

Mark Smith & Ana Esquivel

June 15, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)  
Re: Business Opportunity Rule, R511993  
600 Pennsylvania Avenue, NW  
Washington, DC 20580  
RE: Business Opportunity Rule, R511993

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 an Independent Sunrider Distributor. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," but some of the sections in the proposed rule will make it very difficult if not impossible for me to sell Sunrider® products.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new Distributors. Sunrider's Starter Pack costs only \$140, and is not a mandatory purchase in order to become an Independent Sunrider Distributor. People buy TVs, cars, and other items that cost much more than that and they do not have to wait seven days. People also buy insurance and services where they can always change their mind after signing the contract within a certain amount of time. The 7-day waiting period gives the impression that there might be something wrong with the plan. I also think this seven-day waiting period is unnecessary because Sunrider already has a generous 60-day return policy for existing Distributors that is applicable to all products, including the Sunrider® Starter Pack. Sunrider also has a 90% buyback policy for former Distributors applicable to all products purchased within the last twelve months. Another problem with the seven-day waiting period is the administrative burden of keeping very detailed records when I first speak to someone about Sunrider, and then having to send numerous reports to Sunrider 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 Sunrider is found guilty. Otherwise, Sunrider and I are put at an unfair advantage even though Sunrider has done **nothing** wrong.

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. In addition, 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 Sunrider 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 have been an Independent Sunrider Distributor for more than 3 years. Originally, we became Distributors of Sunrider’s products because they are safe and work so well; our health has benefited tremendously; and we are happy with the products and want to be with Sunrider, a very reliable company. I want others to start gaining the benefits soon, just like we did. We also wanted to earn some additional money. Now my family depends on this extra income to supplement our budget. In my experience, I’ve found that the industry pays fairly for the amount of work and time put in. With gas, energy costs and rising prices (in general) every year, we are very happy to have found an additional income stream that provides a vehicle for helping us get out of personal debt and regain financial stability. I hope that the FTC will keep in mind, all the small businesses that depend on network marketing—as we do—to supplement our budget, help keep us away from spiraling debt and regain steady financial footing, with hope for a better future--where there is no struggling—in retirement. Our approach towards customers is from an ethical standpoint, providing solutions of physical and financial health to those who have those needs; ‘most all of them want a solution as soon as possible. Waiting for 7 days would be very frustrating for them.

I can’t think of a better business to be in, for helping people. Please give us enough “room” to grow. The proposed rule is unfair in that I feel it gives an implied “stigma” to our business. We are offering the opportunity of health and financial betterment to adults who can decide for themselves whether the opportunity is for them or not; and Sunrider already has a generous 60-day refund policy, plus the 90% buyback policy, in place.

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

Thank you for your time in considering my comments.

Sincerely,

{ Your Signature }  
{ Name }