

SAMPLE DISCLOSURE DOCUMENT – PLEASE REVIEW CALIFORNIA CIVIL
CODE SECTION 1812.205 AND 1812.206 FOR DETAILS

DISCLOSURES REQUIRED BY CALIFORNIA LAW

THE STATE OF CALIFORNIA HAS NOT REVIEWED AND DOES NOT APPROVE,
RECOMMEND, ENDORSE OR SPONSOR ANY SELLER ASSISTED MARKETING
PLAN. THE INFORMATION CONTAINED IN THIS DISCLOSURE HAS NOT
BEEN CHECKED BY THE STATE. IF YOU HAVE ANY QUESTIONS ABOUT
THIS PURCHASE, SEE AN ATTORNEY OR OTHER FINANCIAL ADVISOR
BEFORE YOU SIGN A CONTRACT OR AGREEMENT.

1. **Seller (and Seller's Parent or Affiliate Company)**

The name of the Seller of this Seller Assisted Marketing Plan is: _____. The Seller does business under the name of: _____. The name of any parent or affiliated company of the Seller is: _____.

2. **Names and Addresses of Owners, Directors and Officers and /or Partners:**

_____	Owner, Director, President
_____	Director, Vice-President
_____	Director, Secretary/Treasurer
_____	Partner
_____	Partner

The individuals having management responsibilities in connection with Settler's business activities are:

3. **Personal Information.**

Neither the Seller, any of the above named persons, or any other company, previously managed by any of the above named persons:

- a) Has been convicted of a felony or misdemeanor or pleaded nolo contendere to a felony or misdemeanor charge involving an alleged violation of Title 2.7 of Part 4 of the California Civil Code [contracts for Seller Assisted Marketing Plans] or convicted of fraud, embezzlement, fraudulent conversion or misappropriation of property.
- b) Has been held liable in a civil action by final judgment or consented to the entry of a stipulated judgment in a civil action alleging a violation of Title 2.7 or Part 4 of the California Civil Code [Contracts for Seller Assisted Marketing Plans] of the California Civil Code or alleging fraud, embezzlement, fraudulent conversion of misappropriation of property or the use of untrue or misleading representations in any attempt to sell or dispose of real or personal property or the use of unfair unlawful or deceptive business practices.

- c) Is subject to any currently effective agreement, injunction, or restrictive order, including, but not limited to, a cease and desist order, an assurance of discontinuance, or other comparable agreement or order, relating to business activity as the result of an action or investigation brought by a public agency or department, including, but not limited to, an action affecting any vocational license.
- d) Has at any time during the previous seven years filed bankruptcy, been adjudged a bankrupt, been reorganized due to insolvency, or been a principal, director, officer, trustee, general or limited partner, or had management responsibilities of any other person who has so filed or was so adjudicated or reorganized, during or within one year after the period that the individual held such position.

[If the Seller, any person identified in #2, above, or any company previously managed by any person identified in #2, above, has been involved in any of the matters set forth in #3, the Seller must disclose who and in what manner.]

4. **Time Company has been in Business**

Seller has not sold any seller-assisted marketing plans other than the one being offered herein. [If you have sold other Seller Assisted Marketing Plans, you must disclose this fact and the length of time you have sold SAMP's.] Seller has been selling; this seller-assisted marketing plan [s] since (month and year).

[See Civil Code §1812.204(c) to determine whether either a bond or trust account is required before you can start selling. If you must obtain a bond or trust account, place the required .205(g) and .206(d) disclosure information here.]

5. **Services Performed or Equipment Provided by the Seller.**

Seller's program includes the following services and equipment:

- a) [Example: A comprehensive day long training program as described in paragraph 6, below];
- b) [Example: A comprehensive Operations Manual];
- c) [Example: Provision relating to exclusivity of territory, if you sell exclusivity of territory, if you sell exclusive territories];
- d) [Example: Details of help to be provided in finding location for business premises, location of equipment, products or supplies, etc., if you provide these services or contract with a third party to provide them to purchasers.]
- e) Equipment, machines, and tools described below:

- 1.
- 2.
- 3.
- 4.

{§205(c)}

6. **Training**

Seller or its designated agent shall provide Purchaser and/or their designee with a comprehensive _____ day training program. The training shall consist of orientation, classroom instruction, and/or hands-on training at Seller's training facility located in _____.

Additional classes may be scheduled at the option of Seller. Each training program will cover the following topics:

- a)
- b)
- c)

Seller shall pay expenses pertaining to travel and lodging for this training program, for a maximum of two (2) individuals. Purchaser shall be responsible for all expenses pertaining to food during the course of this training program and for any supplemental or optional instruction course attended by Purchaser.

{§ 205(e)}

7. **Payments.**

The purchase price of this Sellers Assisted Marketing Plan is \$_____, to be paid in the following manner:

- a) Purchaser shall pay to Seller or its designated agent a down payment of 20% of the purchase price upon execution by Purchaser of the Purchase Contract. If more than 20% is required, Seller will disclose the requirements of maintaining an independent escrow account in the Purchase contract.
- b) The balance of the purchase price _____, shall be due upon complete compliance with the terms of the Purchase Contract which the parties agree shall be upon purchaser's receipt of the equipment, services, and training described above, and which is fully described in the Purchase contract.

- c) Of the purchase price, _____ % will be paid to the salesperson who sells you this SAMP.

8. **No Buy-Back or Security Agreement.**

Seller, provides no “buy-back”, “protection” or “secured investment” arrangement of any nature whatsoever which would serve to protect Purchaser from the loss of any purchases or payment in connection with this Seller Assisted Marketing Plan.

9. **Ranges of Earnings Statement.**

No guarantee of earnings or range of earnings is made herein. Seller is not required to secure a bond or establish a trust deposit pursuant to California Civil Code section 1812.204.

If the Seller makes any statement concerning potential earnings or range of earnings that may be made through the SAMP, data to substantiate this claim, as described in §204(d), must be left with the potential purchaser at the time the claim is made and the following statement must appear in the disclosure document:

“No guarantee of earnings or ranges of earnings can be made. The number of purchasers who have earned through this business an amount in excess of the amount of their initial payment is at least _____, which represents _____ percent of the total number of purchasers of this Seller Assisted Marketing Plan.”]

10. **Financial Statements.**

Attached as Exhibit “A” is a recent, not more than 12 months old, financial statement of Seller, including a statement of any material changes in the financial condition of the Seller from the date of the financial statement until now.

11. **Purchase Contract and Cancellation Procedures.**

Attached as Exhibit “B” is a copy of the purchase Contract to be entered into between Seller and Purchaser. Cancellation procedures are described in said attached purchase Contract.