



Ohio Revised Code

Section 1334.06 Written agreements - contents.

Effective: September 28, 2012

Legislation: Senate Bill 196 - 129th General Assembly

(A) Every agreement selling or leasing a business opportunity plan shall be in writing and a copy of the executed agreement and all other documents the seller requires the purchaser to sign shall be given to the purchaser at the time they are signed. The agreement shall contain at least the following:

- (1) The terms and conditions of payment including the initial payment or the promissory note, additional payments, and down payment required;
- (2) A full description of the acts or services the seller will undertake to perform for the purchaser;
- (3) The seller's principal business address and the name and address of its agent authorized to receive service of process in this state;
- (4) The business form of the seller, whether corporate, partnership, or otherwise;
- (5) The delivery date of the goods the seller is to deliver to the purchaser to begin operation of the business opportunity plan and the location for delivery;
- (6) A complete description of the buy-back or security arrangement, if any;
- (7) Notice of the purchaser's right to cancel the agreement in at least ten-point boldface type, in the following form and in close proximity to the space reserved in the agreement for the signature of the purchaser:

"You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right."

(B) A completed form, in duplicate, captioned "notice of cancellation," shall be attached to the



agreement signed by the purchaser and be easily detachable and shall contain in ten-point boldface type, the following statement:

"Notice of cancellation

_____ (Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to (name of seller), at (address of seller's place of business), or send a fax to (name of seller) at (seller's facsimile number) or an e-mail to (name of seller) at (seller's electronic mail address), not later than midnight of (enter date).

I hereby cancel this transaction.

(Date) (Purchaser's signature)"

(C) Before furnishing copies of the notice of cancellation to the purchaser, the seller shall complete both copies by entering the name of the seller, the address of the seller's place of business, the date of the agreement, and the date of the last day on which the purchaser may cancel.



(D) In connection with the sale or lease of a business opportunity plan, no seller shall:

(1) Fail to integrate into the written agreement all material statements, representations, or promises that were made orally prior to execution of the written agreement by the seller to the purchaser and were not integrated into any other written document previously provided to the purchaser by the seller;

(2) Include in any agreement, any confession of judgment or any waiver of any rights to which the purchaser is entitled under sections 1334.01 to 1334.15 of the Revised Code, including specifically the right to cancel the agreement in accordance with this section and section 1334.05 of the Revised Code;

(3) Fail to inform each purchaser orally, at the time an agreement is signed, of the right to cancel;

(4) Misrepresent in any manner the purchaser's right to cancel;

(5) Fail or refuse to honor any valid notice of cancellation by a purchaser and within ten business days after receipt of the notice to:

(a) Refund all payments made under the agreement;

(b) Cancel and return any note, negotiable instrument, or other evidence of indebtedness executed by the purchaser in connection with the agreement and take any action necessary to reflect the termination of any security interest or lien created under the agreement;

(c) Notify the purchaser if the seller intends to repossess or abandon any goods delivered to the purchaser.

(6) Negotiate, transfer, sell, or assign any note or other evidence of indebtedness during the time within which a purchaser may cancel;

(7) Commence delivery of any goods or provide any services during the time within which the purchaser may cancel.



(E) In connection with the sale or lease of a business opportunity plan, any provision in an agreement restricting jurisdiction or venue to a forum outside of this state, or requiring the application of laws of another state, is void with respect to a claim otherwise enforceable under sections 1334.01 to 1334.15 of the Revised Code.