

## 2018 Kansas Statutes

**21-5838. Conducting a pyramid promotional scheme.** (a) Conducting a pyramid promotional scheme is knowingly establishing, operating, advertising or promoting any pyramid promotional scheme.

(b) Conducting a pyramid promotional scheme is a severity level 9, nonperson felony.

(c) A limitation as to the number of persons who may participate or the presence of additional conditions affecting eligibility for the opportunity to receive compensation under the plan or operation does not change the identity of the scheme as a pyramid promotional scheme.

(d) It is not a defense under this section that a participant, on giving consideration, obtains any goods, services or intangible property in addition to the right to receive compensation.

(e) The attorney general, or county attorney or district attorney, or both, may institute criminal action to prosecute this offense.

(f) As used in this section, "pyramid promotional scheme" means a plan or operation by which a participant gives consideration for the opportunity to receive compensation which is derived primarily from any person's introduction of other persons into participation in the plan or operation rather than from the sale of goods, services or intangible property by the participant or other persons introduced into the plan or operation.

**History:** L. 2010, ch. 136, § 124; July 1, 2011.