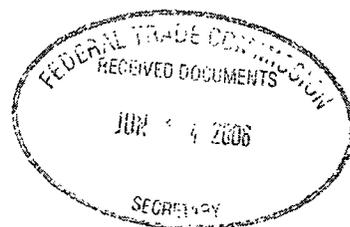


Katherine Franta Ries
[REDACTED]
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Federal Trade Commission
Office of the Secretary, Room H-135, Annex W
600 Pennsylvania Avenue, NW
Washington, DC 20580

522418-70405

June 9, 2006

Re: **Business Opportunity Rule R511993**

Dear Secretary,

A potential change in law has come to my attention, and it is very distressing to me. It appears that Business Opportunity Rule R511993 will initiate a 7-day waiting period for people who are interested in starting a direct marketing business. In that time, the prospective entrepreneur must be furnished with a list of references, history of lawsuits, and names of people who have left the business, plus full earnings disclosures of many people in the company.

I am stunned by this unwarranted attack on the direct marketing industry. I would like to share with you my deepest concerns. First, this will cost the industry and its distributors countless funds in preparing, charting, and furnishing all of this extraneous data. It is completely cost prohibitive.

Second, it is a violation of my privacy to have my financial records revealed to people all across the country (and the world). How can you guarantee the security of my personal information in a time when identity theft is rampant and virtually unchecked? This will be yet another area for true criminals to capture vital statistics of honest, hard working people who, while trying to help their fellow human, will potentially have their credit ruined and privacy invaded. And that will cost millions to repair. Who will pay? The very victims of the identity theft, all due to this R511993.

Third, I am surprised by the lack of knowledge about the industry by lawmakers. So many people join a direct marketing company in order to purchase products at the wholesale price. These people may or may not stay with the company for more than 2 years. Revealing a list of "people who have quit the business" is misleading and it implies that people leave solely for lack of huge financial reward. At best, this is an erroneous assumption. People leave because their circumstances change, because they move to a different direct marketing company, because they have purchased the products they want, and because they cannot devote the time to business building that they would like to devote. There are dozens of reasons that people leave the business, just as there

are dozens of reasons that small business owners of all types change, close, or sell their businesses.

I would like to make an analogy with the health care system in this country. A few people tried to take advantage of a good, beneficent system. Instead of prosecuting the very few criminals, the government made rules for the entire system. These rules were cumbersome, cost millions of dollars, and made the health care system a paper-pushing dysfunctional behemoth that is beyond repair. Who suffers? All Americans who wish to get health care, plus all workers who have to attempt to navigate the system. Tell me, wouldn't it have been easier, safer, and more cost-effective to just find and prosecute the few criminals who tried to rip off the system?

Having joined a direct marketing company for the first time last year, I am amazed by the ease of the business, the quality of the products, and the joy I have in sharing these products with others—at no obligation to them. Everyone I have encountered, either personally, or through trainings, the internet, or conference calls, has been up front, ethical, and genuine. If lawmakers did some research, they might find that the vast majority of these companies are honorable and work diligently in training their distributors and customers. The compensation plans are transparent from day one, and there are no surprises, except how easy and fun this business actually is. After all, aren't word of mouth and testimonials of close friends the way we figure out which movie to see? Which restaurant to patronize? Where to send our children to school? That is all that direct marketing is. I do not know why lawmakers are trying to turn it into something ugly, cumbersome, and shady.

I suppose that the people who are trying to make R511993 the law are just ignorant, or envious, or fearful. I am not afraid if my neighbor makes \$500 or \$500,000 in a network marketing company. That is the beauty of freedom in this country: If you want to exercise your right to prosperity, you are free to do so. It is a shame that our freedom is under attack by foreign terrorists. Why insist on attacking our freedom as independent distributors trying to earn enough money to pay for rising health insurance premiums? How can anyone in good conscience delete our freedom in buy goods that make a difference in our lives, that are superior to what is available at the local stores, and that harm no one?

Ironically, I write this as gasoline is over \$3.00 per gallon, a price decided by traditional corporations. Corporations that over the past 20 years have driven the wage-gap through the roof, rewarding top level executives with near unlimited bonuses, stock options, and severance packages while keeping the wages of the lowest paid worker stagnant. Corporations that are backing out of their pension plans, refusing to pay for health benefits for employees, and demanding a 50 or 60 hour work week without compensation. How can the solution be to penalize the direct marketing world that only rewards its top wage performers after they have helped others build a successful business? I feel strongly that my taxpayer money should be spent looking at Wall Street, Enron-esque fiascos, and windfall profits of the petroleum industry. Or, better yet, spend

my taxpayer money on funding renewable energy sources so we do not have to rely on oil at any price.

I am deeply disappointed in the proposed Business Opportunity Rule R511993. Please feel free to contact me at [REDACTED] if you have any questions about my stance. I trust that you will receive my comments with an open mind and heart.

Respectfully yours,

[REDACTED]

Katherine Franta Ries PhD, PT
Doctor of Ministry
Physical Therapist
Small business owner
Independent Distributor
Voter