

The Origin and Operation of the Famous 70% Rule Explained



The 70% rule derives from the 1979 FTC Amway decision in which an administrative law judge recognized that Amway's 70% rule helped prevent inventory loading (it is not a retailing rule). Basically, the Amway rule provided: at the time of ordering by a distributor, don't order more inventory unless you have sold or personally used at least 70% of what you have previously ordered. This is one of the Amway "safe harbor" rules that you will see in the policies of leading direct selling companies.

For more information on the network marketing industry visit www.mlmllegal.com and www.mlmmattorney.com.

Find us on our social networks:

[Google+](#)

[LinkedIn](#)

[Twitter](#)

[Facebook](#)

Our next [Starting and Running the Successful MLM Company Conference](#) takes place October 23 and 24, 2014 in Las Vegas. Call 503-226-6600 or 800-231-2162 to register. If you'd like to see how you can get free tickets to the next MLM Startup Conference, visit our [Innovation Campaign](#) page.

View the entire article at: <http://mlmmattorney.com/blog/2014/08/12/the-origin-and-operation-of-the-famous-70-rule-explained/>