

## **SECTION 2**

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### **GROUND FOR A CEASE AND DESIST ORDER, MONETARY PENALTY, DENIAL, REVOCATION OR SUSPENSION OF LICENSE**

The department may deny any application, apply a cease and desist order, assess a monetary penalty, or suspend or revoke a license for any of the following:

1. Commission of fraud or willful misrepresentation in the application for or in obtaining a license.
2. Conviction of a felony involving snowmobile/vehicle/boat theft or odometer fraud in the last five years.
3. A violation of any law of this state which relates to dealing in manufactured homes/mobile homes/snowmobiles/vehicles/boats.
4. Failure to comply with any administrative rule promulgated by the department.
5. Perpetration of a fraud upon any person as a result of dealing in manufactured homes/mobile homes/snowmobiles/vehicles/boats.
6. Failure to apply for transfers of title as required in chapter 32-3 and 32-3A, 32-20A, 42-8.
7. Failure to allow department inspections, including initial and annual inspections, complaint investigations and necessary follow-up inspections.
8. Misrepresentation through false, deceptive or misleading statements with regard to the sale or financing of manufactured homes/mobile homes/snowmobiles/ vehicles/boats which a dealer has, or causes to have, advertised, printed, displayed, published, distributed, broadcast, televised or made in any manner with regard to the sale or financing of manufactured homes/mobile homes/snowmobiles/vehicles/boats.
9. Refusal to comply with a licensee's responsibility under the terms of the new manufactured home/mobile home/snowmobile/vehicle/boat warranty issued by its respective manufacturer, unless such refusal is at the direction of the manufacturer.
10. Failure to comply with the terms of any bona fide written, executed agreement pursuant to the sale of a manufactured home/mobile home/snowmobile/vehicle/boat.

11. Inability to obtain or renew surety bond or to participate in a dealer asset pool.
12. Failure to maintain and continuously occupy a principal place of business.
13. Failure to obtain or renew a public liability insurance policy of not less than three hundred thousand dollars.
14. Failure to disclose damage to a new snowmobile of which the dealer had knowledge if the dealer's actual cost to repair exceeds five percent of the manufacturer's suggested retail price.
15. For a dealer of manufactured/mobile homes, a previous manufacturer or dealer license revocation in this or any other state.
16. Violation by the dealer of an applicable manufactured home building or safety code.
17. For a manufactured/mobile home dealer, failure to deliver the MSO or title to the county treasurer within 30 days after the date of delivery.
18. For a manufactured/mobile home dealer, conviction within the previous 5 years of a crime that relates directly to the business of the dealer or manufacturer involving fraud, misrepresentation or misuse of funds.
19. For a manufactured/mobile home dealer, misuse of the dealers' metal plates and lending for use on manufactured/mobile homes not owned by the manufacturer or dealer.

The department may issue an order directing a dealer to cease and desist from engaging in any act or practice in violation of any of the provisions listed above. A cease and desist order is effective for a period of 2 years.

Within 20 days after service of a cease and desist order, a dealer may request, in writing, a hearing to contest the order. Hearings shall be heard by the Office of Hearing Examiners.

If a dealer fails to comply with a cease and desist order, the department may:

1. Impose a monetary penalty on the dealer of \$500 for each violation of the cease and desist order;
2. Suspend the dealer's license for not more than 30 days; or

3. Revoke the dealer's license.

Within 20 days of service of an order, a dealer may request, in writing, a hearing to contest the order. Hearings shall be heard by the Office of Hearing Examiners.

Upon suspension or revocation, a dealer shall immediately return all dealer metal plates and surrender the license certificate. Failure to do so is a Class 2 misdemeanor.

A cease and desist order is effective and stays on the dealers record for a period of 2 years.