

Bonnie Redding  
Independent Consultant  
Arbonne International

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Federal Trade Commission  
Office of the Secretary, Room H-135 (Annex W)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

RE: Business Opportunity Rule, R511993

Dear Sir/Madam,

I am writing in response to the proposed New Business Opportunity Rule R511993. I am opposed to this rule as written and feel that if it is not modified, it will be a significant impediment and burden to the network marketing industry. This new rule, although well-intended, represents a significant burden to the free market trade.

I am strongly opposed to the 7-day waiting period, as it would require a de facto seven day waiting period to enroll new distributors. In essence, one would have to sell a person twice on the same business—even if the start-up fee is a mere \$19.95. While I support some of the disclosures with modifications, I am very opposed to a 7-day waiting period. This imposes an excessive burden upon any company and distributor who would be required to document and follow-up on the process and an impediment to new business development.

Regarding the earnings disclosure, I support the disclosure of an average earnings income statement only. This is a good business practice which establishes trust and realistic expectations. However, because the fee to enter this business is so nominal, the rule as it stands is unnecessary, excessive, and imposes an undue burden on a distributor.

Regarding previous litigation, I would support the disclosure of any previous litigation of companies, executives, affiliated companies and the like involving fraud and misrepresentation only if the party is found guilty. If the defendant is found not guilty or if the opposing parties agreed to settle without admission of guilt, then it should not be necessary to disclose this information. If the parties agreed to settle without admission of guilt, there usually is some public document available, particularly if it involves a government agency and further disclosure therefore would still be unnecessary.

Regarding the disclosure of a minimum of 10 purchasers closest to you, I feel that this is an invasion of confidentiality. While it is a good practice to provide references of satisfied customers, this is a burden for small businesses and, as a requirement, is a violation of personal confidentiality. Unfortunately, requiring the release of this information can threaten the business relationship of the references who may be involved in other companies or businesses. In addition, it subjects these references to cross-marketing by competitors. I would agree that contact information for purchasers be available upon request, that their availability be published on company materials, and that they not be limited to geographic proximity. The latter point is key as much of network marketing is internet based, and as such most distributors have clients and distributors located around the world.

The network marketing industry is growing rapidly and this growth should be encouraged, not limited. There are 13 million Americans involved in the industry today. Obviously, the network marketing industry is a viable and strong contribution to a growing economy. Sales of products and services through network marketing are estimated at more than \$29 billion in 2003.

I have only been involved in the network marketing industry for 1 year, and the decision to become a part of this company and a part of the network marketing industry has been one of the best decisions of my life. The personal growth has been and continues to be a rewarding experience for me and my family. If I never made a penny from my business, the opportunity to explore my potential and to help others do likewise would have made it all worthwhile.

While I understand and value the role of the FTC mission, I believe the proposed new rule exceeds what is necessary and needs significant modifications. This is a free market economy where people have the responsibility of making informed decisions based on the best information. A much better approach would be to provide consumers with objective criteria when analyzing a business opportunity and let an informed market proceed. This is something I learned only after my involvement with the industry, but I would have welcomed the knowledge beforehand in order to reassure myself and to offer guidance in my decision to start a business in this industry.

Again, please consider modifications to this rule and I thank you for your kind consideration in this very important issue.

Sincerely,

Bonnie Redding