

H.B. 269

SALES MARKETING REQUIREMENTS

Representative **Sheryl L. Allen** proposes the following amendments:

1. Page 3, Lines 61 through 62:

61 the inventory, and at not less than 90% of the original net cost to the participant {~~, minus any~~
62 ~~appropriate set-offs and legal claims~~ } .

2. Page 3, Lines 66 through 67:

66 [(+)] (3) "Consideration" {~~means a payment of any money, or the purchase of goods,~~
67 ~~services, or intangible property, but~~ } does not include:

3. Page 3, Lines 75 through 76:

75 (a) includes consumable or durable goods inventory that is unopened, unused, and that was obtained
by the participant
76 within {~~its commercially reasonable use of shelf-life period~~} 12 months from the date of the
participant's original purchase of the inventory ;

4. Page 3, Lines 80 through 81:

80 (c) does not include inventory that has been clearly described to the participant {~~prior to~~
81 ~~purchase~~} . in at least 12 point type on the front page of a disclosure form signed by the participant
prior to the participant's purchase of the inventory , as a seasonal, discontinued, or special promotion
products not subject to the

5. Page 3, Lines 86 through 87:

86 (7) "Inventory loading" means that the operation requires or encourages its {~~independent~~
87 ~~salespersons~~} participants to purchase inventory in an amount that unreasonably exceeds

6. Page 3, Line 88 through Page 4, Line 90:

- {~~that which the~~
88 ~~salesperson can expect to resell for ultimate consumption, or to use or consume, in a reasonable~~
89 ~~time period~~} 20% above the average resale, by participants to consumers who are not participants,
per participant in the operation over the immediately preceding 12 months. .

90 (8) "Participant" means a natural person who joins an operation.

7. Page 4, Lines 98 through 100:

98 recruitment of other persons as participants into the ~~{+}~~ **sales device or** ~~{+}~~ ~~[plan]~~ operation rather
than
99 from the sale of goods, services, ~~{or}~~ ~~[other]~~ intangible property **. or other property** ~~{to~~
participants or by participants
100 to others **who are not participants** .