



MOTOR VEHICLE DEALER BOND

STATE OF TENNESSEE) Bond No. _____
)
)
COUNTY OF _____)

Let it be known that PRINCIPAL, _____,
(Name of Motor Vehicle Dealer on License)

located at _____,
(Mailing & Physical Address)

a Motor Vehicle Dealer as defined in Tenn. Code Ann. § 55-17-102(17), as PRINCIPAL, owns and holds or intends to obtain licensure to operate as a Motor Vehicle Dealer.

THEREFORE, the PRINCIPAL is required pursuant to Tenn. Code Ann. § 55-17-111(g) to establish and forever maintain, while licensed, a corporate surety bond in the amount of at least Fifty Thousand Dollars (\$50,000).

THEREFORE, the PRINCIPAL and SURETY, _____,
(Name of Surety)

an entity duly organized and authorized to transact the business of indemnity and suretyship in Tennessee located at _____,
(Mailing & Physical Address), as SURETY, enter into this agreement and are hereby held

and firmly bound unto any OBLIGEE, as described below, in the sum of Fifty Thousand Dollars (\$50,000). We bind ourselves, our successors and assigns, jointly and severally, firmly by this obligation. An OBLIGEE is any person, including the Tennessee Motor Vehicle Commission and the State of Tennessee, who suffers a loss as set out in Tenn. Code Ann. § 55-17-111(g)(2). Pursuant to Tenn. Code Ann. § 55-17-111(g)(2)(B), the aggregate liability of the SURETY to all persons shall in no event exceed the amount of this bond. This bond becomes effective as of _____, 20____, expires _____, 20____ (the date of the expiration of the PRINCIPAL’s Tennessee Motor Vehicle Dealer License of which this bond is in support), and may be continued by rider or certificate for subsequent periods.

LIABILITY for the payment of this sum, to which we hereby obligate and bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, becomes effective upon the following conditions as stated in Tennessee Code Annotated § 55-17-111(g)(2):

- (i) Nonpayment by the PRINCIPAL of a retail customer's prepaid title, registration or other related fees or taxes; or



(ii) The PRINCIPAL’s failure to deliver in conjunction with the sale of a vehicle a valid vehicle title certificate free and clear of any prior owner's interests and all liens except a lien created by or expressly assumed in writing by the buyer of the vehicle.

The PRINCIPAL shall notify the SURETY in writing upon any change of information in this bond, including – but not limited to – a change of location, ownership or name by the PRINCIPAL, and the SURETY shall issue a modification signed by the SURETY and the PRINCIPAL. Failure of the PRINCIPAL to provide such notice shall not affect the validity of this bond. A copy of any modification to this bond, a copy of any claim made against this bond, and notice of any payment of a claim made against this bond shall be sent via certified mail to the Executive Director of the Tennessee Motor Vehicle Commission at 500 James Robertson Parkway, 5th Floor, Nashville, TN 37243 not more than seven (7) calendar days after such event.

The SURETY may terminate its liability as to future acts or omissions of the PRINCIPAL by written notice stating the date that the termination shall take effect, sent via certified mail to both the PRINCIPAL and the Executive Director of the Tennessee Motor Vehicle Commission at 500 James Robertson Parkway, 5th Floor, Nashville, TN 37243 at least sixty (60) days prior to the effective date of the termination, otherwise this bond shall remain in full force and effect. However, such termination shall not relieve the SURETY from obligation for any act or omission of the PRINCIPAL prior to the effective date of the termination.

All claims made against this bond shall be made directly to the Surety by calling _____.
(Surety Phone Number)

Signed, sealed, and dated this _____ day of _____, 20_____.

NAME OF COMPANY (As to be Licensed)

NAME OF SURETY

SIGNATURE OF PRINCIPAL (Dealer)

NAME OF PRINCIPAL (Please Print)

ADDRESS OF SURETY

DATE: _____

(SEAL

NAME OF SURETY AGENT

SIGNATURE OF NOTARY

SIGNATURE OF SURETY AGENT

Sworn to me before this _____ day of _____, 20_____

My Commission Expires _____

ADDRESS OF SURETY AGENT

POWER OF ATTORNEY MUST BE ATTACHED