

Effective 7/1/2014

32B-8a-402 Duties of escrow holder.

- (1) To act as an escrow holder under Section 32B-8a-401, a person shall comply with Title 7, Chapter 22, Regulation of Independent Escrow Agents.
- (2) Not more than 10 days after receiving a claim from a creditor, an escrow holder shall acknowledge receipt of the claim.
- (3)
 - (a) Not more than 10 days after a retail license is transferred and before the distribution of the consideration held by an escrow holder, the escrow holder shall advise each creditor who files a claim against the escrow whether there is sufficient consideration in the escrow to pay all creditors in full.
 - (b) If the consideration in an escrow is sufficient to pay all creditors in full, the escrow holder shall advise each creditor of the date on or before which payment will be made.
 - (c) If there are not sufficient assets to pay all creditors in full, the escrow holder shall advise each creditor who filed a claim of the following:
 - (i) the total assets placed in escrow with the escrow holder;
 - (ii) the nature of each asset;
 - (iii) the name of each creditor who filed a claim against the escrow and the amount of the claim;
 - (iv) the amount the escrow holder proposes to pay each creditor; and
 - (v) the date on or before which the escrow holder will pay each creditor.
- (4) An escrow holder may not release money in the escrow in exchange for:
 - (a) a promissory note; or
 - (b) any other consideration of less value to the creditors than the money exchanged.
- (5) If sufficient assets are not available in the escrow for the payment of the claims in full, the escrow holder shall pay the claims pro rata.
- (6) If the retail licensee who transfers the retail license disputes a claim, the escrow holder shall:
 - (a) notify the creditor making the claim;
 - (b) retain the amount to be paid to the creditor under this section for a period of 25 days; and
 - (c) to the extent that creditors do not successfully recover the amount described in Subsection (6)
 - (b) in accordance with this part, pay the amount to the retail licensee.
- (7) An escrow holder shall distribute the money in the escrow account after the payments made under Subsections 32B-8a-401(2) and this section within a reasonable time after the completion of the transfer of the retail license.

Revisor instructions Chapter 349, 2013 General Session
Enacted by Chapter 334, 2011 General Session