

14-302. REPURCHASES REQUIRED.

(A) IN GENERAL.

A MULTILEVEL DISTRIBUTION COMPANY MAY NOT REQUIRE A PARTICIPANT IN ITS MARKETING PROGRAM TO BUY GOODS OR SERVICES OR PAY ANY OTHER CONSIDERATION TO PARTICIPATE IN THE MARKETING PROGRAM UNLESS THE MULTILEVEL DISTRIBUTION COMPANY AGREES TO REPURCHASE THE GOODS:

(1) THAT ARE IN RESALABLE CONDITION; AND

(2) THAT THE PARTICIPANT HAS BEEN UNABLE TO SELL 3 MONTHS AFTER RECEIPT OF THE GOODS FIRST ORDERED.

(B) CONTRACTS OF PARTICIPATION.

A MULTILEVEL DISTRIBUTION COMPANY SHALL STATE IN WRITING IN EACH CONTRACT OF PARTICIPATION IN ITS MARKETING PROGRAM THAT:

(1) A PARTICIPANT MAY CANCEL THE CONTRACT FOR ANY REASON WITHIN 3 MONTHS AFTER THE DATE OF RECEIPT OF GOODS OR SERVICES FIRST ORDERED BY WRITTEN NOTICE TO THE MULTILEVEL DISTRIBUTION COMPANY; AND

(2) ON CANCELLATION, THE MULTILEVEL DISTRIBUTION COMPANY SHALL REPURCHASE THE GOODS.

(C) REPURCHASE PRICE.

THE REPURCHASE PRICE SHALL BE AT LEAST 90% OF THE ORIGINAL PRICE PAID BY THE PARTICIPANT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 23, § 180A(b)(1) and (2).

Defined term: "Multilevel distribution company" § 14-301

14-303. REPRESENTATIONS OF EARNINGS.

A MULTILEVEL DISTRIBUTION COMPANY MAY NOT REPRESENT DIRECTLY OR INDIRECTLY THAT PARTICIPANTS IN ITS MARKETING PROGRAM MAY OR WILL EARN A STATED GROSS OR NET AMOUNT OR REPRESENT IN ANY WAY THE PAST EARNINGS OF PARTICIPANTS UNLESS THE STATED GROSS AMOUNT, NET AMOUNT, OR PAST EARNINGS:

(1) ARE THOSE OF A SUBSTANTIAL NUMBER OF PARTICIPANTS IN THE COMMUNITY OR GEOGRAPHIC AREA WHERE THE REPRESENTATION IS MADE; AND