

Joan Kriete, Independent Branch Leader
The Longaberger Company

July 5, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)

Re: Business Opportunity Rule, R511993

600 Pennsylvania Avenue, NW
Washington, DC 20580

RE: Business Opportunity Rule, R511993

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 could affect my direct selling business as an Independent Branch Leader with The Longaberger Company. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," but some of the sections in the proposed rule inhibit my ability to have a career opportunity or offer one to other women and men.

One of the most confusing and troublesome sections of the proposed rule is the **seven day waiting period to enroll new Home Consultants**. To get started in a Longaberger business, the **Business Kit** only costs \$199. 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 our business opportunity. I also think this seven-day waiting period is unnecessary because direct selling companies have a 90 percent buyback policy for all products including business kits purchased by a salesperson within the last twelve months. **In fact, our company's buy-back exceeds the DSA Code of Ethics requirement which, in my opinion, makes this rule unnecessary.**

Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about Longaberger and will then have to send in many reports to the company headquarters.

Additionally, it is my understanding that 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 Longaberger is found guilty. **Otherwise, Longaberger and I are put at an unfair advantage** even though The Longaberger 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 (without their approval) to strangers. 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 Longaberger 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 a salesperson **"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.

I have been an Independent Longaberger Home Consultant for more than ten years. I became a Longaberger Home Consultant because I loved the products, and wanted to be able to start my business as soon as possible and not be forced to wait. Through these past ten years I have been able to work a full-time job, and a home-based business with Longaberger that has helped me generate extra income for my

family that I would not had. **This is the real opportunity that a Direct Selling business provides to everyone; the ability to contribute to the families income and to also have a families priorities come first.** I have helped over 10 individuals start a Longaberger business and also have watched them grow and experience success. We all start for many different reasons and if anything we need to help make this opportunity easier for others to be a part of, not more difficult. I am very proud of my affiliation with The Longaberger Company and very proud to represent them. In no way has anyone I have involved not been satisfied with the process or had any difficulties. And I have ten years of experience behind me and intend on another ten years or more ahead. Please understand why this is so important and why we need to be partners together to encourage the spirit of entrepreneurship.

I appreciate the work of the FTC to protect consumers, but I believe this proposed new rule has many **unintended consequences** and I think there are other alternatives available in achieving its goals that have a much more positive outcome.

Thank you for your time in considering my comments.

Sincerely,

Joan Kriete
Independent Branch Leader
The Longaberger Company