

32B-14-305 Sale or transfer of supplier's business.

- (1)
- (a) For purposes of this section, "successor" means a supplier who obtains a distribution right of a brand that a wholesaler distributes in this state pursuant to a distributorship agreement with another supplier who previously had the distribution rights of the brand.
 - (b) For purposes of Subsection (1)(a), the successor may obtain a distribution right:
 - (i) by any means, including:
 - (A) merger;
 - (B) purchase of corporate shares; or
 - (C) purchase of assets; and
 - (ii) from:
 - (A) a supplier; or
 - (B) a person acting in an official capacity who is not a supplier including a nominee, representative, or fiduciary.
- (2)
- (a) A successor to a supplier that acquires a supplier's product or brand in this state is bound by the terms and conditions of each distributorship agreement with a wholesaler in this state that was in effect on the date on which the successor receives the assets or rights of the previous supplier.
 - (b) Notwithstanding Subsection (2)(a), if the requirements of Subsection (2)(c) are met, a successor may contractually require the wholesaler to:
 - (i) execute a new distributorship agreement; and
 - (ii) comply with the successor's operational standards of performance.
 - (c) A successor may impose a requirement under Subsection (2)(b) if:
 - (i) the operational standards of performance being required are consistent with this chapter;
 - (ii) the operational standards of performance being required are uniformly imposed by the successor on similarly situated wholesalers; and
 - (iii) the successor provides the wholesaler at least one year to:
 - (A) execute a new distributorship agreement; and
 - (B) comply with the operational standards of performance.

Enacted by Chapter 276, 2010 General Session