## Regulations and the VOS



Implementing commercial regulations falls exclusively on the <u>direct democracy</u> at any <u>level of dominion</u>. Regulations are more likely to garner the 2/3 plurality needed if they apply to commerce directed at children. Regulations are the legal codification of standards. It is expected that regulations, particularly in adult commerce, will not be common.

There is, however, one regulation called the Violation of Standards document or <u>VOS</u>, pronounced *voss*. It is constitutionally mandated, necessary, and sufficient for most regulatory needs. It fosters free, unregulated enterprise. Instead of *caveat emptor* or letting the buyer beware, it finds a remedy by requiring the seller to inform the customer.

Businesses don't like warning labels, but they are preferable to halting commerce altogether. The VOS goes beyond warning labels to diverse forms of notification. Unlike warning labels today, conceived by a government bureaucracy possibly ignorant of the industry, the VOS is created by the industry itself.

Why are industry members motivated to create their standards and document how violations of those standards are presented or displayed to the wholesale and retail consumer or employee?

Full and proper disclosure of standards violations in the VOS eliminates liability for those violations

The VOS ranges from fine print to warning labels, to large, bolded warnings, to warnings that require a signature, to those that require a signature with witnesses, and to those requiring a signature in a court of law. The latter is needed to ensure that the signing party is of sound mind and not being coerced. The VOS could be in the form of a list with some items bolded and some not.

Once all deviations from acceptable standards are correctly listed and presented, the business is no longer liable for issues that arise from that deviation. This freedom from liability encourages companies and other interested parties to join

<u>Voluntary Standards Groups</u> (VSGs) where those standards and their disclosure rules are created.

The VOS is typically a public document available through the Elsie Toolkit, accessed through signatories by date, region, type, and entity name, such as a business, product, or offer.

The VOS is an integral part of commerce. The VOS must be ubiquitous to satisfy necessary and sufficient regulation conditions. What follows is a list of possible structural requirements:

- 1. Every corporation, family charter, product, and offer of employment must have a VOS.
- 2. Every request for funds, contract, medical procedure, and proposed legislation must have a VOS.
- 3. When medically treating, selling products, or providing services for children under 14, the VOS must say NO STANDARDS VIOLATED and be signed by appropriate signatories.

## Certification

Like accounting firms that take on the liability of bookkeeping errors, VOS certification protects the entrepreneur against liability for any unlisted violation, the cause of which preceded the certification. The liability is transferred to the certification agency. However, the entrepreneur remains liable for any unlisted violation, the cause of which occurred after the latest certification date.

The VOS carries the date of the latest certification, inspector name, agency, and amendment date. Where violations could otherwise result in liability, the customer is almost always required to sign the VOS, acknowledging the violations, before the transaction can take place. Children under the age of 14 and those who demonstrate temporary or permanent severe mental impairment cannot sign a VOS.

A contract at the completion of a service can require a VOS. The contract can demand certification, even by a particular certification agency. Any contract can specify acceptable and unacceptable violations. A retailer can require the VOS from suppliers. Failure to meet this requirement could violate the retailer's standards.

Suppose you have a room with a tiny bathroom painted with lead-based paint and not insulated against the cold. The space is unused, and you want to rent it for \$150 a month. A monthly housing distribution of \$404 represents a \$254 savings. The tenant will use \$40 for running a space heater and other electric appliances and have the remaining \$214 every month saved for a down payment on a future house. Since a standard apartment will not have lead-based paint and will be insulated against the cold, the VOS will specify these two violations, the prospective tenant will sign the VOS, and the transaction can occur.