

Carmen Franklin

June 11, 2006

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 strongly oppose proposed Business Opportunity Rule R511993. I understand that the FTC must 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 troublesome section of the proposed rule is the 7-day waiting period to enroll new distributors. Most of the people who sign a Shaklee application are consumers of the products. If they later wish to build a business, no additional kit, fee or application is required. The Shaklee Member Kit costs only \$19.95 (far less than most consumer purchases which require a no waiting period).<sup>^</sup> The waiting period is also 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 also requires disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. In this day of identity theft, I am uncomfortable providing the personal info of other Shaklee distributors, especially without their knowledge or consent. I understand that under this new rule new distributors would be told in writing "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." This will obviously discourage new people from joining, due to concern over privacy and identity theft.<sup>^</sup> And will also damage the Shaklee business by opening us up to "cross-recruiting" (an act where someone solicits existing distributors for other opportunities).

The 10 reference requirement is an administrative burden. To obtain the list of 10 prior purchasers, I will need to provide Shaklee Corporation with the

prospective distributor's address, and 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 anyone can sign an application. Many people enter direct selling to earn extra income for a specific goal, such as holiday purchases or a family vacation. The wait which the proposed rule creates may make the goal unattainable.

The proposed rule calls for the release of any information regarding lawsuits that allege misrepresentation, or unfair or deceptive practices over a 10-year period. It does not matter if the company was found innocent or not liable. 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. Fifty-year old companies such as Shaklee would be at a disadvantage compared to start-up companies, which may not yet have experienced litigation but are far more likely to have legal issues surrounding their opportunities.

I have been a Shaklee Distributor for more than 3 years. Originally, I became a Shaklee Distributor because I love the Company's nutritional/personal care/household products and wanted to earn some additional income working from home. Now I [my family] depend upon this extra income [for our livelihood/to supplement our budget].

Thank you for considering my comments.

Sincerely,  
Carmen Franklin