

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  - d. Repealed by Session Laws 2003-331, s. 1, effective October 1, 2003.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.)