

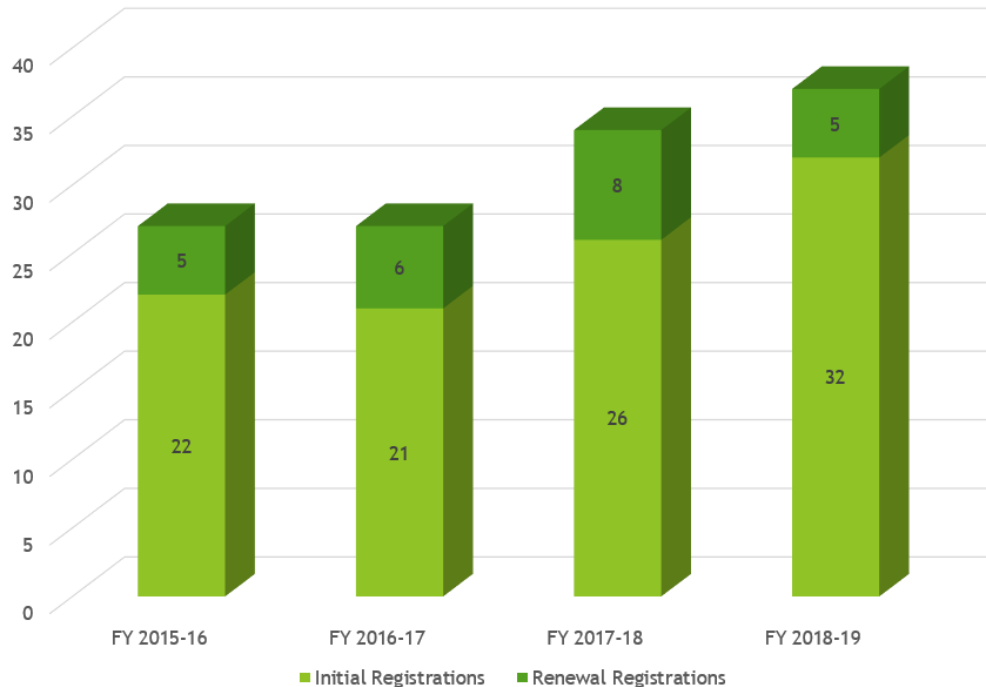
## Business Opportunities Registrations (FY 2015-16 – FY 2018-19)<sup>10</sup>

Under the Business Opportunity Sales Act, persons selling business opportunities in South Carolina must register with the Secretary of State. A business opportunity is the sale or lease of products, equipment, supplies, or services to a purchaser to enable the purchaser to start a business, in which the purchaser pays the seller a fee over \$250.00 and in which the seller makes certain representations. These include representations that the seller of the business opportunity: (a) will provide locations or assist the purchaser in finding locations for the use or operation of devices on premises neither owned nor leased by the purchaser or seller; (b) will purchase products made, produced, fabricated, grown, bred, or modified by the purchaser using supplies, services, or chattels sold to the purchaser; (c) guarantees that the purchaser will derive income from the business opportunity exceeding the price paid for the business opportunity; or if the purchaser is unsatisfied with the business opportunity, that the seller will refund all or part of the price paid for the business opportunity, or repurchase products, equipment, etc...; or (d) will provide a sales or marketing program to

enable the purchaser to derive income from the business opportunity exceeding the price paid for the business opportunity (although this does not apply to the sale or a marketing program in conjunction with the licensing of a registered trademark or service mark).

Sellers of business opportunities are required to file disclosure statements and a copy of a surety bond or notice of trust account with the Secretary of State, after which the Secretary of State will issue the seller a registration number. The registration fee is \$100.00. The amount of the surety bond or trust account must be not less than \$50,000.00. Examples of required elements of the disclosure include how long the seller has sold business opportunities and whether the seller will provide training to the purchaser. Sellers of business opportunities are required to renew their registration with the Secretary of State every 24 months. The renewal fee is \$100.00.

**Business Opportunity Registrations**



<sup>10</sup> S.C. House of Representatives, House Legislative Oversight Committee, “Agency Presentation – Municipalities (December 9, 2019),” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Secretary of State, Office of the,” and under “Meetings,” <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/SecretaryofState/Municipalities%20presentation%20by%20SoS%20-%20PowerPoint.pdf> (accessed January 21, 2020), slide 55-58. Hereinafter “Municipalities Presentation.”