Business Associations and Professions; telephone sales solicitations

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Chapter 615 establishes a scheme for regulating certain persons engaged in the business of telephone sales solicitations. Under Chapter 615, a person acting as a seller or salesman must be licensed by the Consumer Affairs Division of the Department of Commerce (Division). To obtain a license, a seller or salesman must submit a written application and specified materials to the Division. If the application is approved, the Division will issue a one year license.

3. See id. sec. 2, at (enacting Nev. Rev. Stat. § ) (defining seller as a person who solicits by telephone or who communicates with a potential customer by telephone after the customer has responded to a mail solicitation).
4. See id. (defining salesman as a person employed or authorized by a seller to sell goods or services by telephone).
5. Id. sec. 5, at (enacting Nev. Rev. Stat. § ). A person who solicits sales from within the state is acting as a seller or salesman. Id.
6. Id. secs. 6, 7, at (enacting Nev. Rev. Stat. § ) (required contents of seller’s written application), 8, at (enacting Nev. Rev. Stat. § ) (required contents of salesman’s written application). Materials which must accompany a seller’s application include: (1) Sales aids, if any, a salesman will use while soliciting; (2) sales information or literature the seller will provide to a salesman or to a purchaser; (3) a copy of any written partnership agreement, or copies of articles of incorporation and bylaws, if the applicant is, or is affiliated with, a partnership or corporation; and (4) a bond, letter of credit or certificate of deposit, satisfying stated specifications and in the amount of $50,000, to be subject to claims of parties injured by the seller’s bankruptcy or breach of agreements entered as a licensee. Id. sec. 6, at . A seller who will do business under an assumed or fictitious name must submit an additional security instrument and licensing fee for each name. Id. A salesman’s application must include a statement by the seller desiring to employ the salesman that the seller will associate with the applicant and assume responsibility for the salesman’s conduct as a licensee. Id. sec. 8, at .
7. The Commissioner of Consumer Affairs (Commissioner) may refuse to issue a license to an applicant who has been convicted of specified crimes, who engaged in conduct for which a licensee’s license could be suspended, or who knowingly made a false statement in the application. Id. sec. 17, at (enacting Nev. Rev. Stat. § ). An applicant whose application is denied cannot re-apply during the next 180 days. Id. sec. 18, at (enacting Nev. Rev. Stat. § ). If an application is denied, the applicant may appeal to the Board in accordance with specified procedures. Id. sec. 17.3, at (enacting Nev. Rev. Stat. ——).
8. Id. secs. 9, at (enacting Nev. Rev. Stat. § ) (issuance of license), 10, at (enacting Nev. Rev. Stat. § ) (license must be renewed annually). If, prior to the renewal date, there are material changes in the information used to obtain the license, the licensee must submit the revised information to the Division. Id. sec. 10, at (enacting Nev. Rev. Stat. § ). Compare id. (requiring submission to Division of changes in licensing information) with id. sec. 12, at (enacting Nev. Rev. Stat. § ) (requiring submission
Chapter 615 requires salesmen to disclose certain information to each prospective purchaser, and requires sellers and salesmen to keep confidential the identity of all purchasers. In addition, special requirements of Chapter 615 apply when sellers or their salesmen represent to purchasers that the purchasers are or may be eligible for gratuities. In certain situations, Chapter 615 also requires sellers to give refunds, credits, or replacements to purchasers. Finally, Chapter 615 specifies penalties for a violation of Chapter 615's provisions.

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