

Sheri Clark

June 13, 2006

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a consultant for many companies, including Lavender Love, Melaleuca, Pretty Mama Slings, and more. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell products for these companies.

I have been a consultant for more than 2 years. Originally, I became a consultant for these companies because I felt the products were exceptional and I wanted to earn some additional income. This extra income along with my full time job allows me to keep my bills up to date, thus keeping me from having to file bankruptcy after losing a part time job 3 years ago. The future of my family and financial health are dependent on the stability of the direct selling industry.

Also, I have met many women and men online that are full time consultants or distributors for many companies and use the web as a way to advertise their products and gain sales. Many are single parent families working out of their home while taking care of their children. These full time direct sellers rely on this avenue for a full time income and they and their families would be devastated if this proposed ruling is enacted.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new consultants. Melaleuca's sales kit only costs \$29, and Lavender Love's is \$25, Pretty Mama Slings did not cost anything. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because companies already has a buyback policy for all products including sales kits purchased by a salesperson. For example, Melaleuca will refund the \$29 up to 120 days after signing up and refund any products purchased within 60 days. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about Melaleuca and will then need to send in many reports to my company headquarters.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless Melaleuca is found

guilty. Otherwise, Melaleuca and I are put at an unfair advantage even though Melaleuca has done **nothing** wrong. Imagine if this same ruling applied to the food industry. If every restaurant was required to disclose every lawsuit brought against them, they would lose the majority of their customers possibly putting them out of business.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to Melaleuca] headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Sheri Clark