

40 KAR 12:410. Business opportunity forms.

RELATES TO: KRS 367.816, 367.990(13)

STATUTORY AUTHORITY: KRS 15.180, 367.150(4), 367.805(4)

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: To provide forms which allow for the review of a prospective seller's offering of business opportunities for conformity with the business opportunity act and for the registration of the seller as such is needed.

Section 1.

(1) A seller of business opportunities shall register with the Attorney General pursuant to KRS 367.805 if the seller's proposed activity meets the definition of a business opportunity set out in KRS 367.801.

(2) The Attorney General shall make the business opportunity determination pursuant to subsection (1) of this section consistent with the following information which shall be provided by the seller in affidavit form:

- (a) The name of the business opportunity;
- (b) The complete address and telephone number of the principle office;
- (c) The address and telephone number of the principal office in Kentucky;
- (d) A list of trade names, assumed names and all trademarks by which the offeror or the prospective consumer or investor will be doing business;
- (e) A list of all officers and directors and salesmen of the offeror along with their home addresses, home telephone numbers and Social Security numbers;
- (f) A description of the product or service to be offered;
- (g) A description of any sales commission or other remuneration to be paid to anyone in connection with offers and sales of the business opportunities, including a list of persons and positions to receive commissions;
- (h) A list of states in which the business opportunities have been or are being offered for sale;
- (i) The proposed beginning date and length of time for offering this business opportunity in Kentucky;
- (j) Information relating to the definition of a business opportunity found in KRS 367.801(5);
- (k) A statement of whether the registrant or any of its officers, directors, or sales representatives has been a defendant or is currently a defendant in any litigation or declares bankruptcy within the last seven (7) years.

(3)

(a) The information required pursuant to subsection (2) of this section shall be supplied by the seller on a "Determination of Registration for Sale of Business Opportunity Form A-1" (July 1994 edition) which is incorporated by reference.

(b) Copies of the "Determination of Registration for Sale of Business Opportunity Form A-1" may be inspected, copied, or obtained at the Office of Attorney General, Consumer Protection Division, 1024 Capital Center Drive, Frankfort, Kentucky 40602, between the hours of 8:30 a.m. and 4:30 p.m. Monday through Friday.

Section 2.

(1) If the Attorney General determines that a seller of business opportunities must register pursuant to KRS 367.805, the seller shall complete a "Business Opportunity Annual Registration Statement Form A-2" which shall contain the following information in affidavit form:

(2)

- (a) The name of the business opportunity;
- (b) The complete address and telephone number of the principle office;

- (c) The address and telephone number of the principal office in Kentucky;
- (d) A list of trade names, assumed names and all trademarks by which the offeror or the prospective consumer or investor will be doing business;
- (e) A list of all officers and directors and salesmen of the offeror along with their home addresses, home telephone numbers and Social Security numbers;
- (f) The length of time, the business opportunity has been offered for sale;
- (g) A statement of whether the registrant or company or any of its officers, directors, or sales representatives have been involved in or is currently involved in any legal proceeding as set forth in KRS 367.805(1)(d);
- (h) A statement of whether the registrant or any of its officers, directors, or sales representatives has been a defendant or is currently a defendant in any litigation or declares bankruptcy within the last seven (7) years;
- (i) A statement of whether the registrant or the company offering the business opportunity or its officers, directors, or sales representatives has been a party to any legal cause of action brought by a consumer/investor of the business opportunity within the last seven (7) years and, if so, the name and address of individual bringing such action;
- (j) The names and addresses, and telephone numbers for people buying a business opportunity from offeror during the past two (2) years;
- (k) The names and addresses of individuals requesting a return of money from the purchase of a business opportunity during the past three (3) years;
- (l) A complete description of the training to be provided to the consumer-investor;
- (m) A complete description of the actual services the offeror of the business opportunity will provide for the consumer-investor.

(3)

- (a) The information required pursuant to subsection (1) of this section shall be supplied by the seller on a "Business Opportunity Annual Registration Statement Form A-2" (September 1994 edition) which is incorporated by reference.
- (b) Copies of the "Business Opportunity Annual Registration Statement Form A-2" (September 1994 edition) may be inspected, copied, or obtained at the Office of Attorney General, Consumer Protection Division, 1024 Capital Center Drive, Frankfort, Kentucky 40602, between the hours of 8:30 a.m. and 4:30 p.m. Monday through Friday.

(040 KAR 002:120. 21 Ky.R. 695, 1287; eff. 10-12-1994; Crt eff. 2-21-2020; Recodified as 040 KAR 012:410; eff. 7-18-2025.)