network. This is what our program provides.

A network of Dealers that are DMV certified in every state. This is the only way to legally circumvent DMV requirements for land/car lot, land line...building signage, etc.

The Sponsored Auto Dealer License allows you to Work from **home** buying and selling cars.

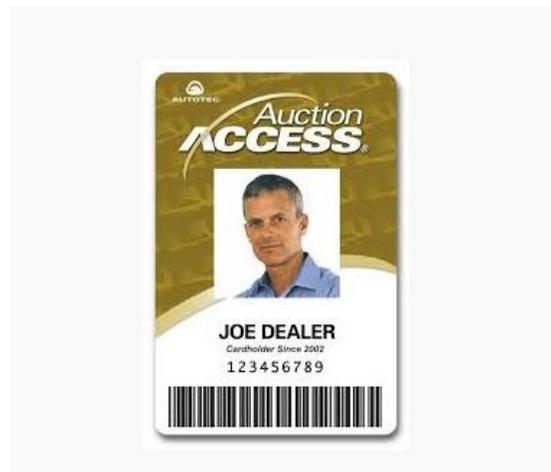
Buy vehicles from exclusive Adesa or Manheim Dealer Auctions in every state of the U.S., including Canada. No limitations.

Full training and support.... where to go and how to sell your cars.

==== Bonus Material =====

How to Bid on Vehicles at Auction

Some Tips for Buying a Car at Auction - Go to a few auctions before actually participating in one yourself. Get to know some of the players. Yes, actually ATTEND the auction in which you are bidding cars on. Sure, you can bid online (many people do) phone, but would you really buy a car you hadn't seen? Do you really think that anyone ever brought a vehicle online that was better than they expected?



The # 1 Rule is

Always be ready to walk away...

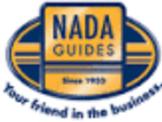
Never get caught up emotionally in a bid for a vehicle. Don't Get Caught Up in the Bidding It's easy to get carried away during bidding. Energy is high. Excitement is there...your heart is pumping....your blood is racing. Yeah, but don't do it. You will wind up winning the bid, yeah...but also wind up spending hundreds more than a car is worth. Don't pin all your hopes on one vehicle. Be ready to walk away. You have to have at least 5-10 vehicles that you have

your eye on...and still be ready to walk away if none of them match your financial criteria. Decide what your criteria should be.. like half of the street value... or something like that. You have decide ahead of time..how much profit you want to make on a car. Always add additional \$250 for selling costs. Add additional \$300-500 for mechanical costs and prep. Now if you do all that and you can not see at least \$1,500 profit on that vehicle...then leave it. It will not be worth your time. I always like to shoot for my target of doubling my money. If I pick up a vehicle for \$2,000 ...its because I have already calculated its "Street Value" to be at least \$4,500.



Know Car Values Before You Bid

This is probably where most people don't spend enough time in preparation. Do your research. The idea of bidding online is not to actually bid online...but to see what cars are available. Look thru and pick out 5-10 cars that catch your eye. Based on your business model you will filter out the cars.... You may focus only on luxury cars...or Toyotas...or whatever. Make your list....



Next you want to check the value of these 5-10 cars on your list. I like Cargurus.com ...and you also have Kelly Blue Book and Edmunds give a general idea what used cars are worth. But also take time to research local prices on Craigslist and in classified listings. You want to calculate as close as possible...and jot down the street value of each vehicle.. Now my definition of the “Street Value” of a vehicle is the midpoint between the highest and lowest **average** price points. So if you see that your local auction house has a sweet 2009 Mercedes CLK350 ..you do your research and you want to write down the street value of next on your list. You do this for every car. Initially this will take you 1-2 hours. This is your prep work and take it very seriously. After a while, if you go to the auctions regularly and do this whole prices regularly...you will get the time down to 30-40 mins. This is your most powerful tool to making money at the Dealer Auctions...is by knowing the street value of the cars you are bidding on. You will get good enough eventually that you can glance at cars and immediately get a feel for their approximate street value.



You have to have a Mechanic on standby

If you are planning to make money in this business, you have to have a mechanic that you trust. Develop a relationship with someone that you can keep on retainer or a fixed price to do any necessary “prep mechanical work” before you resell your vehicles. If you are attending only Adesa or Manheim auctions..the cars are of greater value and in better mechanical shape, but you will eventually come across a car you bid on and buy..that needs a transmission or a new starter.



This is going to happen. I would suggest you factor in \$250 - \$500 per vehicle for this mechanical fixes. It is even worthwhile to develop an automatic business savings plan where you take 10% of the profits from every car you sell and place into a bank fund just for “emergency” Mechanical Repairs

Do a visual check wherever possible



Look for small cracks in the windshield. Look underneath the vehicle for signs of fluid leakage. Make sure the VIN is clearly marked. Then check other places where the VIN might appear, such as door and trunk lid stickers. If the numbers don't match, the car may have been in a major accident and rebuilt. Look for more promising alternatives. If a car has been well-maintained, when you pull the oil or transmission fluid dipsticks the lubricants should be clear and clean. Vehicles at auction sell in "as is" condition. That means there are no guarantees, no warranties and no means of legal recourse. If you don't have the stomach to survive discovering you've bought a heap of trouble, don't bid in the first place. This shouldn't be a big issue tho, if you are dealing with Adesa on Manheim Auto Auctions... All vehicles go thru a background check and are cleared for bidding.

Use Your Common Sense

Cars at Adesa, Manheim and other Dealer Only Auctions tend to vette their cars a bit more. The source is primarily off lease vehicles and such...Usually you can take a look at these cars..look under the hood, under the undercarriage...interior, etc. Cars at government and public auctions sell on visual inspection alone. So look at everything and look for telltale signs of repairs such as paint overspray, less than smooth sheet metal, puddles under the vehicle, scored brake discs, an uneven stance and a million other details.

Yes..use your eye...look for stuff that looks out of place. Gravitate to the better quality higher value cars as you can afford. They will give you the less problems (and give you bigger profits). You can get a sense of how a car was treated by looking at the interior and under the hood. Use your nose, hands and legs, too. If a car smells oily, or damp. Leave it. Go with your gut...if it feels off. Leave it.



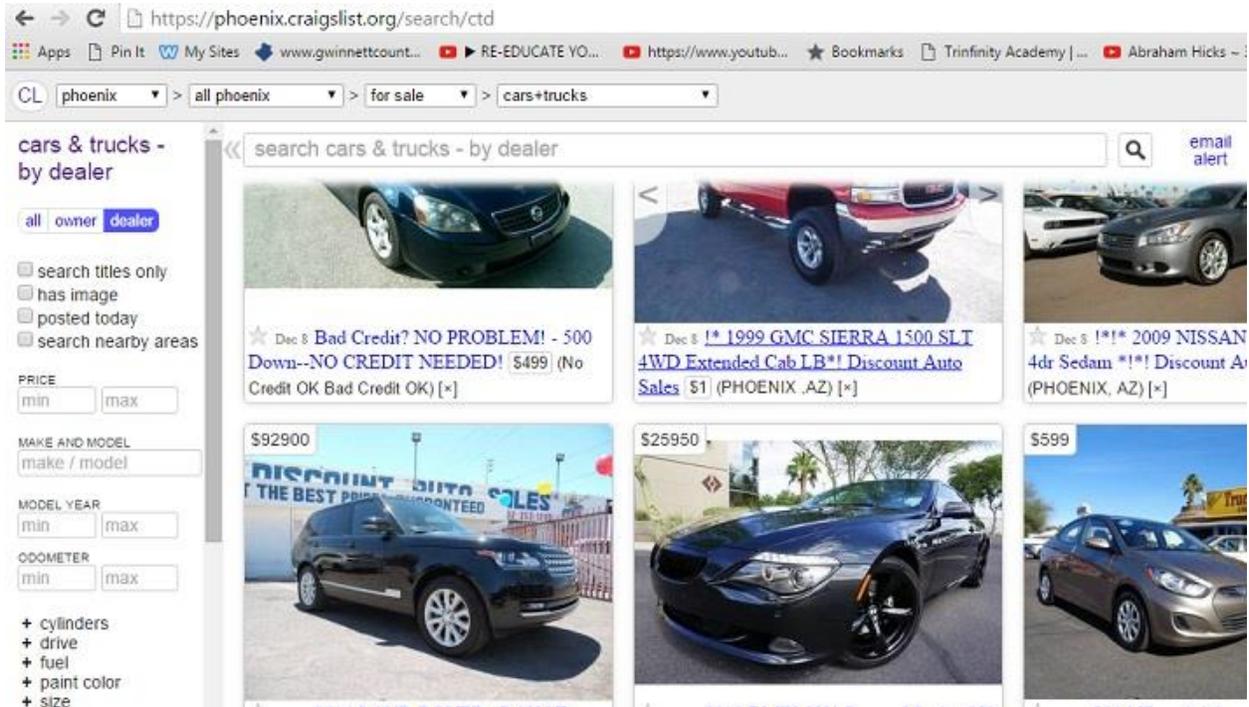
BIDDING is best done where you can be seen by the auction ringmen. They watch the crowd, so make sure you're fairly close and that they can see you and your paddle. Hanging back and joining the bidding late can sometimes work, but it can also generate another bidding surge, as somebody thinks they're missing a bet. Set your top price and don't go above it.

Watch the other Bidders

I like to stand just to the far left or far right...so I can scope the entire front line. Take your time and watch the action closely on all the cars up for auction. Watch the people who are pulling out lists. These are the "research crew". Mostly newbies...(veterans never bring paper lists! Lol). Watch out for guys who bid on every car. When the vehicles that you want come up..NEVER bid on it first !...NEVER bid on it first. NEVER EVER BID ON IT FIRST. I hope you got that. You don't want to show interest or excitement at all. Only get into the bidding after the first few feeler bids have been launched and accepted ...and you feel the vehicle has hit a "baseline price point".

How to Sell your Cars Online

Most of your traffic and customers will come to you from the internet. Even if you have a car lot, people will stop and look only if you are in a great location. But what if you are not in a great location? You can still generate a lot of traffic to your auto dealership whether you have a huge lot with 100 cars on it...or you have one car sitting on the curb outside your home (with a for sale sign in the window)...because you have the Internet. The Internet is a great way to bring people to your digital store to see your inventory...and then get them to your physical location to buy the car.



How to sell cars online using the Internet...its not hard at all. All you have to do is focus on a few key places. If you are thinking of getting an Auto Auction Dealer License, you are also thinking about how to sell your cars. I'm going to cover in this article, the main ways to sell cars online. You don't want to spend hours trying to figure which sites are worthwhile to list on. '

How to sell cars online is all about getting enough eyes balls on your inventory. These are the 5 websites you need to be on so you can sell faster.

1. Cars.com
2. AutoTrader.com
3. Craigslist.org
4. Cargurus.com
5. Ebay Motors

Then you can pick one Social Media network (Facebook, Instagram, YouTube, etc.)

The two (biggest in terms of traffic and amount of buyers) main websites to list your cars on are Cars.com and AutoTrader.com. Cargurus.com is a new player...but still very good (and free too). The whole idea with selling anything online is to get traffic back to your website...and get your phone ringing! Not a requirement...but before you actually put up ads ..you should have a nice website built. It shows a certain level of professionalism. You can post on websites with just pictures and text..but if you plan to be in this for the long haul, get a website. The more premium cars will be easier to sell with a website. You can collect names and emails on your website. Having a website keeps all of your inventory in one place. As long as your website is mobile optimized, you can share all of your inventory with one click (this is great for sending in a text).

So anyway, assuming that you have a mobile optimized website, lets look at the website that you are going to advertise on. Cars.com syndicates their listings to over 175 newspapers and partners such as Yahoo Autos. They have about 3 million used cars for sale at any given time. Their premium listing is \$49 and comes with a free CARFAX report (worth \$39.99). Carfax service does help you to establish trust about your cars. They also offer a \$20 basic ad listing which will show your ad for 60 days, and they have a free package as well. Of course you want to do what feels best for you.



AutoTrader.com offers a similar package. A \$50 listing gets you a 8 weeks on their website while their less-expensive \$25 listing stays active for 4 weeks.



Cars.com and AutoTrader offer a huge database of used car listings, but most are actually dealer listings.

The largest for-sale-by-owner site is Craigslist. Definitely worth including your vehicle – and the best part: it's Free! There is also a dealer section that costs \$5 to list your cars...but this is optional..I sell enough cars on the free side.

Then you have eBay Motors Local Classifieds section. They will display your listing to anyone that searches for your car within a 200 mile radius of your location. The service is free and even comes with a limited CARFAX report worth \$19.95.

In General, CarFax is a good marketing tool to have (buy) for your high end vehicles. Occasionally I pick up a luxury vehicle like a Mercedes or Audi at auction...If I am asking for \$5K or more for any car...then I usually spring for the CarFax.



Last but certainly not least, you want to have some kind of social media presence.

Because Instagram is picture driven, users are more compelled to “like” and comment on photos than they are on Facebook. Because captions aren’t as important as the hashtags, hard selling can be more challenging. So, the idea is to generate traffic back to your website...not actually sell cars on your IG page. Its all about the right hashtags to draw traffic to your images...and then funnel that back to your website.

#cars #carporn #driving

These are the kinds of hashtags to **stay away from**. There are a bunch of 17-19 boys on IG just posting about cars that they want to buy some day (lol). But you want to attract homeowners, families, mothers, entrepreneurs, professionals and locals in your own *local* region. I live in Atlanta Georgia (Gwinnett County) and I sell Auto Dealer Licenses.. but If I was selling cars, I would use some hashtags like:

#atlanta #gwinnettcountry #atl #fun #workflow #family #love #motivationalquotes
#entrepreneurs #inspiration #fitness #coffee #wife #husband #mykids #mychildren #couples

Focus as much as you can on the cities and counties/townships in your local area. Follow the people and accounts on local sports teams. Find the accounts of local coffee houses and realtors, lawyers etc. Follow their followers...this is how you get a lot of local people on your IG who are most likely to buy your vehicles. I would use a few hashtags like this also , to find local people:

#atlantacoffee #atlantalawyer #atlantabarber

Don't laugh, but #coffee is a great hashtag to attract professionals and working people. So the idea is to program your massplanner.com software (\$10 a month) to follow people and like people in these hashtags...as well as post pics with these hashtags. You can set the software to follow and unfollow 100 people a day and more. Start slowly and increase. You can program the software to like images and post comments.. "Groovy Pic""I love this pic" etc etc.

So you get the idea...have fun with it. Play around with it...it is very useful tool and remember to put your business website and/or telephone number in your bio!

If you just post inventory, people will ignore you. If you are just posting.."Buy this car now only \$500 down" People will ignore you !



Post about you and your exciting life. Put up some motivational quotes. You are a business person, so post stuff that helps you in your business. Share your business secrets....Every now and then ..maybe once or twice a week, you put up inventory. I would bet you that you don't have 1 hour a day to be on Instagram to post and interact... so use some software. So again...don't be cheap...I seriously recommend massplanner.com ... This is software you can program to follow certain hashtags, people, make auto comments, like photos, unfollow people, and more. All you have to do is post a pic several times a week. Your content and quality will determine how stick your IG is ...how long people stay on your page and look at your auto inventory and other interesting pics. It's always quality, and your engagement with the local community.

https://www.instagram.com/loving_life_4_real/

My Sites www.gwinnettcourt... RE-EDUCATE YO... https://www.youtub... Bookmarks Trinifinity Academy | ... Abraham Hicks - 3 ... Bashar - B



loving_life_4_real

FOLLOW

Gerard Fairley | sell Auto Dealer Licenses...valid in every state of the U.S.A. including Canada. Father | Husband | Atlanta | Auto Dealer
www.autodealerlicensenow.com

41 posts 3,924 followers 3,857 following



You can sell on Facebook, true....most of your buyers are located right in there. But they are more distracted. I prefer IG or Youtube. I think Twitter, or LinkedIn is more of a challenge.

The whole idea is to pick any network that you are currently on and that you like and/or have some momentum flowing with already. You can sell from your personal profile or set up a group (or fan page). Post about cars, how to fix cars, how to buy cars, picture of cars, how to sell cars, fun facts about cars, etc etc...and every 3-4 posts..promote your inventory.

So lets start from scratch and assume you are just getting started. Set up a Facebook Fanpage...don't try to sell directly from your personal profile.

Ok, back to your Fan page....remember the most important thing is keep posting fresh relevant content or pay some to post for you. Buy \$1-3 in ads per day...and let it run continuously ..targeted just to local people in zip codes within 25-50 miles from your home office or business location. That's it ! Keep it simple..post once a day if you can. But there are many social media managers out there (check odesk.com freelance.org fiverr.com), that you can pay a small fee and they will post relevant content for you.

Initially don't post content that contains a lot links...otherwise Facebook will shut down your page. Facebook is very wary of people who put up a Fan page...then start posting a lot of links.

Post original content whenever possible...don't just snatch blog post links from other website and copy and paste... Take your time. As your page matures, you can post links periodically.

But before you create a fanpage ([Here is Mine](#)), you want to optimize your personal facebook profile. In your "about me" section talk about who you are and what your interests are as an individual or as a father. Don't talk too much about your business...other than 2-3 sentences. Then put your website link and contact info. People only buy from you on facebook because they like you. So make yourself likeable. Be human..not corporate.

On your personal facebook page I suggest you post the following content: motivation/inspirational/humor ...and one of your hobbies. Stay away from religion/politics and extreme controversy topics. Don't post mostly about your business...you will turn people off. Aren't you turned off when you land on a person page..and its all about promotion of their business ? Facebook is a social network.....not an advertising platform. But you can advertise on it....socially.

So now you have cleaned up your facebook profile... added a nice image of yourself facing the camera. Smiling is even better. Now you post 1-4 times per day. You can post an article about the average American can expect to retire on 1/3 of the last years working income. You can post an image of a person struggling to complete a workout in the gym...and next to it post a link to your blog post [never give up on your goals to change your body ...or your financial health](#). Post about technology. Post information for busy moms and professionals. Post about the benefits of working from home ...or owning your own business. Post about how to surf the web safely...New software, apps, cellphones, gadgetsetc. Give more value and less fluff ! Otherwise people will ignore you...and you will drive people away. Post relevant general interest stories.

The whole idea of Facebook (social media) marketing is to post stuff on your page that your target demographic can appreciate..and want to come back to again and again.. Your target is a variety of people who at some point may need a car..but they are just regular people trying to live their lives. They are on Facebook primarily for entertainment, distraction....a little fun. But people are curious in nature and are always interested in learning something about what interest them.

Copyright 12-16-2015 by Gerard Fairley – autodealerlicensenow.com