

§ 20-294. Grounds for denying, suspending, placing on probation, or revoking licenses.

In accordance with G.S. 20-295 and G.S. 20-296, the Division may deny, suspend, place on probation, or revoke a license issued under this Article for any one or more of the following grounds:

- (1) Making a material misstatement in an application for a license.
- (2) Willfully and intentionally failing to comply with this Article, Article 15 of this Chapter, or G.S. 20-52.1, 20-75, 20-79.1, 20-79.2, 20-108, 20-109, 20-109.3, or a rule adopted by the Division under this Article. It shall be an affirmative defense, exclusive to the dealer licensee, if the violation is a result of fraud, theft, or embezzlement against the licensee. Responsible persons, including officers, directors, and sales representative licensees, may be charged individually if they actively and knowingly participated in the unlawful activity. This affirmative defense is waived if any violation charged creates an unrecoverable loss for a citizen or another licensed motor vehicle dealer of this State.
- (3) Failing to have an established salesroom, if the license holder is a motor vehicle dealer, or failing to have an established office, if the license holder is a wholesaler.
- (4) Willfully defrauding any retail or wholesale buyer, to the buyer's damage, or any other person in the conduct of the licensee's business.
- (5) Employing fraudulent devices, methods or practices in connection with compliance with the requirements under the laws of this State with respect to the retaking of motor vehicles under retail installment contracts and the redemption and resale of such motor vehicles.
- (6) Using unfair methods of competition or unfair or deceptive acts or practices that cause actual damages to the buyer.
- (7) Knowingly advertising by any means, any assertion, representation or statement of fact which is untrue, misleading or deceptive in any particular relating to the conduct of the business licensed or for which a license is sought.
- (8) Knowingly advertising a used motor vehicle for sale as a new motor vehicle.
- (9) Being convicted of an offense set forth under G.S. 14-71.2, 20-106.1, 20-107, or 20-112 while holding such a license or within five years next preceding the date of filing the application; or being convicted of a felony involving moral turpitude under the laws of this State, another state, or the United States. It shall be an affirmative defense, and will operate as a stay of this violation, if the person charged is determined to qualify and obtains expunction, certificate of relief, or pardon, or, if the violative conviction is vacated. If relief is granted, this violation is dismissed. If relief is denied, the stay is lifted.
- (10) Submitting a bad check to the Division of Motor Vehicles in payment of highway use taxes collected by the licensee.
- (11) Knowingly giving an incorrect certificate of title, or failing to give a certificate of title to a purchaser, a lienholder, or the Division, as appropriate, after a vehicle is sold. It shall be an affirmative defense, exclusive to the dealer licensee, if it is found the violation is a result of fraud, theft, or embezzlement against the licensee. Responsible persons, including officers, directors, and sales representative licensees, may be charged individually if they actively and knowingly participated in the unlawful activity. This affirmative defense is waived if any violation charged creates an unrecoverable loss for a citizen or another licensed motor vehicle dealer of this State.
- (12) Making a material misstatement in an application for a dealer license plate.

- (13) Failure to pay a civil penalty imposed under G.S. 20-287. (1955, c. 1243, s. 10; 1963, c. 1102; 1967, c. 1126, s. 2; 1975, c. 716, s. 5; 1977, c. 560, s. 3; 1983, c. 704, s. 4; 1985, c. 687; ss. 1, 2; 1991, c. 193, s. 2; 1993, c. 440, s. 11; 2001-345, ss. 3, 4; 2010-132, s. 16; 2014-108, s. 5(a); 2018-43, s. 4; 2021-134, s. 1.2(a).)