

LICENSE APPLICATION INSTRUCTION / INFORMATION SHEET

Please read the following information and instructions prior to completing the application for license. We request that you either **type or print clearly in ink** in order to avoid any delay in the issuance of the license for which you are applying. All applications for license must be complete and include all required attachments.

INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED UNTIL ALL REQUIREMENTS ARE MET.

An applicant has **60 days** from the date of notification of an incomplete application to complete the application and submit required attachments. After the 60 day period has elapsed, if the application remains incomplete, it will be denied and the application fees will be retained by the department (ref. Sections 55862/56572). **IF THE APPLICATION IS DENIED, YOU MAY NOT REAPPLY FOR 30 DAYS. (Ref. Sections 55484.75 and 56185.75)**

APPLICATION FOR LICENSE (Out-of-state entities that conduct business in California and maintain either an office or an agent that resides in the state are required to be licensed. The California office location should be the business address).

1. BUSINESS NAME

If you are applying as an individual/sole proprietorship, please enter your first, middle, and last name. If you are a partnership, please enter the name of the partnership as you wish it to appear on the license. Corporations need to identify themselves as they are registered with the California Secretary of State, or the incorporating state if not a California based company. (34 Characters maximum will appear on your license)

Divisions are considered a part of the corporation that they are operating under and therefore do not require separate licensing. (e.g. ABC Co., a division of XYZ, Inc.)

Subsidiaries are considered a separate entity from the corporation and must be licensed separately.

1a. D.B.A.'s (doing business as)

Please list any and all registered d.b.a.'s. If more than one, please list on a separate sheet. Please provide a copy of each fictitious name statement on file with local governmental agency.

2. BUSINESS TELEPHONE

Enter the telephone number where you can be reached during normal business hours. Please include area code.

2a/b. BUSINESS FAX NUMBER / E-MAIL ADDRESS

Enter your fax telephone number and e-mail address where information can be sent.

3. BUSINESS MAILING ADDRESS

The address where official business documents and information can be sent. If your mailing address changes at any time, you should notify the Market Enforcement Branch in **writing** so we can update our license records.

4. BUSINESS LOCATION

This is the physical location where you conduct business. If you have more than one office, provide the address of the principal office location. If you conduct business from your residence, please list your complete home address, including zip code.

5. **CALIFORNIA BRANCH LOCATIONS**

These are the other locations, beside the principal office location where you conduct business. Please list the complete address, including zip code.

6. **DETERMINATION OF LICENSE FEES**

License fees are based on your annual dollar volume of California farm product purchases, and/or broker contracts, and/or consignment returns. Principal fee is required of all applicants.

CONJUNCTIVE LICENSE FEES are required when applying for a license under **both** the Produce Dealers Act and Processors Law. The conjunctive fee is based on the dollar volume of your secondary operation.

AGENT APPLICATION FEE An “agent” means any person who on behalf of any licensee receives on consignment, contracts for, or solicits for sale on commission, any farm product from a licensee or producer of such product, or who negotiates the consignment or purchase of any farm product on behalf of any licensee (ref. Sections 55402/56102). A licensed principal is responsible for obtaining an agent license for all persons acting as his/her agent. An agent license is not issued without the endorsement of a licensed principal or applicant for a principal license. Corporations and limited liability companies are required to have **at least** one agent who is a member/officer and must license **any person** who acts as an agent.

Please calculate your license fees by using the table below:

<u>VOLUME</u>	<u>PRINCIPAL</u>	<u>CONJUNCTIVE</u>	<u>AGENT FEE</u>	<u>LICENSE REPRINT</u>
Under \$20,000	\$170	\$50	\$80	<u>FEE</u> \$10
\$20,000 but less than \$50,000	\$245	\$50		
\$50,000 but less than \$2,000,000	\$360	\$145		(Effective 7/1/02)
\$2,000,000 but less than \$4,000,000	\$475	\$200		
\$4,000,000 and over	\$500	\$200		

If you have started operating, you are required to pay double the amount of principal license fee (ref. Sections 55862.7/56573.5). **You do not have to pay double the amount of agent application fees.**

The Food and Agricultural Code also provides for retroactive fees for 5 years for operating with an improper license or without a license (ref. Sections 55862.7/56573.5).

Make check(s) payable to: CDFA 311

OPERATING WITHOUT A LICENSE IS A MISDEMEANOR AND THE FOOD AND AGRICULTURAL CODE PROVIDES FOR A PENALTY OF NOT LESS THAN A \$10,000 FINE, OR IMPRISONMENT IN THE COUNTY JAIL FOR NOT MORE THAN ONE YEAR, OR BOTH.

7. **DETERMINATION OF LICENSE CATEGORY**

Check the appropriate box which identifies the type of business transactions that you will be conducting with California farm product growers and/or licensees. You may check more than one box. Please refer to the definition of each category described below:

Processors Law (Chapter 6, Division 20 of the Food and Agricultural Code) requires that every person, before acting as a processor or a cash buying processor, shall file an application with the secretary for a license to so act (ref. Section 55522).

Processor - means any person that is engaged in the business of processing or manufacturing any farm product, that solicits, buys, contracts to buy, or otherwise takes title to, or possession or control of, any farm product from the producer of the farm product for the purpose of processing or manufacturing it and selling, reselling, or redelivering it in any dried, canned, extracted, fermented, distilled, frozen, eviscerated, or other preserved or processed form (ref. Section 55407).

Produce Dealers Act (Chapter 7, Division 20 of the Food and Agricultural Code) requires that any person engaged in the business of buying, receiving on consignment, soliciting for sale on commission, or negotiating the sale of farm products from a licensee or producer for resale shall be licensed (ref. Section 56181).

Dealer - any person who obtains title to, or possession, control, or delivery of, any farm product from a licensee or producer at a designated price for the purpose of resale, or who buys or agrees to buy any farm product from a licensee or the producer of the farm product at a designated price (ref. Section 56107).

Commission Merchant - any person who (a) receives on consignment or solicits any farm product from a licensee or producer of the product; (b) accepts any farm product in trust from a licensee or the producer of the product for purposes of the sale; (c) sells any farm product on commission; (d) handles any farm product in any way for the account of or as an agent of the consignor of the product (ref. Section 56105).

Broker - any person that negotiates the purchase or sale of any farm product. A broker may not, however, handle either the farm product which is involved or the proceeds of a sale (ref. Section 56103).

Cash Buyer - any person who obtains title to, possession or control of, or buys or agrees to buy any farm product from a licensee or a producer by paying to the seller the full agreed price in *cash at the time of obtaining possession or control, or at the time of contracting for title to, or possession or control of any farm product (ref. Section 56104).

*Cash - coin or currency of the United States, and does not include a check or money order (ref. Sections 55402.3/56103.5).

8. **BUSINESS STRUCTURE**

Sole Proprietorship - a business operation owned and operated by an individual or husband and wife.

Partnership - an association of two or more persons to carry on, as co-owners, a business for profit. There are several types of partnerships. The two most common are: general partnership, wherein each partner is personally responsible for the debts of the partnership; and limited partnership, wherein one or more of the partners has little to no personal liability for the debts of the partnership.

Corporation - an artificial being, invisible, intangible, and existing only in contemplation of the law. Corporations are legal entities having a continuous existence apart from that of its owners.

Limited Liability Company - a hybrid of a corporation and a general partnership, which is treated like a corporation for liability purposes, and like a partnership for tax purposes.

Other (i.e. Trusts, Estates) - Please identify type of business structure if not listed.

If applying as a corporation or a limited liability company, Market Enforcement Branch will contact the California Secretary of State to verify that corporate status is active. **If you are an out-of-state corporation, it will be necessary for you to provide articles of incorporation or certification of incorporation from the state that**

you registered in. Any corporation that is considered not in good standing with the Secretary of State, cannot be granted a license and would have to reapply under a different business structure.

If at any time your corporation has been notified of suspension of corporate status by the Secretary of State, you must notify the Secretary of Food and Agriculture within 15 days of the date of suspension. Your license is invalid on the date of suspension (ref. Sections 55522.6/56182.6).

Any corporation that is listed as a partner, or member of a limited liability company, will undergo the same requirements as if it was applying on its own.

- 8a. Corporation or LLC number - This is the number provided by the California Secretary of State if you are authorized to operate as a corporation or LLC in the State of California.
- 8b. State Registered - If you are a California corporation, please indicate California. If you are registered as a corporation in another state, please identify the state.
- 8c. Date Registered - This is the date issued by the Secretary of State as your filing date.
- 8d. Federal Tax Identification number.
- 8e. Person in California authorized to accept summons - Please provide name and address, date of birth and drivers license number, of individual residing in California that you have identified with the Secretary of State as the individual willing to accept summons on behalf of the corporation or LLC.

ANY CHANGE IN OWNERSHIP OR MEMBERS OF AN LLC, INCLUDING A CORPORATE MERGER OR CHANGE IN SHAREHOLDER PERCENTAGE (10% OR GREATER) REQUIRES A NEW APPLICATION FOR LICENSE.

9. RESPONSIBLE PARTIES

INDIVIDUALS, PARTNERS, MEMBERS OF LIMITED LIABILITY COMPANIES, CORPORATE OFFICERS. Any partnership LLC or corporation that is listed as a partner, or member of a limited liability company, will undergo the same requirements as if it was applying on its own therefore, must also provide all of the information for that entity below.

List the full name (first, middle initial, last name) of any individual applying as a sole proprietor, partner, member of a limited liability company, or corporate officer(s). Title must be listed for all primary corporate officers.

Home addresses are required for each individual listed as a sole proprietorship, partner, member of a limited liability company, or corporate officer. If a corporation is identified as a partner or member of the limited liability company, the headquarters address of the corporation should be listed.

Date of birth is required for each individual listed as a sole proprietorship, partner, member of a limited liability company, or corporate officer. If a corporation is identified as a partner or member of the limited liability company, the corporate officers of that entity need to be identified along with their individual dates of birth.

Each individual, partner, member of a limited liability company, or corporate officer must provide their Social Security number and driver's license number. If a driver's license was not issued in the State of California, please indicate the state of issuance. If an individual does not have a driver's license, please provide a state identification number and the state issuing the number.

9a. FINANCIAL INTEREST

HOLDERS OF A SIGNIFICANT FINANCIAL INTEREST (10% OR GREATER)

This would include all individuals or entities that have ownership of at least 10% of the shares of a corporation or at least 10% of the equity of a partnership or LLC. This should include name, percent of stock held, home address, date of birth, Social Security number, and drivers license number.

NOTE - If a holder of a significant financial interest transfers his/her interest to another person/entity, the license is considered forfeited and a new application for license will be required (Ref. Sec 55485.5 and 56186.5).

10. SCHEDULE OF CHARGES

If you checked the category of broker or commission merchant in item 7, you are required to provide the department with a schedule of your charges. Please provide your charges (i.e. commission/brokerage fees) per style of container, which commodities handled, and at what rate (per package or by percent).

10a. SERVICE CHARGES

You will also need to provide your service charges, which may include but are not limited to: packing, cooling, palletizing, loading, handling, and dumping. Please indicate the type of service that you provide, style of container, which commodities handled, and amount of charge. **Any change in charges must be submitted to Market Enforcement** (ref. Section 56271(f)).

11. PRIOR LICENSING HISTORY

Information requested in this portion of the application refers to any and all individuals listed as principals on the application, i.e. sole proprietor, partners, corporate officers and members of a limited liability company. You will need to explain any yes answer in the space provided on the application.

12. AMOUNTS OWED TO GROWERS

This section refers to any amounts that are delinquent (over 30 days or beyond payment terms) owed to California producers or other licensees. This information applies to any and all individuals listed as principals on the application, i.e. sole proprietor, partners, corporate officers and members of a limited liability company.

13. BANKRUPTCY

The information requested in this portion of the application refers to any and all individuals listed as principals on the application, i.e. sole proprietor, partners, corporate officers and members of a limited liability company who have filed for bankruptcy in the past 4 years.

14. FINANCIAL VICTIMIZATION

Refers to a conviction of a crime that includes as one of its elements the financial victimization of another person, which was considered to be a misdemeanor or a felony. A conviction would have led to being found guilty, or a plea of *nolo contendere* being entered. If any individual was convicted, please identify the charge(s), when the offense occurred, and judicial jurisdiction.

15. PRODUCERS LIEN

A producer of any farm product that sells any product which is grown by him to any processor under contract has a lien upon such product and upon all processed or manufactured forms of such farm product for his labor, care and expense in growing and harvesting such product. Please indicate if have or intend to request a Producer to waive or subordinate their legal claim to the Producers Lien defined above. (ref. Section 55631 /55633 /55638)

16. ADDITIONAL INFORMATION

If you select YES to questions number 11, 12, 13, 14 or 15 please provide an explanation or additional information in the space provided on the application.

17. DESCRIPTION OF YOUR BUSINESS OPERATIONS

Providing the department with a description of what your company does, will help determine if a PDA/PL license is required.

18. OPERATION START DATE

Refers to your current operation/business. When will or did your operations requiring a Market Enforcement license start? Provide date. If you have been in business prior to submitting a completed application, you will be required to pay double the license fees according to Sections 55862.7/56573.5 of Food and Agricultural Code.

19. INITIALS

Applicant must read and understand the paragraph under “notice of credit and criminal information” and “license affidavit”. This information applies to any and all individuals listed as principals on the application, i.e. sole proprietor, partners, corporate officers and members of a limited liability company.

20. INITIALS/STATEMENT FOR CASH-BUYER

If you checked the category of Cash-Buyer or Processor Cash-Buyer you must read, understand and initial the paragraph under “statement for cash-buyer”.

21. CALIFORNIA FARM PRODUCTS HANDLED

Circle all appropriate farm products, which you either purchase or handle on behalf of California growers or licensees. If your commodity group is not listed, please add it under miscellaneous.

If any of the above items are not submitted at the time of applying for the license, the application will be considered incomplete. Market Enforcement Branch, upon receipt of a completed application, has 90 days to accept or deny the application (ref. Sections 55524/56185).

SIGNATURE

Application **must** be signed and dated by an authorized representative listed in Item 9 on the application.

For any additional clarification or assistance, please contact the Market Enforcement Branch at 1220 N Street, Sacramento, California, 95814, telephone (916) 900-5016