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**WEST VIRGINIA CODE CHAPTER 19**  
**ARTICLE 3**

WV Legislature

**§19-3-1. License required; application and fee.**

A person engaged in the business of a commission merchant in this state dealing in the sale, purchase, or consignment of agricultural products shall before carrying on such business procure a license from the commissioner. Application for such license shall be made on forms prescribed by the commissioner and shall be accompanied by a fee of \$10. Such license shall be renewed annually on or before July 1,.

**§19-3-2. Applicant to furnish surety bond.**

Prior to the issuance of a license for commission merchant, the applicant shall execute and deliver to the commissioner a surety bond conditioned as the commissioner may require and acceptable to him payable to the State of West Virginia, for the benefit of consignors who have been wronged or damaged by fraud or fraudulent practices of the commission merchant and so adjudged by a court of competent jurisdiction and who shall have the right of action for damage for compensation against such bond.

WV Legislature

**§19-3-3. Grounds for refusal or revocation of license.**

The commissioner may refuse to grant a license or may revoke a license already granted when he is satisfied that the applicant or licensee has:

- (1) Failed to satisfy a money judgment properly served against him
- (2) Made false, fraudulent or improper charges or returns for the handling, sale, storage, or other services in connection with agricultural products;
- (3) Failed or refused to render an account of sales or make prompt settlement thereon;
- (4) Knowingly made false or misleading statements as to the condition, quality, or quantity of agricultural products received, handled, stored, or held by him for sale;
- (5) Made false or misleading statements concerning market conditions, with the intent to deceive;
- (6) Combined or conspired to fix prices either directly or indirectly;
- (7) Purchased for his own account agricultural products received by him upon consignment without prior notice to the consignor in writing, or at an agreed price fixed by the consignor;
- (8) Made fictitious sales or has been guilty of collusion to defraud the consignor;
- (9) Has reconsigned agricultural products without the written consent of the consignor or without notice to the consignor that all or part of his shipment has been reconsigned;
- (10) Sold consigned goods to another person, exchange, association, or corporation in which the consignee has a financial interest without notice in writing to the consignor of such interest.

**§19-3-4. Suit on bond; limitation on recovery.**

A person injured by the failure of a commission merchant to pay over the full amount received on any sale, less commissions and charges may recover on the bond of the commission merchant the amount due him by a suit brought in the name of the State of West Virginia for the use of the injured person. No recovery shall be had on the bond in excess of the penalty thereof. In case of multiple claims in excess of the bond, each claimant shall recover his pro rata share.

WV Legislature

**§19-3-5. Penalty; moneys collected to be deposited in "general marketing fund."**

A commission merchant who violates any of the provisions of this article shall be guilty of a misdemeanor and, upon conviction shall be fined not more than \$100 for the first offense, and not less than \$100 nor more than \$200 for each subsequent offense. Each transaction engaged in by an unlicensed commission merchant shall constitute a separate offense.

All moneys collected under this article shall be deposited with the treasurer of the State of West Virginia and shall be kept in a separate fund to be designated as the "general marketing fund" and reappropriated to the Department of Agriculture for the administration of this article.