

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 writing this letter to express my strong opposition to the proposed Business Opportunity Rule R511993. I understand that it is the responsibility of the Federal Trade Commission to protect the public from "unfair and deceptive acts or practices," but the rule as proposed would make it very difficult for me to operate my business as a Shaklee Independent Distributor.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors. Most of the people who sign an application do so to purchase Shaklee products at a wholesale price. In other words, they are solely consumers of the products. If they later wish to build a business, all they must do is supply Shaklee Corporation with their Social Security Number or Tax Identification Number. There is no additional kit, fee or application required. The Shaklee Member Kit costs only \$19.95. This is far less than many, if not most, consumer purchases, from TVs to all manner of household appliances, none of which require a seven-day waiting period. In addition, the seven-day waiting period is unnecessary in that Shaklee Corporation already has a 90% buyback policy for products, including the Member Kit, purchased by a distributor within the last two years.

The proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. There are many problems with this proposed requirement. In this day of identity theft, I am uncomfortable giving out the personal information of other Shaklee distributors, without their knowledge or consent, to strangers. I believe that this would dissuade new people from signing up as distributors as they are concerned not only about identity theft, but also about their privacy. People today are understandably reluctant to share their personal information with individuals they may never have met.

The ten reference requirement also is an administrative burden. In order to obtain the list of 10 prior purchasers, I will need to provide Shaklee Corporation with the prospective distributor's address, and then wait to receive the list of the 10 nearest distributors who became distributors within the past three years. Each prospective recruit will need a customized disclosure statement. This will result in a delay far longer than seven calendar days before any potential recruit can sign an application. The long wait which the proposed rule will entail may make the goal unattainable.

Today, almost all business lawsuits contain claims of misrepresentation or unfair competition. It does not make sense to me that I would have to disclose these lawsuits unless Shaklee Corporation, or its officers, directors or sales department employees, had been found guilty or liable. Otherwise, fifty-year old companies such as Shaklee Corporation and their distributors would be placed at a disadvantage compared to start-up direct selling companies, which may not yet have experienced litigation but which are far more likely to have legal issues surrounding their opportunities.

I have been a Shaklee Distributor for more than 28 years. Originally, I became a Shaklee Distributor because I loved the Company's nutritional/personal care/household products and wanted to earn some additional income working from home. Now my family depends upon this extra income to supplement our budget.

While I appreciate the work of the FTC to protect consumers, I believe this proposed new rule has many unintended consequences for direct sellers and that there are less burdensome alternatives available to the agency to achieve its goals.

Thank you for your time in considering my comments.

Sincerely,
Jeralyn Hankinson
Shaklee Distributor