§ 66-132. Contracts to be in writing.

(a) Every contract between a discount buying club and its customers shall be in writing, fully completed, dated and signed by all contracting parties. A copy of the completed contract shall be given to the buyer at the time he signs it. The contract shall in clear, conspicuous and simple language:

(1) State the duration of the contract in a definite period of years or months. If the contract may be periodically renewed, the contract shall state specifically the terms under which it may be renewed; and the amount of any renewal fees must be stated unless the contract meets the requirements of subsection (b) of this section.

(2) State that the buying club will maintain a trust account and bond in compliance with G.S. 66-135, and identify the location of the trust account and the name and address of the surety company.

(3) Contain, immediately above the customer's signature in boldface type of not less than 10 points size, a statement substantially as follows:

"You, the customer, may cancel this contract at any time prior to midnight of the third business day after the date of this contract. To cancel you must notify the company in writing of your intent to cancel."

(4) List the categories of goods and services the buying club contracts to make available.

(5) State the procedures by which the customer can select, order, and pay for merchandise or services and state the time and manner of delivery.

(6) State the method the discount buying club will use in setting the price customers will pay for goods or services.

(7) List any charges, however denominated, which are incidental to the purchase of goods or services and which must be paid by the customer.

(8) State the discount buying club's obligations with respect to warranties on goods or services ordered.

(9) State the customer's rights and obligations with respect to the cancellation or return of ordered goods.

(b) The written contract required by subsection (a) above need not be signed or dated by the customer if the following requirements are met:

(1) The total consideration paid by each member or customer does not exceed a one-time or annual fee of one hundred dollars ($100.00);

(2) The member or customer has the unconditional right to cancel the contract at any time and receive within 10 days a full refund of the one-time membership fee, or the annual membership fee covering the current membership period, whichever the case may be;

(3) Instead of the notice required in subsection (a)(3), above, the written contract contains on its first page in boldface type of not less than 10 points size, or not less than the point size of the contract terms or information printed immediately adjacent thereto, whichever point size shall be larger, a statement substantially as follows:

"You, the customer, may cancel this contract at any time and receive a total refund of any fees or consideration already paid for the current membership period. To cancel you must notify the company in writing of your intent to cancel."; and

(4) The written contract is mailed to the buyer on or before the date the membership is first charged or billed. (1981, c. 594, s. 1; 1989, c. 495, s. 1.)