

7-14-06

Dear Sir or Madam:

I am writing this letter because I am very concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as an Independent Mannatech Affiliate. As an Independent Mannatech Affiliate, I have begun to not only serve others, thus helping to fulfill what I believe to be my true purpose in life, but also provide an income for my family. As a stay-at-home father of 3 young children, this is very important to me. 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 will make it very difficult if not impossible for me to sell Mannatech products.

Although the proposed rule will help to easily identify those in the industry that do practice, "unfair and deceptive acts", it will also create a situation where the honest business person is cast in a very negative light at best, and put out of business at worst. It would seem to me that this rule is very much like using a fire hose to put out a matchstick. Yes, the fire will easily go out, but the ensuing collateral damage could be much more far reaching than was intended.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new Affiliates. Mannatech's sales kit only costs \$39.00. 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 the plan. I also think this seven-day waiting period is unnecessary, because Mannatech already has a 90% buyback policy for all products including sales kits purchased by a salesperson within the last twelve months.

Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about Mannatech and will then have to send in many burdensome reports to Mannatech that will negatively affect my ability to build my business. With the time involved to fulfill this requirement alone, it would seem that I would need to hire an individual to handle these types of administrative tasks. I cannot afford to do so, as any income that I generate from my business would then simply go to pay the salary of such a person.

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 without cause. Otherwise, Mannatech and I are put at an unfair advantage even though Mannatech and I have 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 others they do not know personally. Also, giving away this information could damage the business relationship of the references that 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 and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to engage in business, "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. Even if they did know the seller, or those the information may eventually be shared with, I don't believe that someone would be comfortable involuntarily having their information shared for no other reason but for someone other than himself or herself to be in compliance with said rule. Furthermore, 80% of direct sellers are women. Have you considered that this rule may subject women to potential harassment or endangerment?

I have been an Independent Mannatech Affiliate since April 2006. However, I've been involved in the industry since August 2003. Originally, I became affiliated with Mannatech's products because of the positive results that many independent researchers around the world have had with the technology behind the products. I like them and have had many positive results myself. I have proven the efficacy of the products to myself. The wonderful benefits I've personally experienced from my using Mannatech's products has made it so that I could no longer in good conscience promote several companies products that I was using prior to those of Mannatech. I firmly believe there are effective alternatives in achieving superior health, other than what many pharmaceutical companies advertisements would have one believe. I believe that I've found an effective alternative in Mannatech's products.

I want to earn some additional income for my family. Now we depend on this extra income to supplement our budget. The time, money, and effort that I've already put into furthering my own education in regards to Mannatech's products and nutrition in general, would go to waste should this rule take effect. It would be like attending University for three years, only to find out that my fourth year will actually take four years itself to complete. Then, at the end of those seven years I would only receive an associate's degree, instead of what should have been a bachelor's degree after only four years.

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. Education is key to achieving this goal. However, personal responsibility should also be taken into account. If I understand the history of our great Nation, it was our founding fathers that suggested we, as a people should be allowed to be responsible for ourselves without intervention from the throne.

Just as someone shouldn't necessarily jump off a bridge simply because someone else has, or has told them to do so, one shouldn't jump into a business opportunity without making sure they do their due diligence, and take responsibility for their own actions. If someone makes the decision to commit a crime, our legal system does whatever is in its power to make sure they are forced to live up to the consequences. Why then are we taking the responsibility for any consequences away from the individual for making a decision pursue a business opportunity?

Thank you for your time in considering my comments.

Sincerely,  
Mr. Malloe