

Article - Business Regulation

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§14–113.1.

(a) In order to register a business opportunity, the seller shall file with the Commissioner one of the following disclosure documents:

(1) a uniform franchise offering circular prepared in accordance with the guidelines adopted by the North American Securities Administrators Association, Inc., as amended through January 1, 1996;

(2) a disclosure document prepared in accordance with the Federal Trade Commission rule entitled “Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures” under 16 C.F.R. Part 436;

(3) a disclosure document prepared in accordance with § 14-114 of this subtitle; or

(4) any other document that the Commissioner specifies by regulation or order.

(b) The seller shall attach to the disclosure document filed in accordance with subsection (a) of this section:

(1) the cover sheet required under § 14-114(b) of this subtitle;

(2) the consent to service of process required under subsection (c) of this section; and

(3) the filing fee required under subsection (d) of this section.

(c) (1) Every seller shall file, in a form that the Commissioner requires, an irrevocable consent appointing the Commissioner as the seller’s registered agent in any noncriminal suit, action, or proceeding against the seller or the successor or personal representative of the seller that arises under this subtitle.

(2) After the consent has been filed, the consent has the same force and validity as if served personally on the person filing the consent.

(3) Service may be made by delivering a copy of the process to the office of the Commissioner.

(4) Service made under paragraph (3) of this subsection is not effective unless:

(i) the plaintiff or petitioner, who may be the Commissioner, promptly sends notice of the service and a copy of the process by registered or certified

mail to the defendant or respondent, at the address on file with the Commissioner; and

(ii) the plaintiff's affidavit of compliance under this subsection is filed in the noncriminal suit, action, or proceeding on or before the return date of the process, if any, or within further time as the court allows.

(d) The initial fee to file an application to register a business opportunity offering is \$250.

(e) (1) A business opportunity offering registration becomes effective at midnight on the 10th business day after the day on which the seller files all required documents for registration, provided that no order has been passed or proceeding is pending under § 14-119 of this subtitle.

(2) By order, the Commissioner:

(i) may waive or reduce the time period between the date of the filing and the date that the registration is effective if the seller has filed all required documents for registration; or

(ii) may postpone the date that the registration becomes effective at midnight on the 10th business day after the day on which the seller files an amendment to the registration.

(f) The registration is effective for 1 year from the date of effectiveness.

(g) The Commissioner may by regulation require the filing of all proposed literature or advertising prior to its use.

(h) The Commissioner may by regulation require the filing of sales reports.

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