

Defined terms: "Franchise" § 14-201

"Person" § 1-101

14-230. FALSE OR MISLEADING STATEMENT OR OMISSION IN OFFERING PROSPECTUS OR AMENDMENT.

(A) PROHIBITED ACT.

IN AN OFFERING PROSPECTUS OR AMENDMENT, A PERSON MAY NOT WILLFULLY MAKE A FALSE OR MISLEADING STATEMENT OF A MATERIAL FACT OR WILLFULLY OMIT A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS IN AN OFFERING PROSPECTUS OR AMENDMENT NOT MISLEADING.

(B) PENALTY.

A PERSON WHO VIOLATES THAT SECTION IS GUILTY OF A FELONY AND, ON CONVICTION, IS SUBJECT FOR EACH VIOLATION TO A FINE NOT EXCEEDING \$10,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 56, § 365A(a), except as it related to a violation of former § 347.

Defined term: "Person" § 1-101

14-231. UNTRUE STATEMENTS OR OMISSIONS OF MATERIAL FACT IN APPLICATIONS, NOTICES, OR REPORTS.

(A) PROHIBITED ACT.

A PERSON MAY NOT MAKE OR CAUSE TO BE MADE AN UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT A MATERIAL FACT IN AN APPLICATION FOR REGISTRATION, TO AMEND REGISTRATION, OR FOR RENEWAL OR IN A NOTICE OR REPORT SUBMITTED TO THE COMMISSIONER UNDER THIS SUBTITLE.

(B) PENALTY.

A PERSON WHO WILLFULLY SELLS A FRANCHISE KNOWINGLY VIOLATING THIS SECTION IS GUILTY OF A FELONY AND, ON CONVICTION, IS SUBJECT FOR EACH VIOLATION TO A FINE NOT EXCEEDING \$10,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 56, § 347(c), except as it related to failure to notify the Commissioner, and, as it related to a violation of former § 347, § 365A(a).

Defined terms: "Commissioner" § 14-201

"Franchise" § 14-201

"Person" § 1-101