

Chapter Ag 127

HOME SOLICITATION SELLING

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Ag 127.01 Definitions. (1) "Home solicitation selling" means the selling or leasing, or the offering for sale or lease, of goods or services primarily for personal, family, or household purposes, including courses of instruction or training, where the sale, lease, or offer thereof is either personally solicited or consummated by a seller at the residence or place of business or employment of the buyer, or at a seller's transient quarters. Personal solicitation includes solicitations made directly or indirectly by telephone, person to person contact, or by written or printed communication other than general advertising indicating a clear intent to sell goods or services at a regular place of business, or through catalog or mail solicitation not accompanied by any other solicitation. Transient quarters includes hotel or motel rooms, or any other place utilized as a temporary business location.

(2) "Buyer" means both actual and prospective purchasers or lessees of any goods or services offered through home solicitation selling.

(3) "Seller" means a person or organization advertising, offering, or dealing in goods or services for the purpose of home solicitation selling or providing or exercising supervision, direction, or control over sales practices used in the home solicitation sale, but does not include banks, savings and loan associations, insurance companies and public utilities to the extent exempt from department regulation under section 93.01 (13), Wis. Stats., or licensed real estate brokers or salesmen with respect to real estate listings or the sale or leasing of real estate. The term includes a supplier or distributor if:

(a) The seller is a subsidiary or affiliate of the supplier or distributor.

(b) The seller interchanges personnel or maintains common or overlapping officers or directors with the supplier or distributor; or

(c) The supplier or distributor provides or exercises supervision, direction or control over the selling practices of the seller.

(4) "Home solicitation sale" or "sale" means a sale or lease resulting from home solicitation selling as defined in subsection (1)

History: Cr. Register, September, 1972, No. 201, eff. 10-1-72.

Ag 127.02 Disclosure obligations; contract requirements. (1) In a home solicitation sale every seller shall, at the time of initial contact with the buyer and before asking any question or making any statement other than an initial greeting, clearly and expressly disclose: The seller's individual name, the name of the business firm or organization he represents, and the identity of the goods or services he offers to sell.

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(2) In a home solicitation sale, the seller shall furnish to the buyer, at the time of sale, a written, true copy of the contract, lease, or any other sales document or agreement evidencing the transaction showing the date of sale, the individual name of the person making the sale, the name, mailing address and telephone number of the person or firm whom the seller represents, and all terms and conditions of the sale. If a language other than English is principally used in making the sale, all sales documents or agreements must be both in English and in the language principally used. No sales agreement or contract in a home solicitation sale shall be effective unless signed by the buyer.

(3) All sales contracts or agreements in an amount in excess of \$25 shall include a clear and conspicuous notice of the buyer's right to cancel in the immediate proximity of the space reserved in such sales contracts or agreements for the signature of the buyer. The statement shall be substantially in the following form:

"YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION BY MAILING A WRITTEN NOTICE OF SUCH CANCELLATION TO THE SELLER."

History: Cr. Register, September, 1972, No. 201, eff. 10-1-72.

Ag 127.03 Prohibited practices. (1) No person engaged in making a home solicitation sale shall represent directly or by implication that the seller:

(a) Is making an offer to specially selected persons or that the buyer or prospective buyer has been specially selected, unless such representations are true. The burden of establishing the truth of the representations is on the seller.

(b) Is conducting a survey, test or research project when in fact the principal objective is to make a sale or lease or to obtain information to help identify sales prospects.

(c) Is conducting a special sales promotion campaign or making a special offer limited to a few persons only or for a limited period of time, or is authorized to place the product or service in a few homes, unless such representations are true. The burden of establishing the truth of the representations is on the seller.

(d) Will give any product or service free or as a gift or without cost or charge, or at a nominal cost or charge, unless the furnishing of such gift or free item is unconditional and not contingent upon making any payment or purchasing any other item.

(e) Is offering his product or service at a special or substantially reduced price unless the seller has made sales of such product or service at the stated higher price in substantial quantities in the recent and regular course of his business. The burden of establishing the truth of the representations is on the seller.

(f) Will provide any service purchased for a longer period than the seller is obligated to provide under the contract.

(g) Will in any way reduce the regular price for the goods or services to the buyer for the use of the buyer's name or a written expression of his opinion.

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(2) No person engaged in making a home solicitation sale shall misrepresent, directly or by implication:

(a) The identity of the seller, the business firm or organization he represents, or his affiliation or association with other firms, businesses or governmental entities, or the identity of the goods or services he offers to sell.

(b) The savings which will be accorded or made available to the buyer.

(c) The length of the sales presentation.

(d) The delivery or performance date.

(e) The nature of any document the buyer is requested or required to execute in connection with the purchase or lease of any goods or services.

(f) Any limitations and restrictions on the guarantee or warranty made by the seller, including any duty which the buyer must perform as a condition precedent to the guarantee or warranty becoming effective.

(3) No person engaged in making a home solicitation sale shall use any false, deceptive or misleading representations to induce a sale, or use any plan, scheme or ruse which misrepresents the true status or mission of the person making the call, or fails to promptly leave the premises at which a sales presentation is made when requested to do so.

(4) No person engaged in making a home solicitation sale shall make any material representations with respect to the warranty or guarantee of the product or services he sells which are not reduced to writing or made a part of the contract or agreement or which are inconsistent with a separate copy of such warranty or guarantee furnished the buyer.

History: Cr. Register, September, 1972, No. 201, eff. 10-1-72.

Ag 127.04 Buyer's right to cancel; manner of cancellation. In a home solicitation sale in an amount in excess of \$25:

(1) The buyer has the right to cancel the sales contract or agreement at any time until midnight of the third business day after the date of sale.

(2) Notice of cancellation shall be by mail addressed to the seller at the address indicated in the sales contract or agreement.

(3) Notice of cancellation by the buyer need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the buyer not to be bound by the sales contract or agreement.

History: Cr. Register, September, 1972, No. 201, eff. 10-1-72.

Ag 127.05 Unfair employment offers. No seller shall represent in any offer of employment, including offers made in training sessions or advertisements, that prospective representatives, agents or salesmen will be paid on a salary basis if they accept employment when, in fact, they will be paid on a commission basis.

History: Cr. Register, September, 1972, No. 201, eff. 10-1-72.