

Re: Business Opportunity Rule, R511993

To FTC,

I am writing this letter to express my strong opposition to the proposed Business Opportunity Rule R511993. I understand that it is the responsibility of the Federal Trade Commission to protect the public from "unfair and deceptive acts or practices," but the rule as proposed would make it very difficult for me to operate my business as an Athome America Independent Distributor.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors. Currently, if anyone wishes to become a Athome America Consultant they simply fill out an application, only have to pay shipping and handling, and if they meet the sales requirements (\$1000 in 35 days from the date the kit ships) then there are no other costs. If they do not meet the requirements, then they only have to pay \$149 for the kit, there are no other hidden fees.

This is far less than many, if not most, consumer purchases, from TVs to all other household appliances, none of which require a seven-day waiting period. In addition, the seven-day waiting period is unnecessary in Athome America Inc. already has a 90% buyback policy for products!

The proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. There are many problems with this proposed requirement. In this day of identity theft, I am uncomfortable giving out the personal information of other Athome America Consultants, without their knowledge or consent, to strangers.

I understand that those who sign up after the rule takes effect would be told in writing "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." I believe that this would dissuade new people from signing up as distributors as they are concerned not only about identity theft, but also about their privacy. People today are understandably reluctant to share their personal information with individuals they may never have met.

Providing the ten references also could damage the businesses of numerous Athome America consultants. Lower ranking distributors often are involved in more than one direct selling company. Providing a list to a potential recruit, who may already be a distributor for a competing direct selling company, may be an invitation to solicit existing distributors for such opportunity.

The ten reference requirement also is an administrative burden. In order to obtain the list of 10 prior purchasers, I will need to provide ATHOME AMERICA CORPORATION with the prospective distributor's address, and then wait to

receive the list of the 10 nearest distributors who became distributors within the past three years. Each prospective recruit will need a customized disclosure statement. This will result in a delay far longer than seven calendar days before any potential recruit can sign an application. In view of the fact that many people enter direct selling part-time to earn extra income for a specific goal, such as holiday purchases or a family vacation. This long wait which the proposed rule will entail may make the goal unattainable.

The proposed rule calls for the release of any information regarding lawsuits that allege misrepresentation or unfair or deceptive practices over a ten-year period. It does not matter if the company was found innocent or not liable. Today, almost all business lawsuits contain claims of misrepresentation or unfair competition. It does not make sense to me that I would have to disclose these lawsuits unless ATHOME AMERICA CORPORATION, or its officers, directors or sales department employees, had been found guilty or liable.

I joined AtHome America because I am a stay-at-home-mom and wanted something to do for myself, and to give my husband and son time to themselves, without spending a lot of money. I paid \$49 dollars, for shipping, handling and tax, to sign-up and received my kit 4 months ago. I qualified and paid nothing more. I have since received 2 other kits and another bonus gift without having to pay a dime. I have spent minimal money on supplies to have on hand at parties, but how much I have spent has been completely up to me. I have received more money than I thought I would have received and it has been a great extra income. No one has pressured me to buy anything I haven't wanted. I have several friends in the direct sales business (different companies) and no one has ever mentioned how terrible or fraudulent it was. AtHome America does not hide any costs. AtHome America is upfront with any costs and it is quite obvious how much you will have to pay for the kit if you don't qualify. In the paperwork we sign it lists in detail the cost of the kit, shipping, handling, and tax. It shows the \$149 as owed until you qualify. There is nothing hidden about this.

I understand wanting to protect consumers from fraudulent companies; however, I think there should be a cap as to when a warning should be in place. I don't think a less than \$200 start-up warrants a warning and waiting period. Additionally, the majority of the persons I come in contact with will not just jump into something without knowing the details first anyways. If this Rule does pass there will be a lot of skepticism about direct sales and turn possible prospects away. There are plenty of opportunities for people to earn money and have a lot of fun with direct sales, but if you implement this Rule, you will be closing the door to many possible prospects. In fact, if this Rule passes I may quit. I cannot have my personal information handed out to anyone who is interested in the company. My husband and I go to great lengths to take and shred our name and address off of all of our mail. I don't believe most people receiving this list will do anything with this list, but throw it in the trash or lose it. My husband is a police officer and I can not have my address and other personal information just floating

around. In addition, I don't want someone to be able to use my name and address for whatever they want to. This could lead to many problems with identity theft.

While I appreciate the work of the FTC to protect consumers, I believe this proposed new rule has many unintended consequences for direct sellers and that there are less burdensome alternatives available to the agency to achieve its goals. Thank you for your time in considering my comments.

Sincerely,  
Robin O'Brine, HomeStyle Specialist  
AtHome America