



Guiding You Through the Legal Maze.SM

FTC BUSINESS OPPORTUNITY RULE

AND

STATE BUSINESS OPPORTUNITY LAWS

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**FTC BUSINESS OPPORTUNITY RULE
AND
STATE BUSINESS OPPORTUNITY LAWS**

The FTC Business Opportunity Rule (the “FTC Biz Op Rule”) and the 25 states having business opportunity laws regulate “Business Opportunities” (also called “Seller-Assisted Marketing Plans” in certain states) and both require pre-sale disclosure. In most of these states, you must also register the business opportunity offering before advertising, offering or selling a business opportunity in such state, where the business opportunity will be operated in such state and/or to residents of such state.

FTC BIZ OP RULE

DEFINITION

The definition of a “business opportunity” under the FTC Biz Op Rule involves a commercial arrangement that includes the following 3 required elements:

1. The seller must solicit a prospective purchaser to enter into a new business (one in which the prospective purchaser is not currently engaged or a new line or type of business).
2. The purchaser must make a “required payment,” that is, all consideration paid by the purchaser to the seller or an affiliate as a condition to obtaining or commencing the operation of the business opportunity. **There remains the exception for payments for the purchase of a reasonable amount of inventory at bona fide wholesale prices for resale or lease.**
3. The seller must represent that the seller or a designated person (such as a locator or lead generating company) will provide any of 3 types of assistance: (i) providing locations for the purchaser’s use or operation of equipment, displays, vending machines, or similar devices that the purchaser controls; (ii) providing outlets, accounts or customers to the purchaser; or (iii) buying back any of the goods or services that the purchaser makes, including providing payment for such services such as stuffing envelopes from home or jewelry assembly.

The FTC Biz Op Rule continues to apply to business opportunity ventures previously regulated by the FTC Franchise Rule since 1979 including vending machines, rack displays (such as greeting cards), payphones and Internet kiosks. However, the definition of a business opportunity has been expanded to include work-at-home schemes. **The FTC Biz Op Rule does not include the definitional element of the “payment of \$500 or more on or before the first 6 months of operations” that is still included in the FTC Franchise Rule.**

EXEMPTION FOR FRANCHISORS AND MLMs

The FTC Biz Op Rule exempts franchisors covered by the FTC Franchise Rule. The FTC Biz Op Rule does not apply to most multi-level marketing (“MLM”) arrangements because such arrangements typically do not meeting the narrow definition of “Business Opportunity” eliminates 2 types of business arrangements that would have triggered the

Rule's coverage of MLM's (1) tracking or paying commissions or other compensation for the recruitment or sales; and (2) providing generalized training or advice for the business.

FORM OF DISCLOSURE STATEMENT

The FTC Biz Op Rule requires the business opportunity seller to provide to a prospective purchaser a 1-page written disclosure document and certain attachments containing 5 items of information (the "FTC Biz Op Disclosure Document") at least 7 calendar days before a prospective purchaser may sign any documents or pay any money to the seller. There is no filing or approval process with the Federal Trade Commission or other federal agency. The English version form of the FTC Biz Op Disclosure Document produced by the FTC is included at the end of this article.

NO PREEMPTION OF STATE BIZ OP LAWS

The New FTC Business Opportunity Rule does not completely preempt state law. Therefore, if an opportunity is subject to the FTC Biz Op Rule, it must comply with the Rule's requirements and with various state requirements, if they afford greater protection to purchasers.

STATE BUSINESS OPPORTUNITY LAWS

DEFINITION

Florida's definition of a business opportunity is typical:

"Business opportunity" means the sale or lease of any products, equipment, supplies, or services that are sold or leased to a purchaser to enable the purchaser to start a business for which the purchaser is required to pay an initial fee or sum of money which exceeds \$500 to the seller, and in which the seller represents:

1. That the seller or person or entity affiliated with or referred by the seller will provide locations or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases, or other similar devices or currency-operated amusement machines or devices on premises neither owned nor leased by the purchaser or seller;
2. That the seller will purchase any or all of the products made, produced, fabricated, grown, bred or modified by the purchaser using in whole or in part the supplies, services, or chattels sold to the purchaser;
3. That the seller guarantees in writing that the purchaser will derive income from the business opportunity which exceeds the price paid or rent charged for the business opportunity or that the seller will refund all or part of the price paid or rent charged for the business opportunity; or will repurchase any of the products, equipment, supplies, or chattels supplied by the seller, if the purchaser is unsatisfied with the business opportunity; or
4. That the seller will provide a sales program or marketing program that will enable the purchaser to derive income from the business opportunity, except that this paragraph does not apply to the sale of a sales program or marketing program made in

conjunction with the licensing of a trademark that is registered under the laws of any state or of the United States.

For purposes of subparagraph 1, the term "assist the purchaser in finding locations" means, but is not limited to, supplying names of locator companies, contracting with the purchaser to provide assistance or supply names or collecting a fee on behalf of or for a locator company.

Other states regulate these and additional types of business opportunities, under broad standards such as "the seller will provide a marketing plan."

Twenty-five states have business opportunity laws that require special changes to the generic disclosure document and 19 of these states require registration or notice to the state before advertising in the states or selling business opportunities in these states or to residents of these states. There are registration fees ranging from \$10 to \$500, as well as filing fees for amending registrations and renewing registrations. The remaining 25 states have no specific laws regulating business opportunities, although the FTC Business Opportunity Rule applies in these states.

MINIMUM INITIAL INVESTMENT

Most state's business opportunity laws have an initial investment threshold of \$500, making programs under \$500 exempt from disclosure and registration but may be subject to the FTC Biz Op Rule. However, the following business opportunity states have lower threshold amounts or extend the payment period to include a period of time after the purchase, thereby subjecting certain programs of less than \$500 to state registration:

Alaska	\$250
Connecticut	\$200
California	\$500 to \$50,000 on or before the first six months of operation
Georgia	\$500 on or before the first six months of operation
Louisiana	over \$300
Maine	over \$250 on or before the first six months of operation
Maryland	\$300
Michigan	\$500 on or before the first six months of operation
Nebraska	over \$500 on or before the first six months of operation
North Carolina	\$200

Oklahoma	\$500 on or before the first year of operation
South Carolina	\$250
South Dakota	\$250 on or before the first six months of operation
Texas	\$500 on or before the first six months of operation
Utah	\$300 on or before the first six months of operation
Washington	\$300

LARGE INITIAL INVESTMENT EXEMPTION

Seven states will exempt an offering from registration if the amount of the initial investment is above a certain figure (and, in some cases, under a certain percentage of the purchaser's net worth):

California	Above \$50,000
Illinois	Where the purchaser's immediate cash payment is at least \$25,000 and does not exceed 20% of the purchaser's net worth or that net worth is over \$250,000 as determined exclusive of principal residence, furnishings therein, and automobiles
Indiana	Above \$50,000
Ohio	Above \$50,000
Oklahoma	Where the purchaser's immediate cash payment is at least \$25,000 if the immediate cash payment does not exceed 20% of the purchaser's net worth or that net worth is over \$250,000 as determined exclusive of principal residence, furnishings therein, and automobiles
South Carolina	Where the purchaser's immediate cash payment is at least \$25,000 if the immediate cash payment does not exceed 20% of the purchaser's net worth or that net worth is over \$250,000 as determined exclusive of principal residence, furnishings therein, and automobiles
South Dakota	Where the immediate cash payment made by the purchaser is at least \$25,000 if the immediate cash payment does not exceed 20% of the purchaser's net worth or that net worth is over \$250,000 as determined exclusive of principal residence, furnishings therein, and automobiles

AUDITED FINANCIAL STATEMENTS

While most states do not require audited financial statements, Connecticut, Illinois, Kentucky, Maryland, Minnesota, New Hampshire and Oklahoma do require audited financial statements from the inception as part of their registration requirements.

MINIMUM NET WORTH OF SELLER

The FTC Biz Op Rule does not require that a business opportunity seller have a certain minimum net worth. Certain of the business opportunity states do require that a business opportunity seller have a certain minimum net worth in order to become registered in that state before offering or selling business opportunities in that state.

Iowa	\$50,000 or post a \$50,000 surety bond
Oklahoma	\$50,000

SURETY BONDS

Some states require all business opportunity sellers to post a security bond.

Alaska	\$75,000 bond.
Illinois	\$25,000 bond (at least), if the seller's net worth is less than \$25,000.
Indiana	Bond or irrevocable letter of credit of at least \$75,000 or 20 times the initial payment
Iowa	\$50,000 surety bond if the seller does not have a net worth of at least \$50,000.
Kentucky	\$75,000 surety bond or an assignment of a certificate of deposit.
Louisiana	\$50,000 bond and each salesperson must also post a \$25,000 bond.
Maine	\$30,000 bond or escrow if the seller's home office is outside Maine or a \$30,000 escrow.
Virginia	\$50,000 bond.

California, Connecticut, Florida, Georgia, Illinois, Iowa, Maryland, Nebraska, North Carolina, Ohio, South Carolina, South Dakota, Texas, Virginia and Washington require a surety bond if the seller makes certain representations, such as a guarantee of the purchase or a buy-back of the business opportunity, if the purchaser is dissatisfied.

ESCROW ACCOUNTS

Certain states prohibit the seller from taking the entire purchase price up front. Alaska, California, Indiana, Kentucky and Nebraska limit it to no more than a 20% deposit. The Georgia limit is a 15% deposit. In these states, any excess amount must be deposited into a special escrow account held by a financial institution located in that state or other approved escrow agent, however C.O.D. may suffice. Maine allows a \$30,000 surety bond in lieu of an escrow.

REGISTERED AGENTS

California, Michigan and South Carolina require that the Seller appoint a person or company located in that state, other than the Secretary of State or other governmental official, to act as registered agent to receive service of process.

SALESPERSONS

Certain states require salespersons to register, or for the seller to provide a list of salespersons who will be selling the business opportunity to prospective purchasers subject to that state's business opportunity law.

California	Statement of each Salesperson
Connecticut	Individual registration
Illinois	List of Salespersons (names and addresses)
Nebraska	List of Salespersons (name and addresses) every 6 months
Oklahoma	List of Salespersons (to be included in disclosure document)
Texas	List of Salespersons every 6 months

ADVERTISING MATERIALS

A number of states require that all advertising materials directed toward prospective purchasers, including advertisements intended to appear in publications located in that state, must be filed with the state as part of the registration process.

Alaska	File advertising materials before use
California	File advertising materials before use
Florida	No filing of advertising materials but advertising materials must include the Florida Advertising Identification Number
Indiana	No filing of advertising materials but advertising materials must include the Indiana Registration Number
Kentucky	No filing of advertising materials but advertising materials must include the Kentucky Registration Number

South Carolina File advertising materials before use

Utah File advertising materials before use

Washington File advertising materials before use

PRE-SALE DELIVERY OF DISCLOSURE DOCUMENT

If the Seller is subject to the FTC Biz Op Rule, then the prospective purchaser must have the FTC Disclosure Statement at least 7 days before the prospective purchaser can give any money to the seller or sign any contract (including deposit agreement, purchase order or agreement) with the seller. States have differing pre-sale periods ranging from 2 days to 10 business days for the time a prospective purchaser must have the state disclosure document.

Alaska	10 days
California	48 hours
Connecticut	10 business days
Florida	3 working days
Georgia	48 hours
Illinois	10 business days
Indiana	72 hours
Iowa	10 days
Maine	72 hours
Maryland	10 business days
Nebraska	48 hours
New Hampshire	7 days
North Carolina	48 hours
South Carolina	48 hours
Virginia	48 hours

POST-SALE RIGHT TO RESCIND

Under the FTC Franchise Rule, there is no post-sale right to rescind the purchase. Certain states, however, provide for a post-sale right to cancel by the purchaser, even those regulated by the FTC Franchise Rule:

Alaska	30 days. A Notice of Buyer's Right to Cancel be included in the contract.
California	3 days. A Notice of Cancellation must appear immediately above the signature line in the purchase order or purchase agreement
Indiana	30 days. A Notice of Cancellation must appear in the purchase order or purchase agreement
Iowa	3 days. A Notice of Cancellation must appear in the purchase order or purchase agreement
Kentucky	30 days. A Notice of Cancellation must appear in the purchase order or purchase agreement
Maine	3 days. A Notice of Right of Avoidance must appear in the purchase order or purchase agreement
Maryland	3 days. A Notice of Cancellation must appear in the Disclosure Document.
Nebraska	3 days. A Notice of Right to Cancel must appear in the purchase order or purchase agreement.
Ohio	5 business days. A Notice of Cancellation must be included in the Disclosure Document.
Washington	7 business days. A Notice of Cancellation must be included in the purchase order or purchase agreement

DELIVERY OF PRODUCTS REQUIREMENTS

Most states require the seller's contract to provide that the items being purchased as part of the business opportunity must be delivered within a specified period of time. Otherwise, the purchaser has a right to cancel the contract.

California	Within 30 days from the specified delivery date
Connecticut	Within 45 days from the specified delivery date
Florida	Within 45 days from the specified delivery date
Georgia	Within 45 days from the specified delivery date

Indiana	Within 45 days from the specified delivery date
Kentucky	On or before the specified delivery date
Maryland	Within 45 days from the specified delivery date
Nebraska	Within 30 days from the specified delivery date
North Carolina	Within 45 days from the specified delivery date
South Carolina	Within 45 days from the specified delivery date
Texas	Within 45 days from the specified delivery date
Virginia	Within 45 days from the specified delivery date

STATE-BY-STATE SUMMARY

Below is a brief summary of the business opportunity disclosure and registration laws in all 50 states. This summary assumes the business opportunity program does not meet the definition of a "franchise" under federal and state franchise laws. **Special state requirements are set forth in bold.**

ALABAMA

There is no business opportunity registration law. The Alabama Deceptive Trade Practices Act makes unlawful any misrepresentations in the sale of seller-assisted marketing plans.

ALASKA

There is a business opportunity registration law. The law covers initial investments of \$250. The filing fee is no known as Regulations have yet to be issued.. Registration entails the filing an Alaska Disclosure Document with Alaska Cover Page. **The seller cannot require a deposit of more than 20% of the purchase price, unless the excess above 20% is placed in escrow with an independent third party.** The money cannot be disbursed until 30 days have passed since the buyer signed the contract and the buyer notifies the escrow agent that the buyer has received the products sold. **A \$75,000 surety bond is also required.** A List of Salespersons must also be filed. The Disclosure Document must be given at least 10 days before signing the contract or the acceptance of any money including any deposits. Advertising materials must be filed. **Audited financial statements are required.** You must wait 30 days after registration before you can begin the sales process.

ARIZONA

There is no business opportunity law. Business opportunity registration is not required.

ARKANSAS

There is no business opportunity registration law. Business opportunity registration is not required.

CALIFORNIA

The business opportunity law, "Contracts for Seller-Assisted Marketing Plan Act" covers initial investments between \$500 and \$50,000. Registration is required, with a recommended filing time of 45 days. The registration fee is \$100. Proper registration will require the filing of a California Disclosure Document, a list of the names and resident addresses of individuals selling the business opportunity in California, copy of advertising materials and consent to service of process. **The Disclosure Document must include information regarding all 10% or more owners of the seller.** The Disclosure Document must be given at least 48 hours before signing the agreement or the acceptance of any money including deposits, with three days allowed for cancellation after signing the agreement. **No more than a 20% deposit is allowed until product and training have been delivered. If more than 20% is taken, the amount above 20% must be placed in escrow. A registered agent in California must also be appointed.**

COLORADO

There is no business opportunity registration law. Business opportunity registration is not required.

CONNECTICUT

The business opportunity law covers initial investments of \$200 or more. Registration is required, and involves filing a Connecticut Disclosure Document with Connecticut Cover Page with the state along with Connecticut's CT BOIA-1 Application to Register a Business Opportunity Investment, a Verification and Consent to Service of Process (Form CT BOIA). **A current audited financial statement is required.** The filing fee is \$400. The seller must give the Disclosure Document at least 10 business days before the receipt of any money.

DELAWARE

There is no business opportunity registration law. Business opportunity registration is not required.

FLORIDA

The business opportunity law covers initial investments of \$500 or more and requires registration. There is no longer a registration requirement. The Disclosure Document must be given at least 3 working days before the receipt of any money by the seller.

GEORGIA

The business opportunity law covers for initial investments of \$500 on or within the first 6 months of operation. The officers must provide a Disclosure Document to prospective purchasers. While no registration of the disclosure document with the state is required, a Georgia Consent to Service of Process must be filed along with a filing fee of \$10. The Disclosure Document must be given at least 48 hours before the receipt of any money by the seller. **Only up to 15% of the purchase price can be collected on sale. The seller must escrow the balance with an independent third party acceptable to the parties until 60 days after the purchaser commences operation or upon complete compliance with terms of contract, whichever occurs first.**

HAWAII

There is no business opportunity law. Business opportunity registration is not required.

IDAHO

There is no business opportunity law. Business opportunity registration is not required.

ILLINOIS

Illinois's business opportunity registration law covers initial investments of \$500 or more, and requires registration. The filing fee is \$300. Registration involves the filing an Illinois Disclosure Document with Illinois Cover Page and Illinois Addendum and Consent to Service of Process. A List of Salespersons must also be filed. The Disclosure Document must be given at least 10 days before signing the agreement or the acceptance of any money including deposits by the seller. **Audited financial statements are required.** No bond is required unless the seller is worth less than \$25,000 or if the seller makes any buy back or guaranteed earnings statements in the agreement (in which case the bond must be for no less than \$25,000).

INDIANA

The business opportunity law requires registration and covers initial investments between \$500 and \$50,000. Registration is required. The filing fee is \$50. Registration requires the filing of an Indiana Disclosure Document and a **surety bond obtained in an amount equal to at least 20 times the initial purchase price of the business opportunity, but not less than \$75,000.** The Disclosure Document must be given at least 3 days before the receipt of any money by the seller. The purchaser has 30 days in which to cancel the contract after signing. **No more than a 20% deposit is allowed until the product is delivered, and any sum received above that amount must be placed in escrow until that time.**

IOWA

The business opportunity law requires registration and covers initial investments of \$500 or more. The registration fee is \$500. Registration requires the filing of an Iowa Disclosure Statement including the Iowa Cover Page, Iowa Application for Registration; Iowa Consent to be Served by Service on Commissioner of Insurance; and Iowa Resolution Authorizing Appointment of Commissioner of Insurance as Process Agent. **The seller must have minimum net worth of \$50,000 or post a \$50,000 surety bond.** The Disclosure Document must be given at least 10 days before the receipt of any money by the seller, and the purchaser has 3 days after signing the agreement in which to cancel.

KANSAS

There is no business opportunity law. Business opportunity registration is not required.

KENTUCKY

The business opportunity law covers initial investments of \$500 or more and requires registration. Registration involves the filing of a Kentucky Disclosure Document with a Kentucky Cover Page. The filing fee is \$150 and the recommended filing time is 30 days. The Disclosure Document is required and the purchaser has 30 days after signing the contract in which to cancel. **A \$75,000 surety bond or assignment of a certificate of deposit of an account with a financial institution doing business in Kentucky is required. No more than 20% is to be collected until the product, equipment or service is delivered. The balance must be deposited into escrow. A current audited financial statement is also required.**

LOUISIANA

The business opportunity law covers initial investments of \$300 or more. The Louisiana Secretary of State must be appointed agent for service of process. The filing fee is \$10. **In addition, the officer must obtain a surety bond by a surety company authorized to do business in Louisiana in the amount of \$50,000 and must file evidence of this bond with the state.** Each salesperson selling to Louisiana purchasers also need a \$25,000 surety bond.

MAINE

The business opportunity law requires registration and covers initial investments of \$250 or more. Registration requires filing a Maine Disclosure Document and a **\$30,000 surety bond or escrow agreement with the state, if the seller does not have an office in the state.** The filing fee is \$25. The Disclosure Document must be given at least 72 hours before receipt of any money by the seller. The purchaser has 3 days in which to cancel the contract after signing.

MARYLAND

The business opportunity law covers initial investments of \$300 or more and requires registration. The filing fee is \$250. Registration involves the filing of a Maryland Disclosure Document including Maryland Cover Page and Maryland Addendum to Purchase Order. **A current audited financial statement is required.** The Disclosure Document must be given at least 10 business days before receipt of any money by the seller, and the purchaser has 3 days in which to cancel the contract after signing.

MASSACHUSETTS

There is no business opportunity law. Business opportunity registration is not required.

MICHIGAN

The business opportunity law covers for investments of \$500 or more on or before the first 6 months of operation. Filing of notice of intention to sell business opportunities is required. **A registered agent in Michigan must also be appointed.** The filing fee is \$-0-.

MINNESOTA

Minnesota covers business opportunities in its general franchise disclosure/registration law. The franchise law requires that registration. **The seller must file a Franchise Disclosure Document including audited financial statements along with related documents, consisting of:** Related documents consist of: Uniform Franchise Registration Application, Franchisor's Costs and Sources of Funds, Uniform Consent to Service of Process, Franchise Seller Disclosure Form, Guarantee of Performance (if required), Consent of Accountants, and advertising or promotional materials directed to prospective franchisees. These documents must also be included as PDFs on a CD-ROM. The Disclosure Document must be given at least 14 days before receipt of any money by the seller. It is expensive to convert the FTC Biz Op Disclosure Statement to a Franchise Disclosure Document.

MISSISSIPPI

There is no business opportunity law. Business opportunity registration is not required.

MISSOURI

There is no business opportunity law. Business opportunity registration is not required.

MONTANA

There is no business opportunity law. Business opportunity registration is not required.

NEBRASKA

The business opportunity law governing seller-assisted marketing plans covers initial investments of over \$500 on or before the first 6 months of operation and requires registration. The filing fee is \$100. Registration requires filing of a Nebraska Disclosure Document, list of sales representatives and verification. The Disclosure Document must be given at least 48 hours before receipt of any money by the seller. The purchaser has 3 days in which to cancel, and a notice of Right to Cancel is required.

NEVADA

There is no business opportunity law. Business opportunity registration is not required.

NEW HAMPSHIRE

There is no business opportunity registration statute and registration is not required. **If your business opportunity involves vending machines, racks, display cases or other similar devices, you may be required to register under the New Hampshire's Distributorship Disclosure Act.** The registration fee is \$50. Registration requires the filing of a Disclosure Document and Consent to Service of Process. **Audited financial statements are required.** The Disclosure Document must be given at least 7 days before the receipt of any money received by the seller.

NEW JERSEY

There is no business opportunity law. Business opportunity registration is not required.

NEW MEXICO

There is no business opportunity law. Business opportunity registration is not required.

NEW YORK

There is no business opportunity law. Business opportunity registration is not required.

NORTH CAROLINA

The business opportunity law requires registration and covers initial investments of \$200 or more. Registration involves filing 2 copies of a North Carolina Disclosure Document. The filing fee is \$250. The Disclosure Document must be given to a prospect at least 48 hours before the receipt of any money by the seller.

NORTH DAKOTA

There is no business opportunity law. Business opportunity registration is not required.

OHIO

The business opportunity law covers initial investments of \$500 or more but less than \$50,000. **Registration is not required; however, disclosure must be provided including an Ohio Disclosure Document, Ohio Cover Page, Addendum to Purchase Order and a Notice of Cancellation.** The Disclosure Document must be given at least 10 days before receipt of any money by the seller.

OKLAHOMA

The business opportunity law covers initial investments of \$500 or more on or before the first year of operation. Registration is required. The registration fee is \$250. Registration requires the filing of an Oklahoma Disclosure Document, Oklahoma Cover Sheet and Consent to Service of Process. The Disclosure Document must be given at least 14 days before receipt of any money by the seller. **An audited financial statement is required.**

OREGON

There is no business opportunity law. Business opportunity registration is not required.

PENNSYLVANIA

There is no business opportunity law. Business opportunity registration is not required.

RHODE ISLAND

There is no business opportunity law. Business opportunity registration is not required.

SOUTH CAROLINA

The business opportunity law covers initial investments of \$250 or more. Registration is required. The registration fee is \$100. Registration requires the filing of a South Carolina Application of Business Opportunity, South Carolina Disclosure Statement including the South Carolina Cover Page and South Carolina Addendum to Purchase Order; South Carolina Consent to Service of Process and Corporate Acknowledgment. **A registered agent in South Carolina must be appointed.** The Disclosure Document must be given at least 48 hours before the receipt of any money by the seller.

SOUTH DAKOTA

The business opportunity law covers initial investments of \$250 or more and requires registration. The registration fee is \$100. Registration requires the filing of a South Dakota Disclosure Document, South Dakota Cover Sheet and Consent to Service of Process. The Disclosure Document must be given at least 10 days before the receipt of any money by the seller.

TENNESSEE

There is no business opportunity law. Business opportunity registration is not required.

TEXAS

The business opportunity law requires registration and covers for initial investments of \$500 or more. The registration fee is \$195. Registration requires the filing of a Texas Disclosure Document, including **identification of a registered agent** and List of Salespersons. The Disclosure Document must be given at least 10 days before the receipt of any money by the seller.

UTAH

The business opportunity law is covers initial investments of \$300 or more and requires registration. The registration fee is \$200. Registration requires the filing of a Utah Disclosure Document including Utah Cover Page and Utah Addendum to Purchase Order. The Disclosure Document must be given at least 10 days before the receipt of any money by the seller.

VERMONT

There is no business opportunity law. Business opportunity registration is not required.

VIRGINIA

The business opportunity law covers for initial investments of \$500 or more. Registration is not required; however, disclosure must be made to prospective purchasers. The Seller must give the Virginia Disclosure Document at least 48 hours before receipt of any money. **The Seller is required to establish a trust account or surety bond within the state of at least \$50,000.**

WASHINGTON

The business opportunity law covers initial investments of \$300 or more and requires registration. The registration fee is \$200. Registration requires the filing of a Washington Business Opportunity Application; Washington Business Opportunity Disclosure Document with Washington Cover Page; Washington Consent to Service of Process and all advertising materials proposed for use in Washington. The Disclosure Document must be given at least 48 hours before receipt of any money by the seller. The purchaser has 7 days in which to cancel the contract and the notice of cancellation must be included with the contract.

WEST VIRGINIA

There is no business opportunity law. Business opportunity registration is not required.

WISCONSIN

There is no business opportunity law. Business opportunity registration is not required.

WYOMING

There is no business opportunity law. Business opportunity registration is not required.

DISTRICT OF COLUMBIA

The District of Columbia Consumer Protection Procedures Law expressly covers franchises and business opportunities. Included in the definition of “goods and services” are “franchises, business opportunities, and consumer services of all types.” Business opportunity registration is not required.

PUERTO RICO AND U.S. VIRGIN ISLANDS

There is no business opportunity law. Business opportunity registration is not required.

While this information is believed to be accurate, it is general in nature and is not intended to be a legal opinion upon which any person can rely. Legal advice may be given only on the basis of specific facts after our Firm has been formally retained.

Due to the fact that the definition of business opportunity varies from state to state and state laws and regulations are constantly being changed, please contact us before you advertising, offer to sell, or sell any business opportunity.

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