

June 12, 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

Ladies and Gentlemen:

I am writing in response to the proposed New Business Opportunity Rule R511993. If not modified, this proposed rule would be a significant impediment and burden to the network marketing industry. This new rule, although well intended, represents a significant burden to the free market trade.

The proposed rule would require a de facto seven-day waiting period to enroll new distributors. In essence, one would have to sell a person twice on the same business — even if the start-up fee is a mere \$29.00. While I support some of the disclosures with modification, I am opposed to a seven-day waiting period because it is an excessive burden to any company and distributor who would be required to document and follow-up on the process and an impediment to new business development.

The rule requires that any earnings claim statement made by the distributor or company to a prospect, whether written or oral, general or specific, be validated with a detailed "Earnings Claims Statement Required By Law." Additionally, the distributor would be required to provide written substantiation of any earnings claim made upon request. I support the disclosure of an average earnings income statement such as Arbonne's Independent Consultant Compensation Summary, a copy of which is attached for your reference, because it is good business practice to establish realistic expectations. However, I oppose being forced to provide written substantiation because it is an excessive burden considering that the investment of money to enter into the business is nominal.

The rule also calls for the release of any information regarding prior litigation and civil or criminal legal actions involving misrepresentation, or unfair or deceptive practices, even if found innocent. In our litigious culture, anyone can be sued for anything, almost with impunity. Regardless of the outcome, it would have to be disclosed and explained it to a new business associate, which is patently unfair. I would only support the disclosure of previous

Federal Trade Commission
Office of the Secretary
Re: Business Opportunity Rule, R511993
June 12, 2006
Page 2

litigation of companies, executives, affiliated companies and the like involving fraud and misrepresentation and only if the party is found guilty. If the defendant is found not guilty, the opposing parties agreed to settle without admission of guilt or the case is still pending, then it should not be necessary to disclose this information. If the parties agreed to settle without admission of guilt, there usually is some public document available, particularly if it involves a government agency and further disclosure therefore would be unnecessary. If a case is pending case, it shouldn't be commented upon.

Lastly, the rule requires the disclosure of a minimum of ten (10) purchasers closest to you. While it is a good practice to provide references of satisfied customers, this is a burden for small businesses and, as a requirement, is a violation of personal confidentiality. Unfortunately, requiring the release of this information can threaten the business relationship of the references who may be involved in other companies or businesses. In addition, it subjects these references to cross marketing by competitors. I am recommending that contact information for purchasers be available upon request, that their availability be published on company materials, and that due to Internet-marketing, they not be limited to geographic proximity.

The network marketing industry is one of the few remaining opportunities for people to leverage their time and limited resources to earn additional income or to create a new career. Once scoffed at by investors, many network marketing companies are publicly traded on Wall Street including Herbalife, NuSkin, Pre-Paid Legal Services and others. Network marketing is being used by blue-chip corporations including Citigroup, MCI and IBM. Top business management leaders and best-selling authors Robert Kiyosaki, Paul Zane Pilzer, and Stephen Covey have endorsed network marketing.

The network marketing industry is growing in popularity and makes a significant contribution to the U.S. economy. This growth should be encouraged. There are more than 13 million Americans involved in the network marketing industry today. Annual sales of products and services through network marketing are estimated at more than \$29 billion.

I have been involved in the network marketing industry for about two and a half years. I am impressed by the integrity of the people I have met, and the products are far superior to any available through other retail sources. My goal for this business is to build a residual income that will provide for my eventual retirement. No other industry or investment provides the opportunity for an individual with limited resources to leverage his or her time and money in a way that will produce a significant residual income.

I understand and value the role of the FTC mission "to stand up for America's free market process and for its consumers, who benefit from competitive markets in which truthful information flows." However, I believe this proposed new rule exceeds what is

Federal Trade Commission
Office of the Secretary
Re: Business Opportunity Rule, R511993
June 12, 2006
Page 3

necessary and needs significant modification. We live in a free market economy where people have the responsibility of making informed decisions based on best information. A better approach would be to provide consumers with objective criteria when analyzing a business opportunity and let an informed market proceed. I am in support of disclosures being made during the sales process without the requirement of a seven-day waiting period, only if modified as suggested.

Thank you, in advance, for reviewing and posting my comments.

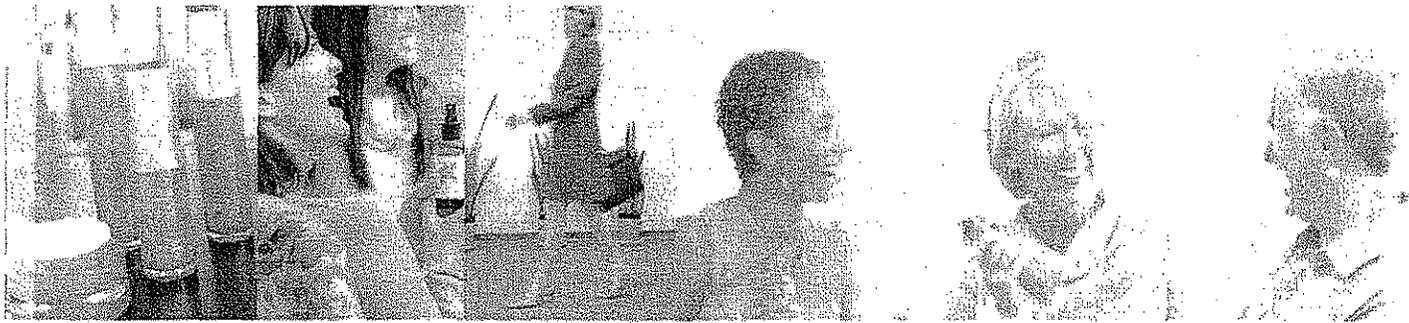
Sincerely,

Donna Mills
Independent Consultant

djm:s

Enclosure

c: Senator Jim Inhofe
Senator Tom Coburn
Representative John Sullivan
Office of the White House



ARBONNE
INTERNATIONAL

Independent Consultant

COMPENSATION SUMMARY | U.S.

COMPANY OVERVIEW

Arbonne International, LLC (the "Company") is a direct selling company that operates in the United States and its territories. Arbonne markets an exclusive line of high quality skin care, color cosmetics, nutrition, weight loss and aromatherapy products based on natural and botanical principles.

OUR INDEPENDENT CONSULTANTS

Arbonne markets its products exclusively through a network of Independent Consultants. The Company had an average of 365,348 registered, Independent Consultants during the four quarters in 2005. A "registered Consultant" is: (a) one whose Arbonne Consultant Application or Renewal has been accepted by Arbonne within the preceding 12 calendar months; or (b) one who has a Consultant application on file and has placed an order for products or promotional materials with Arbonne within the preceding 12 calendar months.

ARBONNE'S COMPENSATION PLAN

There are two basic ways in which an Arbonne Independent Consultant can earn compensation:

- 1. Through retail profit on sales of products purchased at wholesale prices from the Company.
- 2. Through overrides and bonuses paid on a Consultant's product sales volume and the sales volume of other Consultants on their team ... also known as their downline.

As with any other sales opportunity, the compensation earned by Arbonne Independent Consultants varies significantly. The cost to become a Consultant is very low and people become Consultants for various reasons. Most notably, people become Consultants because it allows them to pur-

chase our products at the lowest possible price. Others join to earn extra part-time income, while others join on a full-time, professional basis.

Generating meaningful compensation as an Arbonne Independent Consultant requires considerable time, effort and commitment. This is not a get-rich-quick program and there are no guarantees of financial success. It is an opportunity that is shared by thousands who have chosen to embrace the Arbonne products and/or business. The success or failure of each Arbonne Independent Consultant, like any other independent business, depends on each Independent Consultant's own skills and personal effort. Arbonne is a product-driven company that strongly encourages people to try its products as customers before building a business.

CONSULTANT 35% DISCOUNT

Independent Consultants can buy Arbonne products from the Company at wholesale prices for resale to Clients or for personal use. The Company's Suggested Retail Price for items reflects a 53.8% retail profit potential for Consultants (because they purchase at a 35% discount). However, Consultants are free to set their own selling price as they see fit. Most Consultants personally use the products in addition to retailing them. As a result of these different scenarios, Arbonne does not provide an estimate of average or actual Consultant income from retail sales in this compensation summary.

Effective Date: February 8, 2006

EARNING OVERRIDES AND BONUSES

Consultants can also earn commissions, referred to as overrides and bonuses, based on their own sales of products and the sales of their downline of sponsored Consultants in the United States and Canada. Arbonne also sells promotional materials — known as Business Aids — that do not generate overrides and bonuses to Consultants because these are sales support tools, not products.

During 2005, the Company paid in excess of \$147 million in overrides and bonuses to Independent Consultants in the United States. These payments are reflected in the table below:

TITLE	TOTAL AVERAGE QUARTERLY OVERRIDES & BONUS	AVERAGE QUARTERLY OVERRIDES & BONUS	AVERAGE % OF TOTAL REGISTERED CONSULTANTS RECEIVING AN OVERRIDE/BONUS	AVERAGE % OF ALL CONSULTANTS AT MANAGER'S VP RANKS	AVERAGE NUMBER OF MONTHS TO PROMOTE TO DESIGNATED RANK
Consultants ⁴	\$837,726	\$222.15	1.03%	NA	NA
District Managers	\$5,784,685	\$875.01	1.81%	73.24%	5
Area Managers	\$8,507,626	\$4,654.06	0.50%	20.25%	12
Regional Vice Presidents	\$9,225,271	\$20,319.98	0.12%	5.03%	24
National Vice Presidents	\$12,601,931	\$94,044.26	0.04%	1.48%	44

The average override and bonus paid to all registered Consultants in the United States was \$101.16 per quarter and \$404.63 on an annualized basis¹. During the four quarters in 2005, an average of 12,798 registered Consultants (3.50% of all registered Consultants) received an override or bonus check from Arbonne. The average quarterly override and bonus paid to registered Consultants in the United States that qualified for an override and bonus check was \$2,887.74 or \$11,550.94 on an annualized basis.

Note: These figures do not represent Consultants' profits, as they do not consider expenses incurred by Consultants in the promotion of their business and do not include retail profit.

THERE ARE NO GUARANTEES REGARDING INCOME, AND THE SUCCESS OR FAILURE OF EACH INDEPENDENT CONSULTANT, LIKE ANY OTHER BUSINESS, DEPENDS ON EACH INDEPENDENT CONSULTANT'S OWN SKILLS AND PERSONAL EFFORT. YOU SHOULD NOT RELY ON THE RESULTS OF OTHER CONSULTANTS AS AN INDICATION OF WHAT YOU SHOULD EXPECT TO EARN. ARBONNE IS A PRODUCT-DRIVEN COMPANY THAT STRONGLY ENCOURAGES CONSUMERS TO USE ITS PRODUCTS BEFORE ATTEMPTING TO BUILD A BUSINESS.

1. Since not all registered Consultants earn overrides and bonuses, these numbers represent the average quarterly override and bonuses paid to the individuals who did.
2. These percentages are calculated by taking the average number of people qualified for each level during an entire quarter, adding all four quarters up and dividing by four.
3. Average number of months to promote to designated ranks is based on all promotion results for 2005.
4. These are the individuals who are at the Consultant rank and received an override or bonus check.
5. These numbers were attained by dividing the Total Average Quarterly Overrides and Bonus paid by the quarterly number of average registered Consultants.

