

Two Minute Legal ReviewSM

April, 2011

In Ohio, can you revoke any contract within three days of signing?

By: Elliott Stapleton, Esq.

Why is this important?

There is a pervasive myth in Ohio that any contract can be revoked within three days of signing. It is common for consumers to rely on this belief, sign the contract, and think there are still three days to decide.

Can you revoke any contract within three days of signing?

No. As a general rule, a contract should not be signed unless you wish to be bound by the terms. Once the contract is entered into, if the obligations are not followed, there are potential damages for breach.

Are there any contracts in which you can revoke acceptance within three days?

Ohio does have a few exceptions in which you can revoke a contract within three days, but this is the exception not the rule. The types of agreements include: Prepaid Entertainment Contracts and Home Solicitation Sales. (*See below for more details). In both cases, you should be given written notice of your ability to cancel these contracts at the time of signing.

If a business sells Prepaid Entertainment Contracts or sells by Home Solicitation, it must comply with strict written notice requirements. If the business does not comply it could be held liable for the entire amount the customer paid, penalties, court costs, and attorneys' fees.

***Prepaid Entertainment:** A contract under which the buyer of a service pays for or becomes obligated to pay for service prior to receipt or enjoyment of any or all of the service. Examples include: Dance studio lessons, Social referral service, Martial arts training, Health spa, or Exercise facilities. ORC Ann. 1345.41 (2005)

***Home Solicitation Sale:** A sale of consumer goods or services in which the seller or a person acting for the seller personally solicits the sale at a residence of the buyer, including solicitations in response to or following an invitation by the buyer, and the buyer's agreement or offer to purchase is there given to the seller or a person acting for the seller, or in which the buyer's agreement or offer to purchase is made at a place other than the seller's place of business. ORC

1345.21(A).

There are some exceptions within the requirements to provide Notice of Cancellation. Both the rules and exceptions should be thoroughly evaluated before making any legally binding decisions.

This is a summary of general information and not a substitute for legal advice. Any third party services or information are not endorsed by the author. All decisions related to legal action must be made with qualified counsel.