

**FEDERAL TRADE COMMISSION  
Project No. R511993**

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**COMMENT  
of  
PRIMERICA FINANCIAL SERVICES, INC.  
on the  
FEDERAL TRADE COMMISSION'S STAFF REPORT  
on the  
PROPOSED FINAL BUSINESS OPPORTUNITY RULE  
R511993**

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**FILED JANUARY 18, 2011**

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Primerica Financial Services, Inc. (“Primerica”) submits this comment in response to the October 28, 2010 Staff Report on the Proposed Final Business Opportunity Rule.

Primerica provides this comment to commend the Federal Trade Commission (FTC) and its staff for the thoughtful and deliberate manner in which they approached this rulemaking. As staff’s analysis of the very large number of comments received in response to the original Proposed Business Opportunity Rule makes clear, the decision to exclude legitimate companies from the Revised Proposed Business Opportunity Rule (“RPBOR”) was well-grounded. The comments make an overwhelming case that the costs of covering multi-level marketing arrangements far exceed any possible benefits.

The small number of comments supporting broader application of the rule simply did not provide persuasive arguments or evidence to the contrary. Indeed, the record lacks any real evidence of a need for such a rule in the multi-level marketing context. As the Revised Notice of Proposed Rulemaking recognizes, the Commission has an effective tool to prosecute any instance of fraud that may occur under Section 5 of the FTC Act. The lack of any need for a new rule, particularly when weighed against the extreme cost to the vast number of individuals whose livelihoods depend on multi-level marketing businesses, amply justifies the Commission’s decision to modify its proposal generally to exclude multi-level marketing companies. In our view, this decision better aligns the benefits and costs associated with a rule.

As Primerica noted in its earlier comments, the language of the RPBOR created some ambiguities regarding whether it actually achieved the Commission’s intent. The revisions that

the final Staff Report recommends will remove those ambiguities. Primerica therefore urges the Commission to adopt the revisions that the staff recommends.

Primerica thinks that the Proposed Final Business Opportunity Rule will be an effective tool for the Commission to use in combating the type of work-from-home and vending machine scams, and similar frauds, that the Rule targeted from the outset. Moreover, because of the consideration given by the staff to the comments of many legitimate businesses that would have been substantially impacted by the previous versions of the Rule, the Proposed Final Rule is crafted to sweep no more broadly than necessary with respect to its coverage.

Primerica believes that the Proposed Final Rule demonstrates the value of the FTC's rulemaking procedures, because the rulemaking process allowed the Commission to consider the comments of a large number of parties and formulate a final rule that will be valuable in the Commission's efforts to protect consumers from fraud. Primerica appreciated the opportunity to participate in this process, and thanks the staff for its consideration of the many comments submitted in connection with the Proposed Business Opportunity Rule.

Primerica has no comments on the language or coverage of the Proposed Final Rule, and supports the Proposed Final Rule as set forth in the Staff Report.