

BUSINESS AND COMMERCE CODE

TITLE 4. BUSINESS OPPORTUNITIES AND AGREEMENTS

CHAPTER 51. BUSINESS OPPORTUNITIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 51.001. SHORT TITLE. This chapter may be cited as the Business Opportunity Act.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.002. GENERAL DEFINITIONS. In this chapter:

(1) "Business opportunity contract" means an agreement that obligates or is intended to obligate a purchaser to a seller.

(2) "Buy-back" or "secured investment" means a representation that implies a purchaser's payment is protected from loss.

(3) "Equipment" includes electrical devices, video and audio devices, molds, display units, including display racks, and machines, including coin-operated game machines and vending and other machines that dispense products.

(4) "Initial consideration" means the total amount a purchaser is obligated to pay under a business opportunity contract before or at the time products, equipment, supplies, or services are delivered or within six months after the date the purchaser begins operation of the business opportunity plan. The term means the total sale price if the contract states a specific total sale price for purchase of the business opportunity plan and the total sale price is to be paid as a down payment and one or more additional payments. The term does not include the not-for-profit sale of sales demonstration materials, samples, or equipment for not more than \$500.

(5) "Marketing program" means advice or training that a seller or a person recommended by a seller gives to a purchaser regarding the sale of products, equipment, supplies, or

services. The term includes the preparation or provision of:

(A) a brochure, pamphlet, or advertising material, including promotional literature;

(B) training regarding the promotion, operation, or management of a business opportunity; or

(C) operational, managerial, technical, or financial guidelines or assistance.

(6) "Product" includes tangible personal property.

(7) "Purchaser" means a person who becomes or is solicited to become obligated under a business opportunity contract.

(8) "Seller" means a principal or agent who sells or leases or offers to sell or lease a business opportunity.

(9) "Services" includes any assistance, guidance, direction, work, labor, or other services provided by a seller to initiate or maintain a business opportunity.

(10) "Supplies" includes materials used to make, produce, grow, or breed a product or item.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 2.01, eff. April 1, 2009.

Sec. 51.003. DEFINITION OF BUSINESS OPPORTUNITY. (a) In this chapter, "business opportunity" means a sale or lease for an initial consideration of more than \$500 of products, equipment, supplies, or services that will be used by or for the purchaser to begin a business in which the seller represents that:

(1) the purchaser will earn or is likely to earn a profit in excess of the amount of the initial consideration the purchaser paid; and

(2) the seller will:

(A) provide a location or assist the purchaser in finding a location for the use or operation of the products, equipment, supplies, or services on premises that are not owned or leased by the purchaser or seller;

(B) provide a sales, production, or marketing program; or

(C) buy back or is likely to buy back products, equipment, or supplies purchased or products made, produced, grown, or bred by the purchaser using wholly or partly the products, equipment, supplies, or services that the seller initially sold or leased or offered for sale or lease to the purchaser.

(b) In this chapter, "business opportunity" does not include:

(1) the sale or lease of an established and ongoing business or enterprise that has actively conducted business before the sale or lease, whether composed of one or more than one component business or enterprise, if the sale or lease represents an isolated transaction or series of transactions involving a bona fide change of ownership or control of the business or enterprise or liquidation of the business or enterprise;

(2) a sale by a retailer of goods or services under a contract or other agreement to sell the inventory of one or more ongoing leased departments to a purchaser who is granted the right to sell the goods or services within or adjoining a retail business establishment as a department or division of the retail business establishment;

(3) a transaction that is:

(A) regulated by the Texas Department of Licensing and Regulation, the Texas Department of Insurance, the Texas Real Estate Commission, or the director of the Motor Vehicle Division of the Texas Department of Motor Vehicles; and

(B) engaged in by a person licensed by one of those agencies;

(4) a real estate syndication;

(5) a sale or lease to a business enterprise that also sells or leases products, equipment, or supplies or performs services:

(A) that are not supplied by the seller; and

(B) that the purchaser does not use with the seller's products, equipment, supplies, or services;

(6) the offer or sale of a franchise as described by the Petroleum Marketing Practices Act (15 U.S.C. Section 2801 et seq.) and its subsequent amendments;

(7) the offer or sale of a business opportunity if the seller:

(A) has a net worth of \$25 million or more according to the seller's audited balance sheet as of a date not earlier than the 13th month before the date of the transaction; or

(B) is at least 80 percent owned by another person who:

(i) in writing unconditionally guarantees performance by the person offering the business opportunity plan; and

(ii) has a net worth of more than \$25 million according to the person's most recent audited balance sheet as of a date not earlier than the 13th month before the date of the transaction; or

(8) an arrangement defined as a franchise by 16 C.F.R. Part 436 and its subsequent amendments if:

(A) the franchisor complies in all material respects in this state with 16 C.F.R. Part 436 and each order or other action of the Federal Trade Commission; and

(B) before offering for sale or selling a franchise in this state, a person files with the secretary of state a notice containing:

(i) the name of the franchisor;

(ii) the name under which the franchisor intends to transact business; and

(iii) the franchisor's principal business address.

(c) The secretary of state shall prescribe the form of the notice described by Subsection (b)(8)(B).

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 548 (S.B. 1701), Sec. 1, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 933 (H.B. 3097), Sec. 3A.01, eff. September 1, 2009.

Sec. 51.004. LIBERAL CONSTRUCTION AND APPLICATION. (a) This chapter shall be liberally construed and applied to:

(1) protect persons against false, misleading, or deceptive practices in the advertising, offering for sale or lease, or sale or lease of business opportunities; and

(2) provide efficient and economical procedures to secure that protection.

(b) In construing this chapter, a court to the extent possible shall follow the interpretations given by the Federal Trade Commission and the federal courts to Section 5(a)(1), Federal Trade Commission Act (15 U.S.C. Section 45(a)(1)), and 16 C.F.R. Part 436 and their subsequent amendments.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.005. BURDEN OF PROOF. A person who claims to be exempt from this chapter has the burden of proving the exemption.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.006. WAIVER. A waiver of this chapter is contrary to public policy and void.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.007. MAINTENANCE OF RECORDS. (a) A seller shall maintain a complete set of books, records, and accounts of business opportunity sales made by the seller.

(b) A document relating to a business opportunity sold or leased shall be maintained until the fourth anniversary of the date of the business opportunity contract.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.008. FILING FEE. The secretary of state may charge a reasonable fee to cover the costs incurred as a result of a filing required by Subchapter B or Section 51.003 or 51.251.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.009. RULES. The secretary of state may adopt rules to administer and enforce this chapter.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

SUBCHAPTER B. REGISTRATION OF BUSINESS OPPORTUNITY

Sec. 51.051. FILING OF DISCLOSURE STATEMENTS AND LIST OF SELLERS. Before a sale or offer for sale, including advertising, of a business opportunity, the principal seller must register the business opportunity with the secretary of state by filing:

(1) a copy of the disclosure statement required by Subchapter D, except as provided by Section 51.053; and

(2) a list of the name and resident address of any individual who sells or will sell the business opportunity for the principal seller.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.052. UPDATING OF INFORMATION ON FILE. (a) A copy of a disclosure statement filed under Section 51.051 must be updated through a new filing:

(1) annually; and

(2) when a material change occurs.

(b) The list filed under Section 51.051(2) must be updated through a new filing every six months.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.053. FILING OF DISCLOSURE DOCUMENT FROM OTHER REGULATORY AGENCY. Instead of filing with the secretary of state a copy of a disclosure statement, a seller may file a copy of a similar document required by the State Securities Board, Securities and Exchange Commission, or Federal Trade Commission that contains all the information required to be disclosed by this chapter.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.054. FILING OF COPY OF BOND OR NOTIFICATION OF ACCOUNT. A principal seller who is required to obtain a bond or establish a trust account under Subchapter C shall contemporaneously file with the secretary of state a copy of:

- (1) the bond; or
- (2) the formal notification by the depository that the trust account is established.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

SUBCHAPTER C. BOND, TRUST ACCOUNT, OR LETTER OF CREDIT

Sec. 51.101. BOND, TRUST ACCOUNT, OR LETTER OF CREDIT REQUIRED. (a) Before a seller makes a representation described by Section 51.003(a)(1) or otherwise represents that the purchaser is assured of making a profit from a business opportunity, the principal seller must:

- (1) obtain a surety bond from a surety company authorized to transact business in this state;
- (2) establish a trust account; or
- (3) obtain an irrevocable letter of credit.

(b) The bond, trust account, or irrevocable letter of credit must be:

- (1) in an amount of \$25,000 or more; and
- (2) in favor of this state.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.102. ACTION AGAINST BOND, TRUST ACCOUNT, OR LETTER OF CREDIT. (a) A person may bring an action against the bond, trust account, or irrevocable letter of credit obtained or established under Section 51.101 to recover actual damages for:

- (1) a violation of this chapter; or
- (2) the seller's breach of:
 - (A) the business opportunity contract; or
 - (B) an obligation arising from a business opportunity sale.

(b) The aggregate liability of the surety, trustee, or issuer in an action under Subsection (a) may not exceed the amount of the bond, trust account, or irrevocable letter of credit.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

SUBCHAPTER D. DISCLOSURE STATEMENT

Sec. 51.151. DISCLOSURE TO PURCHASER OF BUSINESS OPPORTUNITY. (a) Except as provided by Section 51.164, a seller must provide a purchaser with a written disclosure statement that meets the requirements of this subchapter.

(b) The seller must provide the disclosure statement at least 10 business days before the earlier of the date:

- (1) the purchaser signs a business opportunity contract; or
- (2) the seller receives any consideration.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.152. COVER SHEET OF DISCLOSURE STATEMENT. (a) A disclosure statement must have a cover sheet titled, in at least 12-point boldface capital letters, "DISCLOSURES REQUIRED BY TEXAS LAW." The following statement must appear below the title in at least 10-point boldface type: "The State of Texas has not reviewed and does not endorse, approve, recommend, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement."

(b) Only the title and required statement may appear on the cover sheet.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 2.01, eff. April 1, 2009.

Sec. 51.153. CONTENTS: NAMES AND ADDRESSES. A disclosure statement must contain:

- (1) the name of the seller;
- (2) each name under which the seller has transacted, is transacting, or intends to transact business;
- (3) the name of any parent or affiliated company that will engage in a business transaction with the purchaser or that takes responsibility for statements made by the seller; and
- (4) the names, addresses, and titles of:
 - (A) the seller's officers, directors, trustees, general partners, general managers, and principal executives;
 - (B) shareholders owning more than 20 percent of the shares of the seller; and
 - (C) any other persons responsible for the seller's business activities relating to the sale of business opportunities.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 2.01, eff. April 1, 2009.

Sec. 51.154. CONTENTS: SALES PERIODS. A disclosure

statement must:

(1) specify the period during which the seller has sold business opportunities; and

(2) specify the period during which the seller has sold business opportunities involving the products, equipment, supplies, or services the seller is offering to the purchaser.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.155. CONTENTS: SERVICES DESCRIPTION. A disclosure statement must contain:

(1) a detailed description of the actual services the seller undertakes to perform for the purchaser; and

(2) if the seller promises to perform services in connection with the placement of products, equipment, or supplies at a location:

(A) the full nature of those services; and

(B) the nature of any agreements to be made with the owners or managers of that location.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.156. CONTENTS: UPDATED FINANCIAL STATEMENT. A disclosure statement must contain a copy of a financial statement of the seller that:

(1) was prepared according to generally accepted accounting principles within the previous 13 months; and

(2) has been updated to reflect any material change in the seller's financial condition.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.157. CONTENTS: TRAINING DESCRIPTION. If the seller promises training, the disclosure statement must contain a

complete description of the training, including:

(1) the length of the training; and

(2) any costs of the training that the purchaser will be required to incur, including travel and lodging expenses.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.158. CONTENTS: SECURITY DESCRIPTION. If the seller is required to obtain a bond or establish a trust account, the disclosure statement must contain one of the following statements, as applicable:

(1) "As required by Texas law, the seller has secured a bond issued by _____, a surety company authorized to do business in this state. Before signing a contract to purchase this business opportunity, you should confirm the bond's status with the surety company."; or

(2) "As required by Texas law, the seller has established a trust account with _____. Before signing a contract to purchase this business opportunity, you should confirm with the bank or savings institution the current status of the trust account."

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.159. CONTENTS: DELIVERY DATE; CANCELLATION OF CONTRACT. If the seller is required to deliver to the purchaser the product, equipment, or supplies necessary to begin substantial operation of the business and states a definite or approximate delivery date for the product, equipment, or supplies, the disclosure statement must contain the following statement: "If the seller fails to deliver the product, equipment, or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and cancel your contract."

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.160. CONTENTS: SALES OR EARNINGS REPRESENTATION. If the seller makes a statement concerning sales or earnings that may be made through the business opportunity, the disclosure statement must contain a statement disclosing:

(1) the total number of purchasers of business opportunities involving the product, equipment, supplies, or services being offered who to the seller's knowledge have, not earlier than the third year before the date of the disclosure statement, actually achieved sales of or received earnings in the amount or range specified; and

(2) the total number of purchasers who, not earlier than the third year before the date of the disclosure statement, purchased business opportunities involving the product, equipment, supplies, or services being offered.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.161. CONTENTS: LEGAL ACTION HISTORY. (a) A disclosure statement must contain a statement disclosing any person described by Section 51.153 who:

(1) has, during the previous seven fiscal years:

(A) been convicted of a felony, or pleaded nolo contendere to a felony charge, involving fraud, embezzlement, fraudulent conversion, or misappropriation of property; or

(B) been held liable in a civil action resulting in a final judgment, or has settled out of court a civil action, involving:

(i) allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property;

(ii) the use of untrue or misleading representations in an attempt to sell or dispose of property; or

(iii) the use of unfair, unlawful, or deceptive business practices;

(2) is a party to a civil action involving:

(A) allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property;

(B) the use of untrue or misleading representations in an attempt to sell or dispose of property; or

(C) the use of unfair, unlawful, or deceptive business practices; or

(3) is subject to an injunction or restrictive order relating to business activity as a result of an action brought by a public agency or department.

(b) A statement required by Subsection (a) must include:

(1) the identity and location of any court or agency;

(2) the date of any entry of a plea of nolo contendere, conviction, judgment, or decision;

(3) any penalty imposed;

(4) any damages assessed;

(5) the terms of any settlement or order; and

(6) the date, nature, and issuer of any order or ruling.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.162. CONTENTS: BANKRUPTCY OR REORGANIZATION. (a) A disclosure statement must contain a statement disclosing any person described by Section 51.153 who has, during the previous seven fiscal years:

(1) filed in bankruptcy;

(2) been adjudged bankrupt;

(3) been reorganized because of insolvency; or

(4) been a principal, director, executive officer, or partner of any other person that, during or not later than the first anniversary of the end of the period the person held the position in relation to the other person, filed in bankruptcy, was adjudged bankrupt, or was reorganized because of insolvency.

(b) A statement required by Subsection (a)(4) must include:

(1) the name and location of the person who filed in

bankruptcy, was adjudged bankrupt, or was reorganized;

(2) the date of the filing, adjudication, or reorganization; and

(3) any other material fact relating to the filing, adjudication, or reorganization.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.163. CONTENTS: CONTRACT COPY. A disclosure statement must contain a copy of the business opportunity contract that the seller uses as a matter of course and that will be presented to the purchaser at closing.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.164. USE OF DISCLOSURE DOCUMENT FROM OTHER REGULATORY AGENCY. Instead of providing a disclosure statement to a purchaser under this subchapter, a seller may provide a copy of a similar document required by the State Securities Board, Securities and Exchange Commission, or Federal Trade Commission that contains all the information required to be disclosed by this chapter.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

SUBCHAPTER E. BUSINESS OPPORTUNITY CONTRACT

Sec. 51.201. FORM OF BUSINESS OPPORTUNITY CONTRACT. A business opportunity contract must be in writing and include, in 10-point type or in handwriting of an equivalent size, the following:

(1) the terms of payment, including the initial consideration, down payment, and additional payments required;

(2) a detailed description of the acts or services the seller undertakes to perform for the purchaser;

(3) the seller's principal business address;

(4) the name and address of the seller's agent in this state authorized to receive service of process;

(5) the delivery date or, if the contract provides for staggered delivery times to the purchaser, the approximate delivery date of the products, equipment, or supplies the seller is to:

(A) deliver to the purchaser's home or business address; or

(B) place at a location owned or managed by a person other than the purchaser; and

(6) a complete description of the nature of the buy-back or security arrangement if the seller has represented orally or in writing when selling, leasing, soliciting, or offering a business opportunity that there is a buy-back or that the initial consideration is secured.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.202. DELIVERY OF COPIES OF DOCUMENTS TO PURCHASER. A copy of the completed business opportunity contract and any other document the seller requires the purchaser to sign shall be given to the purchaser at the time the purchaser signs the contract.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.203. EFFECT OF ASSIGNMENT OF BUSINESS OPPORTUNITY CONTRACT. An assignee of a business opportunity contract or of the seller's rights under the contract is subject to all equities, rights, and defenses of the purchaser against the seller.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

SUBCHAPTER F. TERMINATION OF BUSINESS OPPORTUNITY REGISTRATION

Sec. 51.251. VOLUNTARY TERMINATION OF BUSINESS OPPORTUNITY REGISTRATION. The principal seller of a registered business opportunity may voluntarily terminate the business opportunity's registration with the secretary of state if:

(1) the registered business opportunity will no longer be offered in this state;

(2) the registered business opportunity has changed to the extent that it no longer meets the definition of a business opportunity under Section 51.003(a);

(3) the registered business opportunity has become exempt under Section 51.003(b); or

(4) the principal seller offering the registered business opportunity ceases to exist as a legal entity.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 51.252. INVOLUNTARY TERMINATION OF BUSINESS OPPORTUNITY REGISTRATION. (a) The secretary of state may terminate the registration of a business opportunity registered under Section 51.051 if the seller does not comply with Section 51.052.

(b) The secretary of state must give the business opportunity registrant notice of the delinquency not later than the 31st day before the date of termination of the business opportunity registration under Subsection (a).

(c) The notice of delinquency must be given by certified mail addressed to the registered agent or the principal place of business of the business opportunity registrant noted in the latest filing made under this chapter.

(d) The secretary of state may adopt rules governing:

(1) the termination of a delinquent registration;

(2) the effective date of the termination; and

(3) the grace period, if any.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

SUBCHAPTER G. ENFORCEMENT

Sec. 51.301. PROHIBITED ACTS. A seller may not:

(1) employ a representation, device, scheme, or artifice to deceive a purchaser;

(2) make an untrue statement of a material fact or omit to state a material fact in connection with the documents and information required to be provided to the secretary of state or purchaser;

(3) represent that the business opportunity provides or will provide income or earning potential unless the seller:

(A) has documented data to substantiate the representation of income or earning potential; and

(B) discloses the data to the purchaser when the representation is made; or

(4) make a claim or representation that is inconsistent with the information required to be disclosed by this chapter in:

(A) advertising or other promotional material; or

(B) an oral sales presentation, solicitation, or discussion between the seller and the purchaser.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 2.01, eff. April 1, 2009.

Sec. 51.302. DECEPTIVE TRADE PRACTICE; REMEDIES. (a) A violation of this chapter is a false, misleading, or deceptive act or practice under Section [17.46](#).

(b) A public or private right or remedy prescribed by Chapter [17](#) may be used to enforce this chapter.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 2.01, eff. April 1, 2009.

Sec. 51.303. REVIEW AND SUIT BY ATTORNEY GENERAL. (a) The

attorney general may review the copy of a disclosure statement filed with the secretary of state under Subchapter B.

(b) If the disclosure statement fails to comply with this chapter, the attorney general may:

(1) notify the secretary of state and the seller in writing of the deficiency; and

(2) file suit to enjoin the seller from transacting business until the failure to comply has been corrected.

(c) If the attorney general notifies the secretary of state under Subsection (b), the secretary of state shall:

(1) attach a copy of the notice to the front of the disclosure statement; and

(2) on inquiry of the status of the disclosure statement, disclose that a statement has been filed but that the attorney general has questioned the correctness of the statement.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 2.01, eff. April 1, 2009.