

Reeda M. Hughes

June 15, 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 am writing this letter in response to the above proposed legislation. I have been in the direct sales business for a year and three months. The income from this enterprise allows my husband, a Vietnam combat veteran, and myself, to enjoy a comfortable retirement.

My husband lost a Defined Benefit Retirement program with the failure some years ago of the airline for which he was employed. This scenario will be faced by many more individuals and couples in the near future. The opportunity to engage in the direct selling business will save many from a retirement that can only be described as grim.

I appreciate the mission of the FTC, and I realize that there are consumer protection priorities. I also understand that there are unscrupulous and fraudulent groups and individuals that prey on consumers. However, this rule unfairly targets legitimate direct selling businesses.

First, the seven day waiting period is particularly burdensome. Primarily, it is impractical. If an individual registers a desire to enroll immediately, how can he or she be denied? Furthermore, record-keeping and coordination of the seven day period for a group of individuals is impossible for a business carried on by one individual. My entire working hours would be spent checking and setting up schedules to close. I and all my associates would use precious time and effort in scheduling the seven day period.

Second, The elimination of the \$500 business threshold would force the majority of direct selling companies to comply with other provisions of the

proposed rule that are more appropriate for businesses requiring a greater investment than a direct selling sales kit.

Third, the Litigation Reporting requirement is unfair in that it does not distinguish between winning and losing lawsuits.

Finally, in the area of References, there are serious privacy and safety issues involved in the release of names and contacts. I have asked 164 of my associates, and NOT ONE stated that he or she would willingly have their names and contact information released to individuals unknown to them, based on privacy and safety issues. How could I comply with this requirement in the face of such overwhelming resistance?

All of us in the direct selling business recognize that there needs to oversight of business dealings. However, I would raise this simple question: is it not more logical and reasonable to vigorously pursue and prosecute individuals and groups that violate laws and commit illegal acts, rather than impose onerous and impractical requirements and limits on law-abiding small businesses and entrepreneurs?

Respectfully,
Reeda M. Hughes
Xango Distributor