

July 7, 2006

Federal Trade Commission, Office of the Secretary
Room H-135 (Annex W)
600 Pennsylvania Avenue, NW
Washington DC 20580

To Whom It May Concern,

. I have been involved in a networking business for the past thirteen years and am involved with a training program that adheres to a strict code of ethics. Honesty is the basis of all our operations. I applaud your efforts to curb bogus business opportunities via your proposed "Business Opportunity Rule, R511993". However, in its present form I feel there are requirements that will have a severe negative impact on legitimate businesses such as ours.

An example is the seven day waiting period. We often have family members join within hours to take advantage of working immediately with the first member who joined. This rule would completely destroy that possibility for them and would have a detrimental effect on our business as well due to the additional trips to complete the registrations. We do have a very reasonable refund policy making this waiting rule totally unnecessary.

A second example of over-regulation is the proposed requirement of providing a "litigation list". I am affiliated with Quixtar, a very large corporation. There are constant challenges to every large business. It is my understanding that Wal-Mart *averages* a lawsuit EVERY DAY! We don't come anywhere near that, but the example is still relevant. And, as is the case numerous times, some of the litigation is found without merit. When you are the biggest in the world, there is no end to the kooks! This rule has to go away!!!

Third, the requirement for specific earnings disclosures will most likely be immediately challenged in the courts on the basis of *invasion of privacy*. Quixtar provides us with accurate information regarding the average earnings at each level of the business and we are required to disclose that information in our presentations. Perhaps that is what needs to be stated in the proposed rules. By the way, the requirement for financial substantiation, i.e., making our own financial records (or those of anyone else) public, would also be a violation of our privacy.

Lastly, I am concerned regarding the requirement to provide references. Foremost, we may have some business associates who do not want their names, phone numbers or addresses passed around; for example, a policeman. We have another issue with invasion of privacy here. We have meetings set up for people to meet with other members of their specific team without the circulation of reference lists. I question the whole idea of references when you can't view a single TV program without being bombarded with movie stars or doctors, etc. endorsing product after product.

Again, I applaud your efforts to protect the public from fraudulent business opportunities. But let us be careful to not throw the baby out with the dirty bathwater.

Respectfully,

Ray A. Craig
RAC International