

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 861

H. P. 631

House of Representatives, February 12, 1971

Referred to Committee on Judiciary. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mrs. Boudreau of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

**AN ACT to Prohibit Chain Letters, Pyramid Clubs and Other Similar
Devices.**

Be it enacted by the People of the State of Maine, as follows:

R. S., T. 17, § 2305, additional. Title 17 of the Revised Statutes is amended by adding a new section 2305, to read as follows:

§ 2305. Chain letters, pyramid clubs, etc., declared a lottery; prohibited; penalties

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 new 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, is declared to be a lottery, and whoever shall participate in any such lottery by becoming a member of, or affiliating with, any such group or organization shall be guilty of a felony, and upon conviction thereof shall be punished by a fine of not less than \$100, nor more than \$5,000, or by imprisonment for not less than one year nor more than 10 years.

STATEMENT OF FACT

It is the intent of this Act to prevent further consumer fraud and deception through the use of pyramid or multi-level distributorship schemes as well as various chain letter devices. Such schemes and devices have been utilized to swindle a great number of Maine residents. The past year has seen an alarming influx of such fraudulent devices.