

**Yvonne Rosenberg**

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 have some concerns about the Business Opportunity Rule R511993 as it will adversely affect my new home-based small business and destroy what I just started to build over the past year. While I understand that your objective is to protect consumers from fraudulent business opportunities, which I support, the Business Opportunity Rule R511993 in its present form will, in fact, hurt many legitimate businesses, especially those of us who are Distributors.

I am a new Distributor of a product from which I and my family have experienced significant health benefits. Because of this product's excellence and the integrity and fairness of the network marketing company that produces it, I knew that I would be proud to be part of this organization. I also felt that this was an opportunity for me to get out of debt and improve my financial situation. However, I had little money to start-up any kind of business, but XanGo™ presented the opportunity. So, with little money, an excellent product, and a strong, honest network marketing company like XanGo™, I was able to set up my home-based business. Now that I have just started this venture and invested time and money, FTC Business Opportunity Rule R511993 is about to destroy my business. The areas of the proposed rule that would make it impossible for me to continue my business are--

(1) The seven-day waiting period. This rule will not only reflect negatively upon me and my business in that people will suspect that I am dishonest and unethical but also alarm them that I may be selling an inferior product. This kind of stigma will definitely thwart patrons and prospects from buying the product and becoming Distributors—the building blocks of my business—and quickly put me out of business. Also, under this waiting period, the burden of keeping records of when I first spoke to someone, a prospect, and having to follow up with reports to the company will destroy my small business—my time should be invested in building the business, not in keeping unnecessary records especially when XanGo™ has a 90% buyback policy.

Besides, I don't think it is fair to require this waiting period rule of legitimate MLM companies and Distributors when it is not required of other businesses where consumers purchase items, such as TV's, computers, etc. that cost much more than the \$35.00 for the XanGo™ Sales Kit.

This rule is really unnecessary because XanGo™ has a 90% buyback policy for all products and sale items purchased by a salesperson.

Additionally, a 100% total money back guarantee applies to any new enrollee purchasing from XanGo™ within the first 30 day period. The current procedures in place by XanGo™ already insure that no one can ever be hurt financially by the XanGo™ business opportunity.

(2) List of nearest references. This rule will also require time and burden my small operation. I would have to take the time to contact XanGo™ to access information required by this disclosure requirement. Also, I worry about disclosing “confidential” information as it might get into the hands of the wrong people including competitors who may use this information for any purpose. This rule will discourage participation in the direct sell industry, and I don’t think it will deter fraudulent individuals/businesses; it would be easy for them to provide a list of “references” from those who are already involved in fraudulent businesses. But it would be very burdensome on legitimate direct selling businesses.

(3) Earnings claim statement. Again, this rule will place a burden on a new small business operation—it would require complex compilations of statistical forms or categories. Even though I support the proposition that earnings claim should be substantiated by business opportunity sellers, I think fraudulent businesses will not provide accurate data, while legitimate business opportunity sellers will have difficulty in meeting the proposed requirements.

(4) Legal actions. This rule does not seem fair. While it requires disclosure of all legal actions, whether related or unrelated to the business opportunity transaction, it doesn’t provide for disclosure of the outcome of the litigation.

(5) Cancellation and refunds. Once again, I would have to take the time to check the databases of distributors who cancel out—some may only have short-term objectives or some cancel because they want to try something else. This tracking time could become burdensome and take away from my business and business partners.

I really appreciate FTC’s consumer protection interests, but Business Opportunity Rule R511993 unfairly targets legitimate direct selling businesses. This rule will do nothing to stop unprincipled, dishonest individuals, but it will hurt me and my business. I am an honest American citizen, and I finally connected with a good, honest company-- **XanGo™**-- that already has policies in place to protect the consumer and their Distributors.

Sincerely,

Yvonne Rosenberg