

Kentucky

Title XXX – Contracts Sales Representatives’ Contracts

371.370 Definitions for KRS 371.375 to 371.385.

As used in KRS 371.375 to 371.385, unless the context otherwise requires:

- (1) "Commissions" means compensation accruing to a sales representative for payment by a principal, the rate of which is expressed as a percentage of the amount of orders or sales or as a specified amount per order or per sale.
- (2) "Person" means an individual, corporation, partnership, association, estate, or trust.
- (3) "Principal" means a person who does not have a permanent or fixed place of business in this state and who:
 - (a) Manufactures, produces, imports, or distributes a tangible product for wholesale;
 - (b) Contracts with a sales representative to solicit orders for the product; and
 - (c) Compensates the sales representative, in whole or in part, by commission.
- (4) "Sales representative" means a person who:
 - (a) Contracts with a principal to solicit wholesale orders;
 - (b) Is compensated, in whole or in part, by commission;
 - (c) Does not place orders or purchase for his own account or for resale; and
 - (d) Does not sell or take orders for the sale of products to the ultimate consumer.

Effective: July 15, 1988

History: Created 1988 Ky. Acts ch. 167, sec. 1, effective July 15, 1988.

371.375 Termination of contract -- Civil action -- Liability of principal or sales representative.

- (1) When a contract between a sales representative and a principal is terminated for any reason, the principal shall pay the sales representative all commissions accrued under the contract to the sales representative within thirty (30) days after the effective date of such termination.
- (2) A principal who fails to comply with the provisions of subsection (1) of this section shall be liable to the sales representative in a civil action for:
 - (a) All amounts due the sales representative, plus exemplary damages in an amount not to exceed two (2) times the amount of commissions due the sales representative; and
 - (b) Attorney's fees actually and reasonably incurred by the sales representative in the action and court costs.
- (3) Where the court determines that an action brought by a sales representative against a principal under KRS 371.370 to 371.385 is frivolous, the sales representative shall be liable to the principal for attorney's fees actually and reasonably incurred by the principal in defending the action and court costs.
- (4) Nothing in KRS 371.370 to 371.385 shall invalidate or restrict any additional right or remedy available to a sales representative or preclude a sales representative from seeking to recover in an action on any other claim against a principal.

Effective: July 15, 1988

History: Created 1988 Ky. Acts ch. 167, sec. 2, effective July 15, 1988.

371.380 Personal jurisdiction over nonresident principal.

A principal who is not a resident of this state that contracts with a sales representative to solicit orders in this state is declared to be doing business in this state for purposes of the exercise of personal jurisdiction over nonresidents under KRS Chapter 454.

Effective: July 15, 1988

History: Created 1988 Ky. Acts ch. 167, sec. 3, effective July 15, 1988.

371.385 Waiver provisions to be void.

A provision in any contract between a sales representative and a principal purporting to waive any provision of KRS 371.370 to 371.385, whether by expressed waiver or by a contract subject to the laws of another state, shall be void.

Effective: July 15, 1988

History: Created 1988 Ky. Acts ch. 167, sec. 4, effective July 15, 1988.

<http://www.lrc.ky.gov/statutes/chapter.aspx?id=39133>