



**Matthew M. Rosendale, Sr.**  
Commissioner of Securities & Insurance  
Montana State Auditor  
840 Helena Ave. • Helena, MT 59601  
Phone: 406.444.2040 or 800.332.6148  
Fax: 406.444.3497 • **Web:** [www.csimt.gov](http://www.csimt.gov)

## **NOTICE FILING REQUIREMENTS FOR MULTI-LEVEL MARKETING COMPANIES**

1. It is unlawful for a person to transact business in this state as a multi-level marketing company unless the person:
  - a. has Notice Filed with the Commissioner, or
  - b. is a member of the Direct Selling Association
2. A multi-level marketing company may Notice File by filing the form prescribed by the Commissioner. The filing must be submitted to the department by **certified mail**.
3. The Notice Filing of a multi-level marketing company:
  - a. Is effective until December 31 following filing; and
  - b. May be renewed annually.
4. A multi-level marketing company may renew its notice filing, prior to the expiration of its previous notice, on a form containing information that the commissioner may require to indicate any material change in the information contained in the original form or any material change in a renewal form. The renewal form must be submitted to the department by **certified mail**.



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## UNIFORM NOTICE FOR: MULTI-LEVEL MARKETING COMPANIES

This filing is:  An Initial Notice File  An Amendment  A Renewal  
(An Initial Notice File form must be accompanied by completed Schedules A & B and a Consent to Service of Process. See attached forms.)

Company Name:		
Name under which business is conducted, if different:		
If Company or Business name is being amended, give previous name:		
Corporate Address [Actual Physical Address]:	(City)	(State) (Zip)
Mailing Address (if different):	(City)	(State) (Zip)
Telephone number at this location: ( )	Email Address:	Website:
State of Domicile:	State of Incorporation:	Date of Incorporation:

### Execution

Both the undersigned and the above named multi-level marketing company represent that the information and statements contained herein, including attached schedules, exhibits and other information fields herewith, are current, true, and complete. Both parties further represent that, to the extent that any information previously submitted is not amended, such information is currently accurate and complete.

Date:	Name of multi-level marketing company:	By (signature):
Type Name and Title:		

Schedule A of MLD-1

List below all individuals who have direct responsibility for the management of the multi-level marketing company. Also include each beneficial owner having the power to vote or dispose of 10% or more of a class of equity securities of the Company:

Full Legal Name:	Title:	Date Title Acquired:
SSN <b>AND</b> Date of Birth & State of Residence:	Mailing Address:(City, State, Zip)	

Full Legal Name:	Title:	Date Title Acquired:
SSN <b>AND</b> Date of Birth & State of Residence:	Mailing Address:(City, State, Zip)	

Full Legal Name:	Title:	Date Title Acquired:
SSN <b>AND</b> Date of Birth & State of Residence:	Mailing Address:(City, State, Zip)	

Full Legal Name:	Title:	Date Title Acquired:
SSN <b>AND</b> Date of Birth & State of Residence:	Mailing Address:(City, State, Zip)	

Full Legal Name:	Title:	Date Title Acquired:
SSN <b>AND</b> Date of Birth & State of Residence:	Mailing Address:(City, State, Zip)	

\_\_\_\_\_  
Name of Multi-level Marketing Company

\_\_\_\_\_  
Date

**In addition to the following, please attach a copy of all marketing and sales material provided to new participants. Please include a copy of the Company's policies & procedures manual.**

Please complete the following sections:

## **PRODUCTS/SERVICES**

Primary products/services:

Brand names:

Retail price range (per single item) from-\$ \_\_\_\_\_ to-\$ \_\_\_\_\_

Has the Company ever been or is it currently a member of the Direct Selling Association?

Yes       No

## **SELLER'S INITIAL COSTS**

Cost of sales kit (Start-Up) \_\_\_\_\_

Is the sales kit required?       Yes       No (Please provide a sales kit)

Is the sales kit offered at cost?       Yes       No

Cost of Required Inventory Purchases:

\_\_\_\_\_  
Cost of Suggested Inventory Purchases:

\_\_\_\_\_  
Are there any minimum purchases and/or sales required to remain an active distributor or to receive commission?       Yes       No

What is the total minimum cost to the distributor for the first six months of operation?

## INVENTORY BUY-BACK POLICY

Does the Company have a buy-back policy in place?  Yes  No

If yes, please indicate:

Percentage \_\_\_\_\_%

What is the time limitation? \_\_\_\_\_

Does it include the sales kit?  Yes  No

What products, if any, are not included in the policy (please explain why)?

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Where is the policy published?

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## COMPENSATION ON RECRUITMENT AND START-UP KITS

Does the Company pay any compensation for the recruitment of distributors/consultants/participants? (Example: Distributor/consultant/participant receives \$20 for every additional distributor/consultant/participant he/she recruits)

Yes  No

If yes, what percentage of the total compensation paid to distributors/consultants/participants is from recruitment?

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## SALES

Estimated annual volume: \$ \_\_\_\_\_

Retail (*actual or range*):

- A-Less than \$2.5 million       E-\$50.1 - \$100 million  
 B-\$2.5 - \$10 million       F-\$100.1 - \$500 million  
 C-\$10.1 - \$25 million       G-More than \$500 million  
 D-\$25.1 - \$50 million

Number of participants, distributors or consultants in Montana: \_\_\_\_\_

Primary sales approach:

- Individual/person-to-person       Party plan/group sales       Combination

Date:	Name of multi-level marketing company:	By (signature)
Type Name and Title:		

*Please return this form to:*

**Office of the Montana State Auditor  
Commissioner of Securities and Insurance  
Securities Department  
840 Helena Ave.  
Helena, MT 59601**



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## UNIFORM CONSENT TO SERVICE OF PROCESS

KNOW ALL PEOPLE BY THESE PRESENTS:

That the undersigned \_\_\_\_\_, organized under the laws of \_\_\_\_\_ for purposes of complying with the laws of the State of Montana relating to either the sale, distribution or supplying of goods or services through independent agents, contractors, or distributions at different levels of distribution through a multi-level marketing company, hereby irrevocably appoints the Commissioner of Securities and Insurance, Montana State Auditor and successors in such office, its attorney in the State of Montana upon whom may be serviced any notice, process, or pleading in any action or proceeding against it arising out of, or in connection with, the sale, distribution or supplying of goods or services through a multi-level marketing company or out of violation of the aforesaid laws of the State of Montana; and the undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within Montana by service of process upon the officers so designated with the same effect as if the undersigned was organized or created under the laws of that State and have been served lawfully with process in that State.

The Company requests that a copy of any notice, process or pleading served hereunder be mailed to the Company or its agents at the following address:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



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## Office of the Montana State Auditor

## Commissioner of Securities and Insurance

### Agent for Service of Process Fact Sheet

The Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI) is charged with the duties of regulating the insurance and securities industry in Montana. Pursuant to Montana statute, the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), in performing those duties, shall act as the agent for Service of Process under certain circumstances.

#### What entities does the Commissioner act as Agent for?

- All insurance companies doing business in Montana;
- Non-resident insurance producers (agents);
- Risk Retention and Purchasing Groups registered in Montana;
- All securities issuers registered or notice filed with the CSI;
- All broker/dealer firms doing business in Montana;
- All investment advisory firms doing business in Montana;
- All securities salespersons doing business in Montana;
- All licensed firms and persons offering or selling living trusts in Montana;
- All multi-level marketing companies doing business in Montana.

#### What items need to be sent to the Commissioner?

- Duplicate (two) copies of all Service of Process. (Original summons not needed.)
- \$10.00 service fee per insurance company. There is no service fee for securities companies. (Payable to the Montana State Auditor.)
- Specific company name. (The Commissioner cannot accept service for a group of companies.)
- One signed original and one copy of the notice and acknowledgement of service (if sent by mail.)

#### How is service delivered to the Commissioner?

- U.S. Postal Service
- Personal Delivery
- Sheriff's Office
- Process Server
- Levying Officer

#### What statutes are referenced for Service of Process?

##### Mont. Code Ann.:

- |                        |  |
|------------------------|--|
| § 33-1-601             | Commissioner – Attorney for Service of Process (insurance companies)   |
| § 33-1-603             | Serving process – time to plead, costs (insurance companies)   |
| § 33-11-104(1)(c)      | Risk retention groups not chartered in Montana   |
| § 33-11-108(2)         | Notice and registration requirements of purchasing groups  |
| § 33-17-405            | Commissioner – Attorney for service of process (non-resident producers)  |
| § 30-10-208            | Serving process – brokers/dealers, investment advisers, multi-level marketing companies, securities salespersons |
| § 30-10-908            | Serving process – living trust   |
| § 30-10-326            | Consent to Service – multi-level marketing company   |
| § 25-20-II-4D(1)(b)(i) | Montana Rules of Civil Procedure   |