

**13-12-4 Cancellation provisions -- Dealer or distributor -- Time limit to exercise.**

- (1) Every dealer or distributor shall have the right, which may not be waived, to cancel his marketing agreement until midnight of the seventh business day after the day on which the buyer signs the marketing agreement or, if that agreement is oral, after the day on which the buyer agrees thereto.
- (2) Notice of cancellation shall be deemed to have been given when it is addressed to the distributor's or refiner's last known address, postage prepaid, and certified with a return receipt requested.
- (3) Unless within 10 days after delivery of that notice of cancellation the dealer returns to the distributor or refiner any money, equipment or merchandise loaned, sold or delivered to the dealer and delivers up full possession of the business location to the distributor or refiner, that notice of cancellation shall be null and void ab initio.
- (4)
  - (a) Except as provided in this subsection, within 10 days after notice of cancellation is delivered to him, the distributor or refiner shall tender to the buyer any payments made by the buyer and any note or other evidence of indebtedness.
  - (b) If the down payment includes goods traded in, the goods shall be tendered in substantially as good condition as when received by the distributor or refiner. If the distributor or refiner fails to tender the goods as provided by this subsection, the dealer may elect to recover an amount equal to the allowance established by their agreement.
  - (c) Notwithstanding the provisions of Subsection (3) until the distributor or refiner has complied with the obligations imposed by this subsection, the dealer may retain possession of goods delivered to him by the distributor or refiner and has a lien on the goods in his possession or control for any recovery to which he is entitled.

Amended by Chapter 378, 2010 General Session