

# CIG FINANCIAL - DEALER AGREEMENT

This Agreement is made and entered into by and between \_\_\_\_\_

with its principal place of business located at \_\_\_\_\_

herein referred to as "Dealer") and CIG Financial, a California Corporation, with its principal place of business at 18218 E. McDermott, Suite A-1, Irvine, California 92614 (hereinafter referred to as "CIG"). It is understood that Dealer is engaged in the business of used car sales and in the course thereof sells its automobiles/merchandise to retail buyers, (hereinafter collectively referred to as "Obligor"), on an installment basis, evidenced by conditional sales contracts, security agreements, lease agreements, or similar instruments (hereinafter referred to as "Contracts"), Dealer desires to sell at a discount its Contracts to CIG, CIG is engaged in the business of purchasing and/or discounting similar Contracts and other chattel or negotiable paper and agrees to purchase certain Contracts, which have been approved by CIG, from Dealer pursuant to the following terms and conditions. Therefore, for and in consideration of the provisions set forth herein and the mutual benefits to be derived therefrom, these parties agree as follows:

1. Dealer hereby makes the following representations and warranties with respect to all Contracts, jointly and severally, purchased by CIG from Dealer:
  - a. That each separate Contract shall represent an arms-length sale and shall constitute a valid and enforceable deferred payment obligation for the amounts therein set forth, and shall have been duly executed in good faith by the respective Obligor and Dealer.
  - b. That at all times of such execution, the Obligor shall have been of legal age and competent to execute said Contract, and in the event that any Obligor undertakes to rescind a Contract sold by Dealer to CIG, Dealer agrees to assume the burden of defending or resolving such claim.
  - c. That the property which shall be the subject of each of the Contracts shall be truly and accurately described therein and shall have been delivered into possession of the Obligor, and properly installed or in good running order.
  - d. That the amount which shall be set forth as the amount of down payment received shall have been actually received in cash and not in any equivalent, unless otherwise set forth in Contract; that no part thereof shall have been loaned directly or indirectly to the Obligor by Dealer; that the automobile taken in trade shall have been accepted at its actual market value as of the time of its receipt; that the terms of sale and statements set forth in the Contract are true and accurate; that services to be rendered in connection with the sale shall be accurately described in the Contract; and that the statement by Dealer to CIG of the finance charge is true and correct.
  - e. That Dealer shall have had full and complete title to the property sold, subject only to the rights of the Obligor.
  - f. That there shall be no defenses, counter-claims or setoffs on the part of the Obligor not contained in the Contract, and that no representations or warranties shall have been made to the Obligor, which shall not be contained in the Contract.
  - g. That the information which shall have been submitted to CIG concerning the respective Obligors shall have been truly and accurately set forth.
  - h. That Dealer shall have made full disclosure of any fact which might bear upon the performance of the Obligor of any Contract sold to CIG; that in each case the Obligor shall be a good moral and financial risk.
  - i. That each Contract will comply with all applicable provisions of The Unruh Act, The Rees-Levering Motor Vehicle Finance Act and all other relevant Federal and State laws and regulations.
  - j. That the Obligor is a legal resident of the United States.
  - k. That the Obligor is the registered owner of the vehicle.
  - l. The certificates of title regarding the goods sold under the Contract have not been issued as impaired or branded titles, including but not limited to, titles noted as: salvage titles, lemon law buy backs, prior police vehicle, prior taxi, or gray market titles.
  - m. Dealer has secured and perfected for CIG a security interest in the vehicle free and clear of all liens and encumbrances, and will deliver to CIG evidence satisfactory to CIG of such security interest within sixty (60) days of the date of the Contract.
  - n. The vehicle is insured by an insurance company acceptable to CIG against fire, theft and collision with CIG named as loss payee and written evidence of such insurance has been or promptly will be provided to CIG.
2. The Dealer agrees to provide and maintain services on all personal property covered by Contracts purchased by CIG in accordance with the terms of such Contracts or standard practices and policies, and to perform and make good any and all warranties on the part of the Dealer contained in any Contract or agreement between the Dealer and Obligor.
3. It is understood and agreed that all Contracts purchased from Dealer by CIG shall be made with One Payment Recourse which shall continue until one (1) full monthly payment and any or all late fees, NSF charges, extension fees or any other charges earned by CIG have been actually paid by the Obligor to CIG (whether or not an extension of time, modification or alteration of the terms has been made, which Dealer agrees may be done by CIG without previous notice or consent.)
4. One Payment Recourse shall remain in full force and effect whether or not repossession has occurred. Should recourse not be met, the Contract shall be repurchased by Dealer within ten (10) days from the date of repossession and/or at such time as CIG elects to exercise its recourse privilege and notifies, either verbally or in writing, the Dealer of such election; (Buyback Demands.) If the Dealer remits the full Buyback payment within 10 days of notification, the amount due shall be equal to the original advance remitted to Dealer, all third party costs to repossess and store the subject vehicle plus the Buy Fee, if any. However, if the Dealer fails to make the Buyback payment in full to CIG within 10 days of demand, the amount due to CIG from Dealer will be equal to the then "Pay-off" balance as computed for the Obligor plus all third party costs to repossess and store the subject vehicle. Dealer will pay this amount directly to CIG at its corporate headquarters within 10 days of notification.
5. CIG will extend the One Payment Recourse Provision by one month for each payment collected by the Dealer during the Recourse Period.
6. In the event of any breach of any representation or warranty contained in this Agreement or contained in any written assignment of a Contract by the Dealer, the Dealer will repurchase the relevant Contract(s) immediately upon demand by CIG. The price shall equal the then "pay-off" balance as computed for the Obligor.
7. Notwithstanding anything to the contrary which may be contained herein, or in any other Agreement, the Dealer agrees that if any Obligor, or any successor in interest, claims that the Contract or any actions of the Dealer have violated any law or regulation, then the Dealer, at its own cost and expense, will immediately purchase the disputed Contract and defend, indemnify and hold harmless CIG and its officers, agents, and employees from and against liability of every kind and from loss or damage in any way related to or connected with any equity or defense, whether any such equity or defense is groundless or not.

Initials: \_\_\_\_\_ Date: \_\_\_\_\_

Initials: \_\_\_\_\_ Date: \_\_\_\_\_

8. The Dealer grants CIG full power of attorney to endorse and deposit in its checking account all checks made payable to the Dealer which CIG shall have received from customers as payments on the Contracts purchased hereunder.

9. Dealer agrees not to accept payments or tender of payments made to Dealer by Obligor for any Contracts sold to CIG, and to provide notice to the Obligor of the assignment and sale of the Contract to CIG and of CIG's rights under the Contract. Notwithstanding the foregoing, the Dealer agrees to remit in kind all funds collected or received as payment on Contracts purchased by CIG, such remittances to be made within twenty-four (24) hours of receipt from Obligor. The Dealer agrees that it is responsible to CIG for any payments received by the Dealer regardless of loss thereof as the result of misplacement, theft, embezzlement or dishonesty by the agents or employees of the Dealer.

10. CIG's failure to exercise a right hereunder shall not constitute a waiver of said right but all rights of CIG hereunder shall continue until all Contracts have been fully paid. No waiver of any right by CIG shall constitute a subsequent waiver of that right or any other rights. The rights of CIG are concurrent and cumulative, and one right shall not be exclusive of any other right or remedy allowed by this Agreement or by law.

11. Dealer and CIG agree that this Agreement shall be binding upon its acceptance by CIG at its principal place of business and that this Agreement shall be conclusively deemed to have been made and entered into at 18218 E. McDermott, Suite A-1, Irvine, CA 92614. Dealer and CIG further agree that all obligations arising under this Agreement shall be performed at CIG's principal place of business, as aforesaid. Dealer expressly agrees to subject itself to the jurisdiction of the Orange County Superior Court or Orange County Municipal Court, Orange County Harbor Judicial District for all matters relating to the enforcement of this Agreement or any derivative agreements. Dealer agrees to pay the cost and reasonable attorney's fees incurred by CIG in connection with any action arising out of this Agreement and in any action brought to enforce a judgment predicated in whole or in part on rights or obligations of this Agreement, whether such costs and attorney's fees are incurred with or without institution of formal legal action.

12. The person(s) signing this Agreement on behalf of the Dealer understand that they will be personally liable for any indebtedness, misrepresentation, fraud or non-compliance with the terms and conditions of this Agreement which may occur regardless of whether the Dealer is operating as a sole proprietor, a partnership or a corporation. The obligation of the parties signing this Agreement will remain in effect until all the terms and conditions of this Agreement have been fulfilled without any offset or counterclaim against CIG.

IN WITNESS HEREOF, the parties hereto have executed this Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

CIG FINANCIAL, A CALIFORNIA CORPORATION

\_\_\_\_\_  
Dealer name

By: \_\_\_\_\_  
Gregory J. Skjonsby, President

By: \_\_\_\_\_  
Name (signed)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Position

By: \_\_\_\_\_  
Name (signed)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Position



# CIG FINANCIAL DEALER APPLICATION

Date \_\_\_\_\_ Date Dealership Established \_\_\_\_\_ Years in Business \_\_\_\_\_

Corporate/Business Name \_\_\_\_\_

D.B.A. \_\_\_\_\_ # of stores \_\_\_\_\_

Sole Proprietorship     Partnership     Corporation     Other \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone # ( ) \_\_\_\_\_ Fax # ( ) \_\_\_\_\_ DMV License # \_\_\_\_\_

## **PRINCIPALS/OWNERS/OFFICERS:**

Name \_\_\_\_\_ Name \_\_\_\_\_

Home Ph# \_\_\_\_\_ Home Ph# \_\_\_\_\_

SS# \_\_\_\_\_ DOB \_\_\_\_\_ SS# \_\_\_\_\_ DOB \_\_\_\_\_

Title \_\_\_\_\_ % Ownership \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_

*(Please provide additional ownership information on a separate sheet)*

## **REFERENCES - (Include address, telephone # & contact)**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

## **BUSINESS PROPERTY**

Landlord Name \_\_\_\_\_ Phone # \_\_\_\_\_

Address of Landlord \_\_\_\_\_

## **BUSINESS CHECKING ACCOUNT**

Bank Name \_\_\_\_\_ Account # \_\_\_\_\_

Contact Name \_\_\_\_\_ Phone # \_\_\_\_\_

## **PERSONAL BANKING**

### **1<sup>st</sup> PRINCIPAL/OWNER/OFFICER**

Bank Name \_\_\_\_\_

Branch Location \_\_\_\_\_

### **2<sup>nd</sup> PRINCIPAL/OWNER/OFFICER**

Bank Name \_\_\_\_\_

Branch Location \_\_\_\_\_

## **PERSON RESPONSIBLE FOR DMV ACTIVITY**

Name \_\_\_\_\_ Phone # \_\_\_\_\_

Address \_\_\_\_\_ Fax # \_\_\_\_\_

**Please include the following information when you submit this form:**

1. Copy of DMV license
2. Copy of Business License
3. Copy of Sales Tax Permit
4. Copy of Surety Bond
5. Names and titles of key employees - Signature Card
6. Copy of Certificate of Incorporation (if applicable)

CIG Financial is authorized to investigate my/our credit reports and can verify any credit information at any time. I/We hereby certify that the statements made above are true and correct.

\_\_\_\_\_  
Signature of Owner, Partner and/or Officer

\_\_\_\_\_  
Signature of Owner, Partner and/or Officer

# CIG Dealer Qualification Statement

1<sup>st</sup> Principal \_\_\_\_\_

2<sup>nd</sup> Principal \_\_\_\_\_

**Residence:**

1<sup>st</sup> Principal: \_\_\_\_\_  
Home Address, City, State, Zip Code

Rent  Own Market Value \_\_\_\_\_

2<sup>nd</sup> Principal: \_\_\_\_\_  
Home Address, City, State, Zip Code

Rent  Own Market Value \_\_\_\_\_

**Principal Financial Net Worth:**

1 <sup>st</sup> Principal	2 <sup>nd</sup> Principal
<input type="checkbox"/> \$0 - 99,000	<input type="checkbox"/> \$0 - 99,000
<input type="checkbox"/> \$100,000 – 200,000	<input type="checkbox"/> \$100,000 – 200,000
<input type="checkbox"/> \$200,000 – 500,000	<input type="checkbox"/> \$200,000 – 500,000
<input type="checkbox"/> \$500,000 +	<input type="checkbox"/> \$500,000 +

*(CIG Financial may ask for financial statement verification)*

**Dealership:**

Years owned Dealership: 1<sup>st</sup> Principal  0-4  5-8  9+

2<sup>nd</sup> Principal  0-4  5-8  9+

Annual Retail Sales:	<u>Dollars</u>	<u>Units</u>
	<input type="checkbox"/> \$0 – 500,000	<input type="checkbox"/> 0 - 75
	<input type="checkbox"/> \$500,000 – 1,200,000	<input type="checkbox"/> 76 - 199
	<input type="checkbox"/> \$1,200,000 – 2,000,000	<input type="checkbox"/> 200 - 300
	<input type="checkbox"/> \$2,000,000 +	<input type="checkbox"/> 300 - +

*(CIG Financial may ask for financial statement verification)*

Service on Site:  No  
 Yes, Please complete the following:

Work completed on Site:

<input type="checkbox"/> Smog	<input type="checkbox"/> Oil & Fluids	<input type="checkbox"/> Drive Axle
<input type="checkbox"/> Brakes	<input type="checkbox"/> Engine Repair	<input type="checkbox"/> Body Work & Paint
<input type="checkbox"/> Tires	<input type="checkbox"/> Transmission	<input type="checkbox"/> Other

*(Valid Repair Station Licensing may be required)*

Service for fee following sale:  Yes  No

Information Received By: \_\_\_\_\_

Date: \_\_\_\_\_

## AGREEMENT FOR ENTITLEMENT

### AGREEMENT FOR ENTITLEMENT TO REFUND, DEDUCTION OR CREDIT UNDER SECTION 6055, CALIFORNIA REVENUE AND TAXATION CODE

1. Definitions- The following terms are defined as follows:
  - a. "Retailer" means \_\_\_\_\_, and all of its subsidiaries, affiliates and assignees. The Retailer's California sellers permit number is \_\_\_\_\_.
  - b. "Lender" means CIG Financial. The Lender's seller's permit number, if applicable, is applied for. The Lender's California account number is \_\_\_\_\_. If the Lender has not applied for a "Certificate of Registration-Lender," the Lender agrees that it will apply of a Certification of Registration-Lender no later than the date the Lender first claims a deduction or refund for bad debts charged off on the Accounts.
  - c. "Accounts" means any and all accounts and contracts created between the Retailer and its retail customers with respect to the purchase of tangible personal property, which is subject to California sales tax, which accounts are or have been assigned directly from the Retailer to the Lender.
2. Blanket Assignment of Retailer's Rights and Interests in Accounts. The Retailer and the Lender agree that all of the rights and interests of the Retailer in any and all Accounts, whether currently in existence or created in the future, including the right to claim sales tax refunds, deductions or credits, are irrevocably assigned, transferred and relinquished to the Lender.
3. Entitlement to Tax Refund or Deduction on Accounts. The Retailer and the Lender agree that the Lender is the party entitled to claim any potential sales tax refunds or deductions as a result of bad debt losses charged off by the Lender on any and all Accounts currently existing or created in the future which have been assigned from the Retailer to the Lender. The Retailer agrees that is has not and will not claim a deduction or refund with respect to any Accounts currently existing or created in the future and hereby relinquishes to the Lender all rights to the Accounts and all rights to claim such deductions or refunds.
4. Election Pursuant to Section 6055(b)(4) California Revenue and Taxation Code. The Retailer and the Lender hereby make an irrevocable election pursuant to section 6055(b)(4), California Revenue and Taxation Code, that designates and entitles the Lender (and not the Retailer) to claim the deduction or refund provided under section 6055(b) with respect to any Accounts found worthless and charged off for income tax purposes. The effective date of the election is January 1, 2000.
5. Payment of Sales Tax. The Retailer represents and warrants that is reported the tax on the sale on the property with respect to the Accounts, and that it will report the tax on the sale of the property with respect to future Accounts.
6. Confidentiality. The Retailer and the Lender acknowledge that the California State Board of Equalization may disclose relevant confidential information to all parties involved in order to evaluate, support and confirm the deductions or refunds claimed pursuant to section 6055, California Revenue and Taxation Code.
7. Documentation. The Retailer and the Lender agree to furnish any and all documentation required or requested by the California State Board of Equalization that is necessary to support the claim for refund filed by the Lender.
8. Term. This election may not be amended or revoked unless a new election, signed by both the Retailer and the Lender is filed with the California State Board of Equalization.
9. Filing of Election. The Lender and the Retailer agree that the Lender shall file this Agreement as an election with the California State Board of Equalization pursuant to Section 6055, California Revenue and Taxation Code.

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

CIG Financial

Date: \_\_\_\_\_

## DEALER AUTHORIZATION SIGNATURE CARD

**DEALER NAME:** \_\_\_\_\_  
**ADDRESS:** \_\_\_\_\_  
**PHONE NO.** (        ) \_\_\_\_\_

The following signatures are authorized by:

X \_\_\_\_\_  
Signature Title/Position

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

Seller hereby designates the following person(s), whose signatures are shown beside his/her or their name(s), as being authorized to execute on its behalf assignments, or other documents relating to Contract purchased by CIG FINANCIAL:

<b>PRINT NAME</b>	<b>SIGNATURE</b>
_____	_____
_____	_____
_____	_____
_____	_____

Note: Seller may change the foregoing authorization(s) at any time in the future by delivering to CIG FINANCIAL written notice thereof on seller's letterhead stationery and updating the Dealer Authorized Signature Card; however, no such change shall invalidate any assignment or other execution previously done and relied upon by CIG FINANCIAL.