



California Dealer Academy Quick Start Guide

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Hi, my name is Garrett Eddings and I've been doing professional dealer training for 10 + years helping business owners like yourself take their first step to owning their own car dealership. This quick start guide is designed to get you the answers that you're looking for as quickly as possible so you can make the right decisions to set up your dealership the correct way the first time.

All the data provided in this quick-start guide is professional opinion and not to be taken as legal or financial advice. This guide is meant to get you to the quickest and most effective route possible to get your dealership started as quickly as we can get you from the classroom to the showroom. Let's begin with the 2 most frequently asked questions:



What is the kind of dealer licenses that I can get and what do they do?

Specifically, there are two kind of dealer licenses-

1. Retail Dealer License – This allows you to buy cars from whomever you want, and you can sell vehicles to other licensed dealers and to the public.
 - a. Autobroker endorsement – This is a special endorsement you can get on a retail license ONLY in order help broker a deal between the public and another licensed dealer.
2. Wholesale Dealer License – This allows you to buy cars from whomever you want but limits you to only selling to other licensed dealers. You can sell to other licensed dealers directly or through dealer only auctions.

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How much does a dealer license cost?

This is a tough one because it's like asking how much a car costs, but I'm going to list out the major purchasing items that someone starting off in the industry must take into consideration regardless of what kind of license they're going to get.

1. Dealer Certification Class – The average cost for most prelicensing schools is \$125. However, California Dealer Academy costs \$120.29. By downloading this book, if you book within 48 hours of accessing this book, you can call/text 760-681-1757 and get your certification class done for \$111. When you call/text, make sure to use the promo code QUICKSTART to get your discount on class.
 - a. Our course is a live 6-hour course that happens every two weeks taught live via Zoom.
 - b. Your certification class is where you start your process to get a license. We're a DMV Accredited school and have been in business since 2008. CCC0069
 - c. You can ask all the questions you want during our live class, and you have ongoing support with your license.
 - d. We offer supplemental classes in auction buying training, how to do retail paperwork and advertising classes as well.
 - e. Get a mix of an industry professional that has been in the business for 20 + years combined with the knowledge of occupational licensing.
2. Location costs – Your licensed location will be one of your biggest expenses. For a retail license, you are required to have at the bare minimum an executive suite and two parking spots. You also need to make sure that it is properly zoned for retail auto. Most commercial offices will require 1st and last month's rent along with a security deposit or 3x the rent cost.
 - a. We go into location specifics during our prelicensing class that. Check our website California Dealer Academy. ← Click the link to learn more!
 - b. ***If you're a wholesale only dealer*** – You can potentially get licensed out of your house and save yourself money by using your home as your licensed location. The key thing is you must have a direct entry point from the outside such as:
 - i. *Garage*
 - ii. *Granny Flat*
 - iii. *Side entrance directly to a home office*



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3. Insurance –

a. Costs for insurance vary depending on your credit score. If you take our prelicensing class, we have connections with insurance agencies that can help save you money on your insurance costs. Here are the two pieces of insurance that you need to strongly consider.

b. Bond – Your bond costs vary depending on what kind of license you have and how many cars you sell. Here are the two different bond types:

i. \$10,000 Bond – This is a bond that you can get if you are a wholesale only dealer that sells under 25 cars a year.

ii. \$50,000 Bond – This is if you're a wholesale car dealer who sells over 25 cars a year or if you have a retail license.

iii. The cost of the bond depends on your credit score. If you have better than average credit the costs can range between \$500-\$1500 per year. If you have a lower score, the ranges can vary between \$2000 - \$4500 and up per year. If your bond costs more than \$3500, there are companies that finance the total cost.

c. Garage Keepers Liability Insurance – This is a blend between general liability insurance and commercial auto insurance for dealers.



4. Incorporation Costs – The costs for incorporation can vary depending on how detailed the structure is and what you're looking to accomplish. However, if you can afford it, taking the time to incorporate with an attorney is worth its weight in gold. There are other companies that provide these services so make sure you do your homework to know what your specific organization requires.

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5. Local city and county fees for filings-

- a. Business license – There are many cities and/or counties that require you to get a business license to conduct business. These can vary greatly depending on the area, but the average cost of a business license is around \$50, but it can be several hundreds of dollars depending on the area.
- b. Fictitious business name – A fictitious business name is a filing with the county you’re conducting business in so you can operate with a more “advertising friendly” name.

6. Signs and other ancillary costs-

- a. There is proper signage that needs to be up at your dealership. The average cost of signs is around \$100-\$200.
- b. You’ll need a desk and locking filing cabinet with a key present.



7. DMV fees –

- a. The cost for taking your DMV test is \$16 plus credit card processing fees.
- b. When you finalize your application, your DMV fees will be as follows (fees are subject to change):
 - i. \$175 Original Application Fee
 - ii. \$1 Family Support
 - iii. \$92 for each dealer plate, \$94 for each motorcycle plate
- c. Here is the website where you can get more information. [Vehicle Dealer License](#)

This gives you a rough idea of the big-ticket items that you’ll need to factor in before starting your dealer license process. Obviously if you can save money on these selections, I encourage you to. After you get your license, you may consider investing in DMS software to make your life easier as a dealer.

By taking your dealer certification class with California Dealer Academy, we have many vendors that we partner with to help save our students tons of money through the process. Interested in booking a class? Click here → [Dealer Certification Class](#)

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Steps To Getting Your Dealer License in California



Keep in mind that some of these steps can be done while other steps are currently being processed.

Step 1: Get Certified by A Licensed California Dealer Training School

To become a retail or wholesale car dealer in California, you must obtain a certificate of completion from a licensed California Dealer School. California Dealer Academy is a license dealer training school that has been in business since 2008. Our license number is #CCC0069 and our instructors have 20+ years' experience in the automotive industry.

Call 760.681.1757 or visit our website

[California Dealer Registration](http://www.californiadealeracademy.com)

To enhance your understanding of what it takes to get your dealer license and increase your chances of obtaining your license, we offer a comprehensive Dealer Certification Class. Our class covers the following topics:

Webinar Dealer Training Online

- Preparing you to pass the DMV dealer test by going over topics that will be on the test and administering a practice test at the end of the class as well.
- How to buy cars at auction and what are the best practices to help improve the odds of success with your wholesale dealership.
- Paperwork necessary to complete a wholesale transaction.
- How to set up your dealership to pass inspection and fast track your license process and more!
- Introduction to wholesale car dealership operations.
- California laws and regulations for wholesale dealers.
- Vehicle acquisition and inventory management.
- Sales techniques and customer relations.
- Record keeping and reporting requirements.
- Avoiding common pitfalls and legal issues.

To sign up for our certification class, please register for class online or contact us directly. Our experienced instructors are committed to providing you with the knowledge and skills necessary for a successful auto dealership career.

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At the end of the class, you will get a certification that is good for one year that you will use to take your DMV Occupational Licensing test.

Step 2 – Create Your Online DMV Portal

Each student, once done with the course, will have to register online to start the application process and initiate the appointment for DMV.

You start by going to <https://www.dmv.ca.gov/portal/mydmv>

You will need to register an account and go through the instructions until you're able to get into the online dashboard.



The DMV has a PDF that acts as a [Quick Start Guide](#) to help guide you through the process.

If you click the [link](#), there are some helpful walkthroughs and videos to help guide you through the process as well.

Once your account is created, and you verify yourself as a user, this will open the dashboard where you will now have an icon that indicates **My Applications**. Once you click on this, you'll be able to start your own application for your dealership.

PLEASE NOTE, BEFORE STARTING YOUR APPLICATION YOU'LL NEED TO KNOW HOW YOU'RE GOING TO STRUCTURE YOUR BUSINESS.

Step 3 – How are you going to structure your business?

Next, you need to decide on the business structure for your wholesale car dealership. Options include a sole proprietorship, partnership, corporation, or limited liability company (LLC). Each structure has its own legal and tax implications, so it's advisable to consult with a business attorney or a certified public accountant (CPA) to determine the best fit for your circumstances.

When you start your application for your license, if you have a corporation or LLC, you'll need to input your Secretary of State number and the system will automatically pull the information directly from the Secretary of State.

If you're a corporation or an LLC, you'll need to upload a copy of your Statement of Information to your application. It is imperative that this is filed with the [Secretary of State](#) to ensure that there are no delays in your application. These will also have to match what you're filing with a Fictitious Business Name as well.

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Step 4: Start Your Online Dealer Application

Once you've started your dealer application and verified your entity, you'll need to the following steps to expedite your process:

- Personal history questionnaire – You'll need to verify all the information you input when you verify yourself as a user and answer a few questions regarding your identity and background.
- Dealer Education Course – Once you've completed our online dealer education course, you'll need to upload a copy of the certificate. Important to note that when it asks if your instructor uploaded the certificate, click no and just upload it manually.



It's a current glitch with Occupational Licensing, there aren't any options for dealer certification classes to upload your certificates.

Need to get your class done?

Call 760-681-1757 or

Click Here → [Dealer Class Registration](#)

- Once the personal history questionnaire is completed and you upload your certificate, you will schedule to take your exam.
 - Most occupational licensing offices are only doing testing on Mondays.
 - Select the test location that works best for you.
 - Select any terminal. You may find that by switching the selected terminal that you will get different day and time options.
 - Pay for the test. The test costs \$16 plus processing charges.

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Step 5 – Determine your location address.

- Throughout the application process you will need an address to your licensed location. Depending on what kind of license you're looking for (Reference the FAQ above) you can make the best determination on what will be good for you. This address will need to be obtained prior to your opening your business.
- Make sure that you check with the local zoning office in your city/county to ensure that your address is properly zoned before signing a lease.
- Make sure your landlord is okay with signage at your retail location as well. Your signs must remain up for the entire time that you are licensed and doing business.

Step 6 – Livescan and ADM 9050 –

- This step can be completed at any point; however, this is a good point in the process to get this taken care of.
 - Livescan – This is done by the form the [DMV 8016](#). When this form is filled out you want to select box A and license.
 - ADM 9050 – The [ADM 9050](#) is a form that needs to be filled out and notarized. We cover how to fill this form out in our dealer certification class.
 - It is recommended that you get both knocked out at the same time. Once completed, you will upload them to your portal.

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Step 7 Local and County Filings –



Your application will require a few items to be uploaded to your application. It's important to be working on these filings if you decide that you're going to need them/are required to have them:

- A business license – Not required for your initial application but will be necessary for any kind of address change or renewal and is required by most cities and counties to operate. Please make sure that you do research on the city/county where your dealership is located to see if they require a business license or some other form of identification such as a home occupation permit if your dealership is going to be wholesale from home.
- A fictitious business name – If you're operating as a corporation or LLC, chances are that you'll like to be able to use a name that you can put on a sign or a business card without using Inc. or LLC at the end of the name. That's where a Fictitious Business Name comes in handy. This will need to be filed in the county in which you're conducting business and then publish your FBN in a local newspaper in that county to be valid.
- A seller's permit – Not to be confused with a sales license, but a seller's permit is a certificate obtained from the [CDTFA](#) to be in compliance for your dealer's license. You can register for this directly on the CDTFA's website.

Step 8 – Obtain a bond and open up a business bank account.

- You need to get a bond (refer to the FAQ above) and make sure that the business information is listed correctly on it.
- Open a business bank account. You'll need this information to complete your dealer application.

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Step 9 – Signage, Staging and Pictures

- If you're a retail car dealer, you need to make sure that you have the appropriate signs up at your dealership to fulfill your photo requirements and pass your inspection.
 - If you're a wholesale car dealer, there are no requirements for signage.
- All dealerships are required to have the following on the day of inspection:
 - Locking filing cabinet w/ key
 - Desk
 - Sellers Permit
 - Business license if applicable
- Take pictures as required for your application. We cover the picture requirements in your dealer certification class.



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Step 10 – Review your application and submit.

- You will need to fill out some various portals when finalizing your application such as:
 - Your licensed location
 - Authorization to release financial information.
 - Dealer plate request

All of which are covered during your dealer education class. Once you've fulfilled all the requirements for the application and everything is uploaded appropriately, you will then submit your application and pay your fees. Keep in mind, DMV takes on average between 10-30 days to process your application.

Have you completed your dealer certification yet?

Call/Text 760-681-1757

Or

Email: info@californiadealeracademy.com

Or

Register now at www.californiadealeracademy.com

We hope this guide has provided you with a clear roadmap to becoming a used car dealer in California. Remember to follow all the necessary steps, obtain the required licenses, and consider attending our Dealer Certification Class to enhance your knowledge and increase your chances of success. Good luck on your journey to becoming a licensed car dealer!

How we can help:

Online dealer training taught live via Zoom: Get a list of upcoming Prelicensing Dealership Licensing Classes.

Dealer License Consultation: Looking to gain information to quickly start your Dealership and fast track your process, schedule a 15-minute consultation via zoom with one of our instructors and receive our quick start guide for getting your Dealership License.

Full-Service License Setup: Want our project management team to set up your wholesale car dealership from start to finish? Call us directly to get more information. 760.681.1757

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