

IC 24-4-7

Chapter 7. Contracts With Wholesale Sales Representatives

IC 24-4-7-0.1

Application of certain amendments to chapter

Sec. 0.1. The addition of this chapter by P.L.238-1985 does not apply to contracts formed before September 1, 1985.

As added by P.L.220-2011, SEC.387.

IC 24-4-7-1

"Commission"

Sec. 1. As used in this chapter, "commission" means compensation that accrues to a sales representative, for payment by a principal, at a rate expressed as a percentage of the dollar amount of orders taken or sales made by the sales representative.

As added by P.L.238-1985, SEC.1.

IC 24-4-7-2

"Person"

Sec. 2. As used in this chapter, "person" means an individual, corporation, limited liability company, partnership, unincorporated association, estate, or trust.

As added by P.L.238-1985, SEC.1. Amended by P.L.8-1993, SEC.355.

IC 24-4-7-3

"Principal"

Sec. 3. As used in this chapter, "principal" means a person who:

- (1) manufactures, produces, imports, sells, or distributes a product for wholesale;
- (2) contracts with a sales representative to solicit wholesale orders for the product; and
- (3) compensates the sales representative, in whole or in part, by commission.

As added by P.L.238-1985, SEC.1.

IC 24-4-7-4

"Sales representative"

Sec. 4. As used in this chapter, "sales representative" means a person who:

- (1) contracts with a principal to solicit wholesale orders in Indiana; and
- (2) is compensated, in whole or in part, by commission.

The term does not include a person who places orders or purchases on the person's own account for resale.

As added by P.L.238-1985, SEC.1.

IC 24-4-7-5

Termination of contract; payment of commissions accrued; failure to comply; attorney's fees and costs

Sec. 5. (a) If a contract between a sales representative and a principal is terminated, the principal shall, within fourteen (14) days after payment would have been due under the contract if the contract had not been terminated, pay to the sales representative all commissions accrued under the contract.

(b) A principal who in bad faith fails to comply with subsection (a) shall be liable, in a civil action brought by the sales representative, for exemplary damages in an amount no more than three (3) times the sum of the commissions owed to the sales representative.

(c) In a civil action under subsection (b), a principal against whom exemplary damages are awarded shall pay the sales representative's reasonable attorney's fees and court costs. However, if judgment is entered for the principal and the court determines that the action was brought on frivolous grounds, the court shall award reasonable attorney's fees and court costs to the principal.

As added by P.L.238-1985, SEC.1.

IC 24-4-7-6

Doing business in Indiana

Sec. 6. For purposes of Indiana trial rule 4.4, a principal who contracts with a sales representative to solicit wholesale orders for a product in Indiana is doing business in Indiana.

As added by P.L.238-1985, SEC.1.

IC 24-4-7-7

Commission; revocable offer; entitlement

Sec. 7. (a) If a principal makes a revocable offer of a commission to a sales representative who is not an employee of the principal, the sales representative is entitled to the commission agreed upon if:

- (1) the principal revokes the offer of commission and the sales representative establishes that the revocation was for a purpose of avoiding payment of the commission;
- (2) the revocation occurs after the sales representative has obtained a written order for the principal's product because of the efforts of the sales representative; and
- (3) the principal's product that is the subject of the order is shipped to and paid for by a customer.

(b) This section may not be construed:

- (1) to impair the application of IC 32-21-1 (statute of frauds);
- (2) to abrogate any rule of agency law; or
- (3) to unconstitutionally impair the obligations of contracts.

As added by P.L.138-1990, SEC.1. Amended by P.L.1-1993, SEC.193; P.L.2-2002, SEC.76.

IC 24-4-7-8

Waiver of provision in chapter

Sec. 8. A provision in a contract between a sales representative and a principal that waives a provision of this chapter by:

- (1) an express waiver; or
- (2) a contract subject to the laws of another state;

is void.

As added by P.L.138-1990, SEC.2.