

ANTI-PYRAMID SALES LAW

OHIO REVISED CODE, CHAPTER 1333

§1333.91 Definitions.

As used in sections 1333.91 to 1333.94 of the Revised Code:

(A) "Pyramid sales plan or program" means any scheme, whether or not for the disposal or distribution of property, whereby a person pays a consideration for the chance or opportunity to receive compensation, regardless of whether he also receives other rights or property, under either of the following circumstances:

- (1) For introducing one or more persons into participation in the plan or program;
- (2) When another participant has introduced a person into participation in the plan or program.

(B) "Compensation" means money, financial benefit, or anything of value. Compensation does not include payment based upon sales made to persons who are not participants in a pyramid sales plan or program, and who are not purchasing in order to participate in the plan or program.

(C) "Consideration" does not include:

- (1) Payment for sales demonstration equipment and materials furnished at cost, whereby no profit, commission, fee, rebate or other benefit is realized by any person in the sales plan, for use in making sales and not for resale;
- (2) Payment for promotional and administrative fees not to exceed twenty-five dollars when computed on an annual basis.

(D) "Participant" means a person who purchases, proposes, plans, prepares, or offers the opportunity to take part in, or advance into, a pyramid sales plan or program. HISTORY: 135 v H 609. Eff 9-27-74.

§1333.92 Pyramid sales prohibited.

No person shall propose, plan, prepare, or operate a pyramid sales plan or program. HISTORY: 135 v H 609. Eff 9-27-74.

§1333.93 Contract void; civil action recovery.

Any contract made in violation of section 1333.92 of the Revised Code is void. Any person who has paid consideration for the chance or opportunity to participate in a pyramid sales plan or program may recover, in a civil action, the amount of the consideration paid, together with reasonable attorney fees, from any participant who has received compensation under either of the following circumstances:

(A) For introducing the person into participation in a pyramid sales plan or program;

(B) When another participant has introduced the person into participation in a pyramid sales plan or program.

HISTORY: 135 v H 609. Eff 9-27-74.

§1333.94 Injunctive relief.

Whenever it appears that a person is violating or about to violate section 1333.92 of the Revised Code, the attorney general may bring an action in the court of common pleas to enjoin the violation. Upon a proper showing, a temporary restraining order, or a preliminary or permanent injunction shall be granted without bond. The court may impose a penalty of not more than five thousand dollars for each day of violation of a temporary restraining order or preliminary or permanent injunction issued under this section. HISTORY: 135 v H 609. Eff 9-27-74.

§1333.95 Additional remedies.

The remedies in sections 1333.91 to 1333.95 of the Revised Code are in addition to remedies otherwise available. HISTORY: 135 v H 609. Eff 9-27-74.

§1333.99 Penalties.

(G) Except as otherwise provided in this division, whoever violates section 1333.92 of the Revised Code is guilty of a misdemeanor of the first degree. If the value of the compensation is five hundred dollars or more and less than five thousand dollars, whoever violates section 1333.92 of the Revised Code is guilty of a felony of the fifth degree. If the value of the compensation is five thousand dollars or more and less than one hundred thousand dollars, whoever violates section 1333.92 of the Revised Code is guilty of a felony of the fourth degree. If the value of the compensation is one hundred thousand dollars or more, whoever violates section 1333.92 of the Revised Code is guilty of a felony of the third degree. HISTORY: 139 v S 199 (Eff 7-1-83); 139 v H 269 (Eff 1-5-83); 146 v S 2. Eff 7-1-96.