

KENTUCKY REVISED STATUTES ANNOTATED
TITLE XXX – CONTRACTS
CHAPTER 371 – FORMALITY AND ASSIGNABILITY OF CONTRACTS; INSTALLMENT
SALES CONTRACTS (REFS & ANNOS)
SALES REPRESENTATIVES’ CONTRACTS

Current through the 2024 Regular Session and the Nov. 7, 2023 election. Some sections may be more current, see credits for details.

Section 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.

(HISTORY: 1988 c 167, § 1, eff. 7-15-88.)

Editor's Notes: For validity of this section, see *Cecil v. Duck Head Apparel Co., Inc.*, 985 F. Supp. 155 (W.D. Ky. 1995.)

Section 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.

(HISTORY: 1988 c 167, § 2, eff. 7-15-88)

Editor's Notes: For validity of this section, see *Cecil v. Duck Head Apparel Co., Inc.*, 985 F. Supp. 155 (W.D. Ky. 1995.)

Section 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.

(HISTORY: 1988 c 167, § 3, eff. 7-15-88.)

Section 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.

(HISTORY: 1988 c 167, § 4, eff. 7-15-88.)