

**PYRAMID PROMOTIONAL SCHEME ACT (EXCERPT)**  
**Act 186 of 2018**

\*\*\*\*\* 445.2583.new THIS NEW SECTION IS EFFECTIVE SEPTEMBER 11, 2018 \*\*\*\*\*

**445.2583.new Promotion or participation in pyramid promotional scheme; prohibition; penalties.**

Sec. 3. (1) A person shall not promote or participate in a pyramid promotional scheme. A limitation as to the number of individuals who may participate or the presence of additional conditions affecting eligibility for the opportunity to receive compensation under a plan or operation does not change the identity of the plan or operation as a pyramid promotional scheme.

(2) A person that promotes a pyramid promotional scheme is guilty of a felony punishable by 1 or more of the following:

- (a) Imprisonment for not more than 7 years.
- (b) A fine of not more than \$10,000.00 per violation.

(3) A person that knowingly participates in a pyramid promotional scheme is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than \$1,000.00, or both.

**History:** 2018, Act 186, Eff. Sept. 11, 2018.