

SCS SB 837 -- PYRAMID SALES SCHEMES

(Vetoed by the Governor)

This bill revises the definition of "franchise" as it applies to pyramid sales schemes to include a commercial arrangement between an alcohol wholesaler and an alcohol supplier with or without the grant of a license to use a trade name, trademark, service mark, or related characteristic regardless of whether there is a community of interest in the marketing of goods or services.

The bill specifies that it is the General Assembly's intent that Section 407.400, RSMo, as amended, be interpreted as set forth by the court in High Life Sales Company v. Brown-Forman Corporation, 823 S.W.2d 493 (Mo. 1992) and Brown-Forman Distillers Corp. v. McHenry, 566 S.W.2d 194 (Mo. 1978) rather than in Missouri Beverage Company, Inc. v. Shelton Brothers, Inc. 796 F. Supp. 2d 988 (W.D. Mo. 2011), aff'd, 11-2456 (8th Cir. February 28, 2012) and the General Assembly declares that the federal court's interpretation of the subdivision as set forth in the Missouri Beverage case should be abrogated in favor of the preceding cases.