

**§ 46.33**

**7 CFR Ch. I (1-1-08 Edition)**

damage resulting to the growers due to his negligence or failure to perform any specification or duty, express or implied, arising out of any undertaking in connection with transactions subject to the Act.

(g) *Responsibility for payment.* An agent is not responsible for the payment by the buyer who has purchased the growers' produce on credit, unless he guarantees payment or is negligent in extending credit. Agreement to collect from the buyer and remit to his principal is not a guarantee by the agent that the agent will pay if the buyer does not pay.

(h) *Responsibility for payment of selling fees and expenses to the growers' agent.* In the absence of a specific agreement to the contrary, the agent does not guarantee the performance of the contracting parties and he is entitled to the payment of his selling fees and expenses incurred in handling the produce of growers or others, providing he fully performs his duties as agent.

(i) *Agent's financial responsibility to buyers for failure to comply with contracts.* If a growers' agent contracts in his own name to deliver produce to a buyer and subsequently cannot deliver produce complying with the contract because the growers cannot or will not deliver such produce to him, he may be liable to the buyer for damages resulting from the breach of the contract.

CONVERSION OF FUNDS

**§ 46.33 Conversion of funds.**

Any licensee who collects or receives funds for or on behalf of another person or firm in connection with produce shall not make any use or disposition of such funds in his possession or control that will endanger or impair faithful and prompt payment to the owner or consignor of the produce or to any other person having a financial interest therein.

DISCLOSURE OF BUSINESS

**§ 46.34 No disclosure of business of licensee.**

No representative of the Department shall, without the consent of the licensee, divulge or make known, except to financially interested parties, or to other representatives of the Depart-

ment who may be required to have such knowledge in the regular course of their official duties, or except insofar as he may be directed by the Secretary, Deputy Administrator, Director, or a court of competent jurisdiction, any facts or information regarding the business of such licensee which may come to the knowledge of such representative through an examination or inspection of the business or the accounts of the licensee, unless such facts or information should be testified to at a hearing authorized by the act because they are relevant and material to the issue in the case being heard.

SUSPENSION AND REVOCATION OF LICENSES

**§ 46.35 Suspension or revocation order.**

(a) Whenever the Secretary shall order the suspension or revocation of a license, the person against whom such order is directed shall be served by the Hearing Clerk with a copy of the order, and be notified of the effective date thereof. Service of orders shall be accomplished in accordance with § 47.4 of this chapter.

(b) Except in the case of any license automatically suspended by the Act, a reasonable time shall be allowed, which shall not be less than 10 days between the date of issuance of the order of suspension or revocation and the date upon which such order becomes effective, during which period the licensee may make all necessary arrangements with some other person, who has a valid and effective license to safeguard the interests of consignors or other innocent parties whose property or business may be affected by such suspension or revocation and during which the licensee may terminate his affairs and business relating to the handling of produce.

(c) After the revocation of his license or during the effective period of any suspension thereof, no person shall, either directly or indirectly, through any agent, employee, or otherwise, carry on the business of a commission merchant, dealer, or broker until his status as a licensee has been restored.

(d) The suspension or revocation of a license shall not prevent the licensee

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from collecting amounts due on contracts entered into prior to the date of suspension or revocation or from remitting promptly to his principals and obligees.

### PUBLICATION OF FACTS

#### § 46.36 Publicity.

Upon the issuance by the Secretary of an order revoking or suspending a license, or in case of automatic suspension of a license for failure to pay a reparation award, the Director shall cause general publicity to be given to such fact, in order that those doing business with the licensee whose license has been revoked or suspended may take due notice thereof.

### SUNDAYS AND HOLIDAYS

#### § 46.37 Sundays and holidays excluded.

Sundays and holidays shall not be included in the computation of the 5-day period provided by section 7(d) of the Act nor in connection with the periods defined in § 46.43 with exception of paragraph (a) thereof.

#### § 46.38 Sundays and holidays included.

Sundays and holidays shall be included in the computation of all other periods mentioned in the Act or in the regulations in this part.

### COMMODITY INSPECTION

#### § 46.39 Inspection of commodities.

Each licensee shall, during ordinary business hours, promptly upon request, permit any duly authorized representative of the Department to inspect any lot of produce under his ownership or control covered by the Act. Any necessary facilities for such inspection shall be extended to such representative by the licensee, his agents, and employees. The licensee shall be furnished a copy of any certificate or memorandum of inspection which is issued for any lot of produce which is inspected in accordance with this section.

#### § 46.40 Inspection service.

The rules and regulations of the Secretary governing inspection and certification of fresh fruits and vegetables

as outlined in Part 51 of this chapter; and frozen fruits and vegetables as outlined in Part 52 of this chapter, and amendments thereto, and such additional amendments as may from time to time be promulgated shall govern the inspection of such products under the Act and are hereby made a part of the regulations in this part.

### LICENSEE'S RESPONSIBILITY FOR ACTS OF EMPLOYEES AND AGENTS

#### § 46.41 Licensee's responsibility for acts of employees and agents.

In construing and enforcing the provisions of the Act and the regulations in this part, the act, omission, or failure of any agent, officer, or other person acting for or employed by a licensee, within the scope of his employment or office, shall in every case be deemed the Act, omission, or failure of the licensee.

[25 FR 4853, June 2, 1960. Redesignated at 28 FR 7067, July 11, 1963]

### COPIES OF RECORDS

#### § 46.42 Copies of records; how obtained.

Copies of records pertaining to licensees under the Act may be furnished under the conditions and at the prices prescribed in the regulations of the Department.

[25 FR 4853, June 2, 1960. Redesignated at 28 FR 7067, July 11, 1963]

### TRADE TERMS AND DEFINITIONS

#### § 46.43 Terms construed.

The following terms and definitions, when used in any contract or communication involving any transaction coming within the scope of the Act, shall be construed as follows:

(a) *Today's shipment*, or shipment on a specified date (such as *shipment September 12*), means in connection with shipments by rail, that the goods referred to shall be under billing by the transportation company on the date the order is given or on the date specified in time to be picked up by a train schedule to move that day's loadings from the shipping point. When used in connection with shipments by boat, this term shall mean that the goods