

Joan and Alan Burbank
Independent USANA Associate

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Dear Sir or Madam:

I am fully in agreement with the FTC's efforts to protect the consumers from fraudulent activities and companies and applaud your efforts. Furthermore, I am confident that these types of initiatives can be of great service to the many legitimate companies that desire to run their businesses honestly and ethically.

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a small business owner. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell my technology based products.

I have been an Independent Associate for eight (8) years with USANA. I became an Associate in USANA because I felt the products were exceptional and I wanted to earn some additional income. I saw integrity in USANA not seen in many other companies, direct or conventional. Because of this home based business my wife has been able to come home from conventional work to care for a twenty-one year old daughter with medical needs and still provide an income. The policies and procedures an independent associate of USANA agrees to abide by reflect this integrity. USANA is not interested in seeing what it can get away with rather it stays away from questionable practices and disciplines associates that approach this line. The future of my family is dependent on the stability of the direct selling industry.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors. My company's sales kit only costs \$49. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period could unfairly single out my business and the direct marketing industry, making it more difficult to operate by giving the impression that there might be something wrong with the company I represent. In my opinion this seven-day waiting period is unnecessary, because our company as a Direct Selling Association member already has a 90% buyback policy for all products including sales kits purchased by any distributor 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 my company and its business opportunity and will then need to send in many reports to my company 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 anything. For a typical citizen, any mention of a lawsuit past or present represents "bad news" and could create a negative impact on my business regardless of the outcome or nature of the suit. It does not make sense to me that I would have to disclose these lawsuits unless our company

was found guilty. Otherwise, my company and I are put at an unfair competitive advantage even though there has been no wrong doing found.

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 and sexual predators, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who 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 my company and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a product or service from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy, identity theft and personal safety. They will be reluctant to share their personal information with individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Please do not pass this Rule!

Thank you for your time in considering my comments.

Respectfully,

Joan and Alan Burbank