WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1971

ENROLLED

COMMITTEE SUBSTITUTE FOR

HOUSE BILL No. 1038

ORIGINATING IN THE COMMITTEE ON THE JUDICIARY

(By Mr.______________________________)

PASSED MARCH 11, 1971

In Effect NINETY DAYS FROM PASSAGE
ENROLLED

COMMITTEE SUBSTITUTE

FOR

House Bill No. 1038

(Originating in the Committee on the Judiciary)

[Passed March 11, 1971; in effect ninety days from passage.]

AN ACT to amend chapter forty-seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article fifteen, relating to prohibition of pyramid promotional schemes in the regulation of trade; restraining prohibited acts; criminal offenses; penalties.

Be it enacted by the Legislature of West Virginia:

That chapter forty-seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article fifteen, to read as follows:
ARTICLE 15. PYRAMID PROMOTIONAL SCHEME

(a) "Pyramid promotional scheme" shall mean the organization of any chain letter club, pyramid club, or other group organized or brought together under any plan or device whereby fees or dues or anything of material value to be paid or given by members thereof are to be paid or given to any other member thereof, which plan or device includes any provision for the increase in such membership through a chain process of any members securing other new members and thereby advancing themselves in the group to a position where such members in turn receive fees, dues or things of material value from other members.

(b) "Promote" or "promotion", shall mean the initiation, preparation, operation, advertisement, or the recruitment of any person or persons in the furtherance of any pyramid promotional scheme as defined in subsection (a) of this article.


No person shall promote any pyramid promotional

All contracts and agreements entered into after the effective date of this article wherein the whole or any part of the consideration of such contract or agreement is given in exchange for the right to participate in any pyramid promotional scheme are hereby declared to be against public policy and are hereby declared to be void and unenforceable.


The prosecuting attorney of any county or the attorney general, or any person, may petition the circuit court to enjoin the continued operation of any pyramid promotional scheme as defined in this article. The procedure in any such suit shall be the same as the procedure in other suits for equitable relief, except that no bond shall be required upon the granting of either a temporary or permanent injunction therein, when such proceedings are initiated by a prosecuting attorney of any county or the attorney general.

1 Any person who shall violate the provisions of this article shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than three hundred nor more than one thousand dollars, or confined in jail for a period not to exceed six months, or both.


1 If any provision of this article is declared unconstitutional or the application thereof to any person or circumstance is held invalid, the constitutionality of the remainder of the article and the applicability thereof to other persons and circumstances shall not be affected thereby.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Russell A. Bierl  
Chairman Senate Committee

Thyoler A. Roudette  
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

John Bever  
Clerk of the Senate

C. A. Blankenship  
Clerk of the House of Delegates

President of the Senate

Lewis N. McManus  
Speaker House of Delegates

The within _______ this the ________ day of ________, 1971.

Michael E. Fields  
Governor
PRESENTED TO THE
GOVERNOR

Date  3/16/71
Time  1:25 p.m.