

HB 1841 -- Pyramid Sales Schemes

Sponsor: Jones (117)

This bill revises the definition of "franchise" as it applies to pyramid sales schemes to include a commercial arrangement between a wholesaler and a supplier with or without the grant of a license to use a trade name, trademark, service mark, or related characteristic, and whether there is a community of interest in the marketing of goods or services.

The bill specifies that Section 407.400, RSMo, as amended, must be interpreted as set forth by the court in High Life Sales Co. V. Brown-Forman Corp., 823 S.W.2d 194 (Mo. banc 1992) and Brown-Forman Distillers Corp. v. McHenry, 566 S.W.2d 194 (Mo. banc 1978) rather than Missouri Beverage Co., Inc. v. Shelton Bros., Inc. 796 F. Supp. 2d 988 (W.D. Mo. 2011) and the legislature declares that the federal court's interpretation of the subdivision as set forth in the Missouri Beverage case must be abrogated in favor of the preceding cases and any amendments to this subdivision are to clarify and specify the law existing prior to August 28, 2012.