

557B.13 Advertising plans — disclosures — unlawful acts.

1. Any advertisement, communication, or sales literature relating to membership camping contracts, including oral statements by a salesperson or any other person, shall not contain:

a. Any untrue statement of material fact or any omission of material fact which would make the statements misleading in light of the circumstances under which the statements were made.

b. Any statement or representation that the membership camping contracts are offered without risk or that loss is impossible.

c. Any statement or representation or pictorial presentation of proposed improvements or nonexistent scenes without clearly indicating that the improvements are proposed and the scenes do not exist.

2. A person shall not by any means, as part of an advertising program, offer any item of value as an inducement to the recipient to visit a location, attend a sales presentation, or contact a sales agent, unless the person clearly and conspicuously discloses in writing in the offer in readily understandable language each of the following:

a. The name and street address of the owner of the real or personal property or the provider of the services which are the subject of such visit, sales presentation, or contact with a sales agent.

b. A general description of the business of the owner or provider identified and the purpose of any requested visit, sales presentation, or contact with a sales agent, including a general description of the facilities or proposed facilities or services which are the subject of the sales presentation.

c. A statement of the odds, in Arabic numerals, of receiving each item offered.

d. All restrictions, qualifications, and other conditions that must be satisfied before the recipient is entitled to receive the item, including all of the following:

(1) Any deadline by which the recipient must visit the location, attend the sales presentation, or contact the sales agent in order to receive the item.

(2) The approximate duration of any visit and sales presentation.

(3) Any other conditions, such as a minimum age qualification, a financial qualification, or a requirement that if the recipient is married both husband and wife must be present in order to receive the item.

e. A statement that the owner or provider reserves the right to provide a rain check or a substitute or like item, if these rights are reserved.

f. A statement that a recipient who receives an offered item may request and will receive evidence showing that the item provided matches the item randomly or otherwise selected for distribution to that recipient.

g. All other rules, terms, and conditions of the offer, plan, or program.

3. A person making an offer subject to registration under sections 557B.2 and 557B.3, or the person's employee or agent, shall not offer any item if the person knows or has reason to know that the offered item will not be available in a sufficient quantity based on the reasonably anticipated response to the offer.

4. A person making an offer subject to registration under sections 557B.2 and 557B.3, or the person's employee or agent, shall not fail to provide any offered item which a recipient is entitled to receive, unless the failure to provide the item is due to a higher than reasonably anticipated response to the offer which caused the item to be unavailable and the offer discloses the reservation of a right to provide a rain check or a like or substitute item if the offered item is unavailable.

5. If the person making an offer subject to registration under sections 557B.2 and 557B.3 is unable to provide an offered item because of limitations of supply not reasonably foreseeable or controllable by the person making the offer, the person making the offer shall inform the recipient of the recipient's right to receive a rain check for the item offered or receive a like or substitute item of equal or greater value at no additional cost or obligation to the recipient.

6. If a rain check is provided, the person making an offer subject to registration under sections 557B.2 and 557B.3, within a reasonable time, and in any event not later than ninety calendar days after the rain check is issued, shall deliver the agreed item to the recipient's address without additional cost or obligation to the recipient, unless the item for which the

rain check is provided remains unavailable because of limitations of supply not reasonably foreseeable or controllable by the person making the offer. If the item is unavailable for these reasons, the person, not later than thirty days after the expiration of the ninety-day period, shall deliver a like or substitute item of equal or greater retail value to the recipient.

7. On the request of a recipient who has received or claims a right to receive any offered item, the person making an offer subject to registration under sections 557B.2 and 557B.3 shall furnish to the recipient sufficient evidence showing that the item provided matches the item randomly or otherwise selected for distribution to that recipient.

8. A person making an offer subject to registration under sections 557B.2 and 557B.3, or the person's employee or agent, shall not do any of the following:

a. Misrepresent the size, quantity, identity, or quality of any prize, gift, money, or other item of value offered.

b. Misrepresent in any manner the odds of receiving a particular gift, prize, amount of money, or other item of value.

c. Represent directly or by implication that the number of participants has been significantly limited or that any person has been selected to receive a particular prize, gift, money, or other item of value, unless this fact is true.

d. Label any offer a notice of termination or notice of cancellation.

e. Misrepresent, in any manner, the offer, plan, or program.

87 Acts, ch 181, §17

Referred to in §557B.11