

367.830 Definitions.

Unless the context otherwise requires:

- (1) "Participant" shall include, but is not limited to, those who give consideration in order to participate in the pyramid distribution plan;
- (2) "Person" means natural persons, corporations, trusts, partnerships, incorporated or unincorporated associations, or any other legal entity;
- (3) "Promotes" means inducing one (1) or more other persons to become a participant;
- (4) "Pyramid distribution plan" means any plan, program, device, scheme, or other process by which a participant gives consideration for the opportunity to receive compensation or things of value in return for inducing other persons to become participants in the program;
- (5) "Compensation" means payment of any money, thing of value, or financial benefit conferred in return for inducing others to become participants in the pyramid distribution plan. Compensation does not include payment based on sales of goods or services by the person or by other participants in the plan to anyone, including a participant in the plan, who is purchasing the goods or services for actual use or consumption; and
- (6) "Consideration" means the payment of cash or the purchase of goods, services, or intangible property but does not include the purchase of goods or services furnished at cost to be used in making sales and not for resale, nor does it include time and effort spent in pursuit of sales or recruiting activities.

Effective: July 15, 1986

Created 1986 Ky. Acts ch. 184, sec. 1, effective July 15, 1986.