

**PYRAMID PROMOTIONAL SCHEME ACT (EXCERPT)**  
**Act 186 of 2018**

**445.2584 Reasonable cause; attorney general duties; cease and desist requirements; circuit court review.**

Sec. 4.

(1) If the attorney general has reasonable cause to believe that a person has engaged or is about to engage in any act or practice that violates this act, or any order issued under this act, the attorney general may do any of the following:

(a) Subject to subsections (2) and (3), issue a cease and desist order against any person that is engaged in the prohibited activities, directing the person to cease and desist from further illegal activities.

(b) Bring an action in the circuit court for the county in which the violation is believed to have occurred, or in the circuit court for Ingham County, to do any of the following:

(i) Enjoin the acts or practices that violate this act.

(ii) Enforce compliance with this act or any order issued under this act.

(iii) Recover a civil fine of not more than \$10,000.00 for each violation. Fines assessed and recovered under this section must be paid to the state treasurer and credited to the state general fund.

(2) A cease and desist order issued under this section must state all of the following:

(a) The effective date of the order.

(b) The intent or purpose of the order.

(c) The grounds on which the order is based.

(3) A person aggrieved by a cease and desist order issued under this section may obtain a review of the order in the Ingham County circuit court.

(4) Upon a proper showing to the circuit court, a permanent injunction, temporary injunction, or restraining order may be granted and a receiver or conservator may be appointed for a person that is alleged to have violated this act or the assets of a person that is alleged to have violated this act. In addition, upon a proper showing by the attorney general, the circuit court may enter an order of rescission, restitution, or disgorgement directed to any person that has engaged in an act that violates this act or an order issued under this act.

(5) A circuit court may award to the attorney general court costs and attorney fees in an action brought under this section.

(6) This section does not bar the attorney general or a prosecuting attorney from proceeding under any other provision of law against a pyramid promotional scheme or any person that is involved with a pyramid promotional scheme.

**History:** 2018, Act 186, Eff. Sept. 11, 2018