

367.46977 Disclosure requirements for sale presentations.

- (1) If the merchant or telemarketer represents or implies that the consumer will receive a prize, award, or similar item of value from a number of such prizes or awards, all sales presentations shall include the actual number of individuals who have received the item having the greatest value, a description of the item, the market value of the item, the number of prizes to be awarded, the conditions to receive the item, the odds of winning, the statement that no purchase is necessary to win the prize or to participate in the promotion, and the actual number of individuals who have received the item with the least value within the preceding twelve (12) months or since the merchant or telemarketer has been in business if less than twelve (12) months.
- (2) If the merchant or telemarketer is offering real estate, an investment, business, or employment opportunity, the sales presentation shall include the following:
 - (a) The number of consumers or investors who have participated to date;
 - (b) The actual experience of the consumers or investors as measured by the standards used in the sales presentations; and
 - (c) The price of the real estate or investment;
 - (d) The location of the real estate or investment;
 - (e) Regarding an investment or business opportunity, the reasonable likelihood of success and a notice of the risk; and
 - (f) If the opportunity is so recent that no actual performance experience exists, that fact shall be disclosed in all sales presentations, and no other representation of performance shall be made in sales presentations.
- (3) If the sales presentation includes representations of prices below those usually charged for items, the sales presentation shall include the name of the manufacturer, importer, or supplier of such items and the locations within the merchant's or telemarketer's calling state or this state at which the items are offered at usual prices. If the item has never been sold in the merchant's or telemarketer's calling state or this state no representation of usual selling price shall be made.
- (4) If presenting information on merchandise or service, the total cost of the goods or services that are the subject of the call shall be given.
- (5) If any restrictions, limitations, or conditions for the purchase or investment exist, these shall be disclosed during the telephone sales presentation.
- (6) Terms for refunds, cancellation, exchange, or repurchase of the subject of the sales presentation shall be disclosed during the telephone sales presentation.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 581, sec. 2, effective July 15, 1998. -- Created 1994 Ky. Acts ch. 302, sec. 9, effective July 15, 1994; and ch. 463, sec. 9, effective July 15, 1994.

Legislative Research Commission Note (7/15/94). This statute was created by 1994 Ky. Acts chs. 302 and 463, which are substantively identical and have been codified together. Minor variations have been resolved by giving precedence to Acts ch. 463 which was enacted last.