

Date: 13 January, 2011

To: Federal Trade Commission (FTC)

Re: Validity of data represented in Chapter 7 of the text "A Case (for and) Against Multi-level Marketing" by Dr. Jon Taylor

From: Paul McKee

As a point of introduction, my name is Paul McKee and I have over 20 years of experience as an Applied Statistician and Manager as well as a degree in Statistics from Brigham Young University. I became aware of Dr. Taylors work as a result of my wife being invited to a "Business Opportunity" meeting by a friend of hers. I looked into the name of the company that my wife was being introduced to and determined that it was a Multi Level Marketing (MLM) company. I had always been suspicious of their claims but had never done an in-depth analysis of any MLM. While I was researching this MLM, I became aware of Dr. Taylors research and started reading information on his website.

I have read, studied most of his text and analyzed in detail the cases presented in chapter 7 in the text "A Case (for and) Against Multi-level Marketing" by Jon M. Taylor. The primary case in this chapter details data noted in what is referred to Exhibit 1 in this chapter "Exhibit 1: Average earnings statistics for Nu Skin Enterprises, Inc. – Extracted from Nu Skin's '2008 Distributor Compensation Summary'". After a detailed analysis I have found that the data that he has presented is statistically accurate, given the assumption that his base data is accurate from the source. He has made a number of assumptions that generally are favorable to the MLM but do describe what I would consider unreasonable odds of success. I base the reference of "Unreasonable Odds of Success" on the comparison of what was presented to my wife and also the independent research I completed on the internet from MLM company websites.

In my over 20 years of experience working in the largest and smallest corporations in America I have never seen a sales opportunity that was represented with such emotional and perceived potential but actually resulted in such abysmal results. In fact, Dr. Taylor demonstrates that recruits of MLM companies experience personal financial loss occurring in over 99% of the cases.