



DEALER BOND UNDER NEW YORK STATE VEHICLE AND TRAFFIC LAW SECTION 415(6-b)

FACILITY NUMBER: _____

KNOW ALL PERSONS BY THESE PRESENTS:

BOND NUMBER: _____

Whereas, the undersigned _____ (Dealer Name) of _____

(Full Dealer Address)

(hereinafter referred to as Principal) has applied for or is about to make application for a registration certificate as a dealer, qualified dealer or new motor vehicle dealer pursuant to New York Vehicle and Traffic Law section 415; and

Whereas, the undersigned _____ (Surety Name) of _____

(Surety Address)

(hereinafter referred to as Surety), a corporation organized and existing under the laws of the state of _____ and authorized to transact business as a surety insurer in the State of New York, is willing to act as surety on this Bond to comply with the requirements of Vehicle and Traffic Law section 415(6-b); and

Whereas, Vehicle and Traffic Law section 415(6-b) requires that dealers, qualified dealers, and new motor vehicle dealers obtain and continue in effect a surety bond as a condition to obtaining a registration certificate (except those dealers who exclusively sell motor vehicles solely for conversion for use as tow trucks, buses, school buses, garbage trucks, marine trailers, tow trucks, mopeds, recreational vehicles, snowmobiles, trailers, mobile homes, or construction equipment);

Now, therefore, Principal, as principal, and Surety, as surety, do hereby bind themselves and their heirs, executors, successors and assigns, to the State of New York in a sum not to exceed the amount below, the payment for which the Principal and Surety bind themselves and their legal representatives, firmly by these presents, pursuant to Vehicle and Traffic Law section 415(6-b), and subject to the following conditions:

BOND AMOUNT: _____ (Dollars) (\$ _____)

- 1. The term of this Bond shall commence _____ and shall continue in full force and effect until terminated by sixty (60) days written notice of cancellation delivered to the New York State Commissioner of Motor Vehicles by the Surety.
2. The Surety shall be required to provide sixty (60) days written notice to the New York State Commissioner of Motor Vehicles prior to the effective date of cancellation of the Bond by first class mail.
3. The conditions of this Bond are that the Principal shall:
(a) pay all valid bank drafts, including checks drawn by the principal for the purchase of motor vehicles;
(b) transfer good title to each motor vehicle which the Principal sells;
(c) maintain and keep safe all customer deposits related to the sale of a motor vehicle from the time of receipt of such customer deposit until good title has been transferred to the customer;
(d) pay all fines imposed on Principal by the Commissioner of Motor Vehicles pursuant to the provisions of the Vehicle and Traffic Law; and
(e) repay any overcharge for vehicle registration and titling charges payable to the Commissioner of Motor Vehicles for registering and titling.
4. Recovery on this Bond shall be made by a person, including the State, who obtains a judgment against the Principal for an act or omission of the Principal and is conditioned, if the act or omission occurred during the term of the Bond. The total liability imposed on the Surety for all breaches of the Bond condition is limited to the face amount of the Bond. Such liability may include, but is not limited to, the amount of the valid bank draft including checks, drawn by the Principal for the purchase of motor vehicles, or the amount of the overcharge by the Principal for registration or title fees, or the amount paid to such Principal, or the deposit, as the case may be, for the motor vehicle for which good title was not delivered. In no event shall the Surety on a Bond be liable for total claims in excess of the bond amount, regardless of the number or nature of claims made against the bond, or the number of years the bond remained in force, nor shall this Bond provide coverage for transactions involving sales of any motor vehicles for which a bond is not required pursuant to Vehicle and Traffic Law section 415 (6-b).

In witness whereof, the Principal and Surety have hereunto set their hands and seals on this _____ day of _____ in the year of _____.

_____, Principal

Print Name

SEAL:

By: _____

Signature

_____, Surety

Print Name

By: _____

Signature