Article 27.

Sales Representative Commissions.

§ 66-190. Definitions.

The following definitions apply in this Article:

(1) "Commission" 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, sales, or profits or as a specified amount per order or per sale.

(2) "Person" means an individual, corporation, limited liability company, partnership, unincorporated association, estate, trust, or other entity.

(3) "Principal" means a person who:
   a. Manufactures, produces, imports, or distributes a product or service;
   b. Contracts with a sales representative to solicit orders for the product or service; 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 orders for products or services;
   b. Is compensated, in whole or in part, by commission;
   c. Is not a seller who complies with:
      1. G.S. 25A-39 and G.S. 25A-40; or
      2. Part 429 of 16 Code of Federal Regulations (January 1, 2003);
   d. Repealed by Session Laws 2003-331, s. 1, effective October 1, 2003.
   e. Is not an employee of the principal;
   f. Does not sell or take orders for the sale of advertising services; and
   g. Is not a person requiring a real estate broker's or sales agent's license under Chapter 93A of the General Statutes.

(5) "Terminate" and "termination" mean the end of the business relationship between the sales representative and the principal, whether by agreement, by expiration of time, or by exercise of a right of termination of either party. (1989, c. 506, s. 1; 2003-331, s. 1.)