

OFFICE OF ATTORNEY GENERAL
Kentucky Office of Regulatory Relief
(Amendment)

40 KAR 12:410. Business opportunity sellers.

RELATES TO: KRS 367.805, 367.807, 367.815

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

CERTIFICATION STATEMENT: This is to certify that this administrative regulation amendment complies with the requirements of 2025 RS HB 6, Section 8.

NECESSITY, FUNCTION, AND CONFORMITY: KRS 15.180 authorizes the Attorney General to promulgate administrative regulations that will facilitate performing the duties and exercising the authority vested in the Attorney General and the Department of Law. KRS 367.150(4) requires the Department of Law to recommend administrative regulations in the consumers' interest. KRS 367.805 requires business opportunity sellers to register with the Attorney General and provide certain information and documents. KRS 367.805 requires registered business opportunity sellers to renew registrations annually. KRS 367.805 and 367.815 require business opportunity sellers to submit surety bonds or cash certificates of deposit to the Attorney General. KRS 367.807 exempts certain offerors from the provisions of KRS 367.801 to 367.819. This administrative regulation establishes an online registration application process, an online renewal registration application process, a surety bond, and a cash bond/certificate of assignment for use by business opportunity sellers; and an online notice submission process for exempt offerors.

Section 1. Business Opportunity Sellers Registration Application.

(1) The Attorney General must approve a business opportunity seller's registration application before a seller may sell business opportunities to Commonwealth of Kentucky residents. A business opportunity seller shall submit an online registration application using the "Business Opportunity Seller registration application portal" available at <https://www.ag.ky.gov/Resources/Pages/Office-of-Regulatory-Relief.aspx>.

(2) When completing an online application, an applicant shall submit:

(a) Payment of the \$150.00 registration fee;

(b) The applicant's certificate of existence, authorization certificate from the Kentucky Secretary of State's office, or other evidence of the applicant's authority to transact business in Kentucky;

(c) A completed Business Opportunity Seller Surety Bond, Form A-1; a completed Business Opportunity Seller Cash Bond/Certificate of Deposit Assignment, Form A-2; a completed surety bond complying with KRS 367.815; or a completed cash bond/certificate of deposit assignment complying with KRS 367.815;

(d) A copy of applicant's current audited financial statement;

(e) Copies of all materials provided by the applicant to prospective consumers or investors; and

(f) Copies of all contracts used by the applicant.

(3) Applicants shall submit additional information or documents for their application within thirty (30) days of any request by the Attorney General. The Attorney General may deny any application if an applicant fails to timely complete the application by not paying the application fee or not submitting requested missing information or required documents.

Section 2. Business Opportunity Seller Renewal Application.

(1) An approved business opportunity seller registration application shall be valid for one (1) year from written confirmation of registration approval provided by the Attorney General.

(2) Thirty (30) days prior to the expiration of a current registration, a registrant may renew its registration for another annual period by submitting an online renewal application using the "Business Opportunity Sellers Renewal application portal" available at <https://www.ag.ky.gov/Resources/Pages/Office-of-Regulatory-Relief.aspx>.

(3) When completing the online renewal application portal, a registrant shall submit:

(a) Payment of the \$50.00 renewal fee;

(b) A copy of the registrant's audited financial statement for the preceding year;

(c) A completed Business Opportunity Seller Surety Bond, Form A-1; a completed Business Opportunity Seller Cash Bond/Certificate of Deposit Assignment, Form A-2; a completed surety bond complying with KRS 367.815; or a completed cash bond/certificate of deposit complying with KRS 367.815; when the registrant's prior filed security is not current.

(d) Copies of any new materials provided by the registrant to prospective consumers/investors since last application; and

(e) Copies of any new contracts used by registrant since last application.

(4) A registrant shall submit additional information or documents for its renewal application within thirty (30) days of any request by the Attorney General. The Attorney General may deny any renewal application if a registrant fails to timely complete the application by not paying the renewal application fee or not submitting requested missing information or required documents.

(5) Any registration renewal by the Attorney General shall not be construed to waive or condone any violation of law that occurred prior to any registration renewal and shall not prevent subsequent proceedings against the registrant.

Section 3. Exempt Offerors.

(1) A business claiming a KRS 367.807 exemption from the provisions of KRS 367.801 to 367.819 shall submit a notice of exemption using the "Franchise Exemption Notice portal" available at <https://www.ag.ky.gov/Resources/Pages/Office-of-Regulatory-Relief.aspx>.

(2) When completing the online exemption notice portal, the offeror shall submit:

(a) The offeror's certificate of existence; authorization certificate from the Kentucky Secretary of State's office, or other evidence of the applicant's authority to transact business in Kentucky; and

(b) A copy of the offeror's Federal Trade Commission (FTC) Franchise Disclosure Document (FDD) when the KRS 367.807(1)(a) franchise exemption is claimed.

Section 4. Written notification of material changes. A registered business opportunity seller and offeror submitting an exemption notice shall notify the Attorney General, in writing, within fourteen (14) days of any material change to information provided in the registrant's original application, any renewal application, or application attachments.

Section 5. Record Requests. A business opportunity seller or offeror submitting an exemption notice shall make requested records, documents, and information readily available to the Attorney General for inspection and copying upon request.

Section 6. Incorporation by Reference.

(1) The following materials are incorporated by reference:

(a) "Business Opportunity Seller Surety Bond", Form A-1, Dec. 2025;

(b) "Business Opportunity Seller Cash Bond/CD Assignment", Form A-2, Dec. 2025;

(c) "Business Opportunity Seller Registration application portal," Dec. 2025.

(d) "Business Opportunity Sellers Renewal application portal," Dec. 2025.

(e) "Franchise Exemption Notice portal," Dec. 2025.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Office of Attorney General, Capital Complex East, 1024 Capital Center Drive,

Suite 200, Frankfort, Kentucky 40602, Monday through Friday, between the hours of 8:00 a.m. and 4:30 p.m. This material is also available on the Office's website, <https://ag.ky.gov/Pages/default.aspx>.

STEPHEN B. HUMPHRESS, Executive Director
RUSSELL COLEMAN, Attorney General

APPROVED BY AGENCY: December 11, 2025

FILED WITH LRC: December 12, 2025 at 4:15 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on February 24, 2026, at 11:00 a.m. Eastern Time at the Office of Administrative Hearings, Conference Room B, 105 Sea Hero Road, Suite 2, Conference Room B, Frankfort, Kentucky 40601. Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify the Attorney General in writing at least five (5) working days prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 p.m. on February 28, 2026. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Stephen B. Humphress, Executive Director, Kentucky Office of Regulatory Relief, Kentucky Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601, phone: 502-696-5408, fax: (502) 573-8317, email: steve.humphress@ky.gov.