

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
105TH LEGISLATURE

COMMITTEE AMENDMENT " A " to H. P. 380, L. D. 495, Bill, "AN ACT
Relating to Rebates for Prospective Purchasers and Consumer's
Obligation under Home Solicitation Sales Act."

Amend said Bill by striking out all of section 1 and inserting
in place thereof the following:

'Sec. 1. R. S., T. 32, §4665, repealed and replaced. Section 4665
of Title 32 of the Revised Statutes, as enacted by chapter 395 of the
public laws of 1969, is repealed and the following enacted in place
thereof:

§4665. Consumer's obligation

Within 20 days of notification to the seller of the avoidance
of a contract or sale as provided under this subchapter, the
consumer upon demand shall tender to the seller any goods delivered
to the buyer pursuant to the sale or contract but need not tender
at any place other than his residence. If the seller fails to
take possession of such goods within 20 days after cancellation,
the goods shall become the property of the consumer without
obligation to pay for them.'

Statement of Fact

It is the intent of this amendment to prevent further consumer
fraud through the use of referral sales devices. Sellers utilize
these devices to induce unwary consumers to purchase items at
highly inflated prices on the false premise that for every referral
or lead, to others who eventually purchase, the original purchaser
will receive a rebate on his purchase price. Thus consumers make
purchases on the chance that their referral list will produce
a number of other purchasers thereby reducing the price on their

(Filing No. H-63)

contract. The potential for fraud and abuse of this device is apparent from its record. The opportunity to utilize such a gimmick as a gambling device has long been recognized.

The purpose of this amendment is also to correct an error in the original Act by changing the word "seller" to the word "buyer."

Reported by the Committee on Business Legislation.

Reproduced and distributed under the direction of the Clerk of the House.

3/24/71

(Filing No. H-63)