

Annotated Code of Maryland (1969 Replacement Volume), title "Sales and Notices," to follow immediately after Section 165 thereof and to be under the new subtitle "Multi-level Distribution Companies," and to read as follows:

*Multi-level Distribution Companies*

166.

(a) *Definition:*

*Multi-level distribution companies—For purposes of this section a multi-level distribution company is defined as any person, firm or corporation which distributes, for a valuable consideration, goods or services through independent agents, contractors or distributors, at different levels, any level of which enjoys a different rate of pricing or discounting from any other level.*

(B) PROHIBITIONS AND REQUIREMENTS:

~~(b)~~ (1) *No multi-level distribution company shall require participants in its marketing program to purchase the product or service or pay any other consideration in order to participate in the marketing program unless it agrees to repurchase that portion which is in a resaleable condition which its participant was unable to sell within three (3) months of his receipt of the merchandise FIRST ORDERED. The repurchase shall be at a price of not less than 90% of the original purchase price paid by the participant.*

~~(c)~~ (2) *Multi-level distribution companies must provide in writing in all contracts of participation that the contract may be cancelled for any reason by participants by notification to the company in writing within three (3) months from the date of receipt of merchandise first ordered and that all merchandise then in the possession of participants shall be repurchased as provided in ~~any other~~ subsection (B) (1) of this section.*

~~(d)~~ (3) *Income representation or projection restricted—Multi-level distribution companies shall not represent directly or by implication that participants in a multi-level marketing program may or will earn any stated gross or net amount, or represent in any manner, the past earnings of participants unless in fact the past earnings or predicted gross or net amount represented are those of a substantial number of participants in the community or geographical area in which the representations are made and accurately reflect the average earnings of those participants under circumstances similar to those of the participant or prospective participant to whom the representation is made.*

~~(e)~~ (C) *Enforcement*

*The Attorney General or the State's Attorney for any county or Baltimore City may petition an appropriate court of general jurisdiction to enjoin in whole or in part the activities of any multi-level distribution company whose activities violate the provisions of this section, provided, however, that the Attorney General or State's Attorney shall not seek injunctive relief without first giving the company ten days' notice of any claimed violation. The notice is to be directed to the company's principal place of business and shall be sent either certified or registered United States Mail.*