# WEST VIRGINIA CODE: §47-11F-4

**§47-11F-4. Supplier requirement to repurchase dealer inventory; terms of repurchase.**

(a) The provisions of any agreement to the contrary notwithstanding, whenever an agreement or contract between a dealer and a supplier is terminated by either party, the supplier shall repurchase the dealer's inventory as provided in this article unless the dealer chooses to keep the inventory and so advises the supplier in writing.

(b) The supplier's obligation to repurchase the dealer's inventory shall apply to any successor in interest or assignee of that supplier. A successor in interest includes any purchaser of assets or stock, any surviving corporation resulting from a merger or liquidation, any receiver, or any trustee of the original supplier.

(c) If the dealer dies or becomes incompetent, the supplier shall, at the option of the heir, repurchase the inventory to the same extent as if the agreement had been terminated. The heir has one year from the date of the death of the dealer or from the date such dealer is determined to be incompetent to exercise the options of the dealer under this article.

(d) The supplier shall repurchase from the dealer within ninety days from the date of termination of the agreement or contract all inventory previously purchased from the supplier that remains unsold on the date of termination of the agreement or contract, including, but not limited to, all data processing hardware and software, special services tools, and business signs that the supplier required the dealer to purchase.

(e) The supplier shall pay the dealer:

(1) One hundred percent of the net cost of all new, unused, undamaged and complete inventory, except repair parts, special service tools, business signs and data processing equipment, less a reasonable allowance for deterioration attributable to weather conditions at the dealer's location; and

(2) Ninety percent of the current net price of all new, unused, and undamaged repair parts that are currently listed in the supplier's price book as of the effective date of such termination; and

(3) Seventy-five percent of the net cost of all undamaged special service tools and business signs in the possession of the dealer which are currently available; and

(4) Net cost less twenty percent per year depreciation of all data processing hardware and software that the supplier required the dealer to purchase or the supplier shall assume all data processing hardware and software lease responsibilities of the dealer if the supplier required the dealer to lease the data processing hardware and software from a specific

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supplier of such hardware and/or software.

(f) The inventory shall be returned F.O.B. (which means "free on board") to the dealership and the dealer shall bear the expenses and risk of putting them into the possession of the carrier. The supplier may perform the handling, packing, and loading of repair parts returned and withhold, as a charge for these services, five percent of the current net price of the returned repair parts. The dealer and the supplier may each furnish a representative to inspect all inventory and certify as to its acceptability before being returned.

(g) The supplier shall pay the full repurchase amount as required by subsection (d) of this section not later than ninety days after receipt of the inventory by the supplier.

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