

BEVERLY JAMBOIS

June 28, 2006

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 or Madam:

I am very concerned about the FTC's proposed Business Opportunity Rule (R511993) as presently drafted. I have been an independent USANA distributor for 8 years now. I used to practice law and I was away from my family for long hours every week. Since I've been in USANA it has allowed me to work from home. I earn more now working from home than I did practicing law. USANA has given me the time freedom to be a foster parent. We've had 25 foster kids and we've adopted two of them. I'm home when they go off to school and home when they get home.

If the FTC's proposed rule passes I believe it will greatly hinder—and could even ruin my current business. USANA has helped so many people I know and people I've met to have a positive impact on their lives. One woman is a single parent who has been able to send her child to a private school because of her USANA income. Another is a woman who is planning an early retirement and building a dream home with her husband. Some team members are mechanics for an airline—their pensions have pretty much dried up and they are looking to replace that with their USANA income.

I understand the FTC's need to protect the public—and I applaud that because there are people out there who would take advantage of others. However, I believe there are already adequate laws to protect the public and that the proposed FTC rule goes too far. The rule will undoubtedly hinder my practice and may make it impossible for me to build a legacy for my children that I have dreamed of doing with my USANA business.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new independent USANA Associates. USANA's sales kit only costs \$49.95 (or \$19.95 for the electronic version). 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 USANA's business plan. I also think this seven-day waiting period is unnecessary, because USANA already has a 100% buyback policy for all products including sales kits purchased by a salesperson within the initial 30 days and a 90% buyback for products purchased within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records of when I first speak to someone about USANA and will then have to send in many reports to USANA headquarters.

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 any reason. It does not make sense to me that I would have to disclose these lawsuits, unless USANA is found guilty. Otherwise, USANA and my independent USANA

business are put at an unfair advantage because potential independent USANA Associates are misled to believe that USANA is guilty of wrong-doing even though USANA may have done **nothing** wrong.

Finally, the proposed rule requires the company to disclose to each prospective independent USANA Associate the names and contact information of a minimum of 10 previously enrolled independent USANA Associates who live nearest to the prospective Associate. 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, sharing this type of information with business prospects who may be involved in other network marketing businesses creates an opportunity for those prospects to recruit enrolled USANA Associates away from the USANA opportunity. USANA considers the names of its independent Associates to be confidential and trade secret information, and a requirement to disclose this information for this purpose makes it very difficult for USANA to protect its trade secret information and this could damage the company's business. Moreover, in order to get the list of the 10 previously enrolled independent Associates, I will need to send the address of the prospective Associate to USANA headquarters and then wait for the list. This will make recruiting prospects for the USANA opportunity a very slow and tedious process. I also think the following sentence required by the proposed Rule will prevent many people from wanting to sign up as an independent USANA Associate, "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 the privacy of their personal information and the potential for identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I am proud to be an Independent Distributor of USANA Health Sciences, Inc. In 2005, they were ranked number 5 by Forbes and number 3 by BusinessWeek. Many top athletes, including Olympic gold medal winners take USANA products. Personally, my family and I have enjoyed good health for USANA nutritionals and love the skin care and low-glycemic foods. It would distress us if our USANA income were disrupted. My husband is looking forward to early retirement because of USANA.

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. Please consider the impact of this rule on families like mine which would be nothing less than devastating to us.

Thank you for your time in considering my comments.

Sincerely,

Beverly A. Jambois