

June 3, 2006

To Whom It May Concern:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it would put an end to the growth of my business and possibly put me completely out of business as a distributor of Mannatech products. I understand that part of the FTC's responsibility is to protect the public from "unfair and deceptive acts or practices," but some of the sections in the proposed rule seem to be very detrimental to the balance of free capital enterprise vs. protection. In other words, to overly protect someone by effectively (even if not intentionally) ending another person's legal and legitimate business does not make very much sense to me.

This rule contains sections without valid real life applications which do nothing but create unnecessary burdens. These unnecessary burdens tend to destroy small businesses and create unnecessary overhead expense for large businesses. They are also absolutely counter productive to building a legitimate business as a direct selling associate. More than 99% of the people that I have come in contact with in various direct selling companies begin that business as a side business. They do this because they do not have the time or financial resources necessary to start a traditional business or to quit their current job and go fulltime into direct selling. They are often already in a position of caring for a family, working a fulltime job and struggling to survive. So they add to their already busy lives a direct sales business in order to bring in a few hundred extra dollars a month with the possibility of more as they build the business over time. To put unnecessary burdens on these people only serves to take away the opportunity which direct marketing offers them. I do admit that there are others who do nothing but the direct marketing business from day one and could probably handle the extra burden. These people are usually single and/or already have financial resources to live on. So in effect the extra burdens do nothing but create discrimination for opportunity based upon economic status, time availability status and family status.

One of the most confusing and burdensome sections of the proposed rule is the seven day waiting period to enroll new associates. Mannatech, the company that I am currently associated with, offers associate kits which range in cost from \$39 to \$1099. People buy TVs, cars, and other items that cost much more than that and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with Mannatech and/or its marketing plan. I also think this seven day waiting period is unnecessary and serves as an example of an invalid real life application. Mannatech already has a 90% buyback policy for all products including sales kits purchased by an associate within the last twelve months. So there is no real financial danger to an individual and plenty of time for him/her to perform due diligence research. However, under this waiting period requirement, I am given the unnecessary burdens of additional time management, the keeping of very detailed records when I first speak to someone about Mannatech and also the hassle of sending many reports to Mannatech headquarters.

The proposed rule also calls for the release of any information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless Mannatech is found guilty. Otherwise, Mannatech and I are put at an unfair advantage versus a non direct sales company who sells the same category(s) of product even though the company has done nothing wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals with or without their approval to strangers. Just look at the outcry that was generated in regard to phone records used for national security purposes. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to Mannatech headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as an associate "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

Over the past 20 years I have been involved with various direct marketing companies primarily because I truly believe in the advantages, such as low start up capital, of the direct selling business model over the traditional business model. I always liked the products and had the desire to create additional income but I actually stopped my involvement in direct marketing for a period of time because it was having an impact on my family. They were not receiving the time and attention which they needed. However, I did become involved again about 2-3 years ago as a distributor of Mannatech products. I have generated additional income for my family which my wife and I deem as necessary for our survival at this point in time. When I started the business, I did it with a commitment to my family that I would keep them as the first priority and give them the attention and time they need. I have been able to keep this commitment only because of the advantages of direct selling. These are some of the very advantages that would be impacted by proposed Business Opportunity Rule R511993 in its current form.

I appreciate the work of the FTC to protect consumers, but I believe this proposed new rule has many unintended consequences and that there are less burdensome alternatives available in achieving its goals.

Thank you for your time in considering my comments.

Sincerely,

John Vorhees