



7575 Fulton Street East Ada, Michigan 49355-0001

Testimony Supporting HB 329 – Prohibiting Pyramid Promotional Schemes

I am here on behalf of Amway, the direct selling company based in Ada, Michigan. We make a direct sales opportunity available to independent distributors around the world, and we have over 3 ½ million of them in over 100 countries. We are strong in the U.S., with our distributors running their small businesses in all 50 U.S. states and territories, including Ohio.

The proposed legislation, HB 329, is modeled after the South Dakota law, enacted in 2003, and subsequently adopted as Suggested State Legislation (SSL) by the Council of State Governments in 2004. The SSL process is an extremely rigorous process involving a bipartisan committee of some 40 legislators. The South Dakota law was adopted unanimously by the committee.

The model law clearly defines what a pyramid promotional scheme is, draws clear lines of delineation between such schemes and legitimate direct selling companies, inserts specific protections for consumers and penalties for those who violate the law.

Twenty-two states have adopted this model, the most recently being Indiana, New Jersey and South Carolina this session - each of these passed through the legislative process unanimously, and was signed by the states' governors.

I would welcome the opportunity to answer questions this important issue. Thanks for your consideration.

Bryan Harrison
Corporate Government Affairs
Amway
7575 Fulton St. East
Ada, MI 49355
O) 616.787.5633
C) 616.318.8216