



South Carolina Department of Motor Vehicles

Motor Vehicle Dealer and Wholesaler Surety Bond

DLA-1B
(Rev 8/2023)

Read instructions on page two before executing bond. **Submit all bond documents to SCDMV Headquarters: Business License Unit (reference bond requirements checklist on page two.)**

Dealer Number: _____

Bond Number: _____ Effective Date: _____ Expiration Date: _____

KNOW ALL MEN BY THESE PRESENTS: that we _____
(Name of Dealership)

Conduct business at _____

As Principal and _____ as Surety

are duly authorized to do business within the State of South Carolina, hereby indemnify any owner of a motor vehicle, or his legal representative, who may be aggrieved by any fraud, fraudulent representation, or violation by said Dealer, salesmen, or representatives acting for such Dealer within the scope of employment of such salesmen or representatives, of any of the provisions of Title 56 of the South Carolina Code of Laws relating to Motor Vehicle Dealers and the sale and transfer of motor vehicles, in the aggregate liability amount of:

CHECK ONE:

- ☐ Fifty Thousand Dollars (\$50,000) – All Retail, Wholesale, and Recreational Vehicle dealers
- ☐ Twenty-Five Thousand Dollars (\$25,000) – All Motorcycle and Motorcycle Wholesale dealers
- ☐ Fifteen Thousand Dollars (\$15,000) – All Wholesale Auction dealers

WHEREAS, Surety having received payment to issue to the above referenced bond, we bind ourselves, jointly and severally, our joint and several heirs, executors, administrators, successors, and assigns, as set forth below and as set forth in any contractual documents that may exist between Dealer and Surety.

WHEREAS, the above Dealer desires that a motor vehicle dealer's or wholesaler's license be issued and thereafter reissued from time to time by the Department of Motor Vehicles;

WHEREAS, this bond executed by the Dealer and Surety is filed with the South Carolina Department of Motor Vehicles, to enable said Dealer to obtain a license from the Department under the provisions of that law.

NOW, THEREFORE, the conditions of this obligation are such that this obligation shall be null and void if the Dealer shall: 1) strictly and faithfully comply with the requirements of law; 2) shall keep harmless any owner of a motor vehicle from ~~or~~ any legal representations made to such owner by Dealer, Dealer's salesmen or representatives acting for the Dealer or within the scope of their employment; 3) keep harmless any owner of a motor vehicle from any loss or damage suffered by reason of the violation of any of the provisions of Title 56 of the South Carolina Code of Laws relating to motor vehicle dealers and the sale and transfer of motor vehicles by Dealer or any of Dealer's salesmen or representatives. If the conditions stated in the preceding sentence are not met, this obligation shall remain in full force and effect. It is understood that the injured party need not obtain a judgment against the Dealer before making claim against the Surety on this bond.

A new bond or a proper continuation certificate must be provided to the department every twelve months during the license period. A dealer's license expires immediately upon expiration or termination of a dealer's bond. Before this bond may be cancelled, a thirty (30) day written notice must be given to the South Carolina Department of Motor Vehicles. Such cancellation does not affect any liability incurred or accrued prior to cancellation.

Printed Name of Owner or Authorized Corporate Officer (Entity Owned)

(Surety Company)

Signature of Owner or Authorized Corporate Officer (Entity Owned)

By: _____
(Signature and Title)



South Carolina Department of Motor Vehicles

Motor Vehicle Dealer's and Wholesaler's Surety Bond Instructions

DLA-1B (IS)
(Rev 8/2023)

1. Every applicant for a motor vehicle dealer's and wholesaler's license must furnish the original Surety Bond for the amount required and Power of Attorney on a form to be prescribed by the Executive Director of the South Carolina Department of Motor Vehicles. The purpose of the bond is to provide indemnity for loss or damage caused to an individual due to fraud or fraudulent representation, or other violation of Title 56 of the SC Code of Law in relation to a sale or transfer of a motor vehicle by a licensed dealer, wholesaler, or their employees.
2. The Executive Director of the South Carolina Department of Motor Vehicles has prescribed a standard form of bond for motor vehicle dealers - Motor Vehicle Dealer and Wholesaler Surety Bond (Form DLA-1B), which is set forth on the other side of this document.
3. This bond must be executed by the applicant for dealer license, as principal, and by a corporate surety company authorized to do business in this State as surety and given to the Department before the application can be acted upon.
4. This bond must be signed by either the owner, partner, or corporate officer of the applicant for dealer license (Principal) and an agent from the surety company.
5. The bond must be effective prior to or at the time of the issuance of a license.
6. If the bonding company has changed, please submit a new original bond and Power of Attorney to the SCDMV Business License Unit at the address below.
7. The applicant for dealer license (principal's) name and address on the bond (DLA-1B) must accurately match the name and address reflected on all other documents submitted with a first-time application or any application requesting a change, including Form DLA-1: Application for a Dealer or Wholesaler License.
8. If, during the license year, there is any change in a dealer's (principal's) name, address, or ownership then an endorsement from the surety agent or a new bond will be required along with a new application for Dealer/Wholesaler License.
9. REFERENCE CHECKLIST: Submit the following documents to the Business License Unit.

Application/Change Type	Bond Type Needed	Email, Fax or Mail
Renewals	A New Bond or Continuation Certificate	Yes
First Time Application	Bond & Power of Attorney (original required)	Yes
Name/Address Change	Bond Rider	Yes
Category Change	** Call (803) 896-2611 to verify bond requirements**	Yes
Ownership Change	** Call (803) 896-2611 to verify bond requirements**	Yes
Other License Updates	Notice of Reinstatement	Yes
	Rescind Notice of Cancellation	Yes
	Notice of Cancellation	Yes

10. **Whether a license is active, cancelled, suspended, or expired, all bond documents must be submitted to the Business License Unit.**

Business License Unit

Phone: (803) 896-2611

Fax: (803) 896-8172

Email: dealerdocuments@dmv.sc.gov

Overnight Mail

SCDMV

Attn: Business License Unit

10311 Wilson Blvd Building C

Blythewood, SC 29016-0023

Standard Mail

SCDMV

Attn: Business License Unit

PO Box 1498

Blythewood, SC 29019-0023