

Sharlee Plett  
Alpha Net Developers, Inc.

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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 running my own direct sales business operations representing companies with products that I consider to be valuable and worth promoting. I understand the effort of the FTC to protect the consumer public, yet I think that some of the proposed rules are unfair, severely restrictive and unwarranted.

I have been in small business for over 25 years, one way or another. I select products that I consider to be beneficial and offer them in good faith to my customers and extend the offer for them to experience savings or earnings as well by also selling the products.

I find it both unfair and extreme that as a direct seller I would be required to make someone wait seven days to make a decision to purchase products or to decide to represent a product line. Not one internet retail outlet, catalog sellers, manufacturer, broker or wholesaler is required to do that, yet countless numbers of them employ direct salespeople on various commission schemes, complete with overrides and area bonuses and they sell similar, competitive products. These direct sellers are not classified as employees by law. They do earn commissions only and most, if not all of them, report on a schedule C, deducting the same business expenses as any other business. They may represent one line or many lines. The only real difference I can see is that in network marketing, direct sellers are generally required to purchase their sales materials from the company and many network marketing companies attempt to secure ownership of the customer names and prevent their sellers from carrying any other line, but then, so do the standard outlets. Even so, I think that requiring a buyback policy or refund policy and ensuring that it is being properly administered is more than adequate protection for the consumer and for the individual buying sales materials as well. The company should be required to report to a government agency on that matter, not to the general public and if they are found to be out of compliance on administering buy-backs or refunds, they should be penalized as any other retail or wholesale outlet is penalized. As far as product purchases go, this should be no different than protections afforded anyone buying a product from any type of outlet.

As far as providing references, no retail outlet is required to provide their customer list to anyone else. As a small business owner with a retail outlet, I would never reveal my customer information without their prior permission and then only in the form of testimonials with name and state information. I certainly would not include their address and phone number! My customers would be horrified by having their private information released to anyone who asked. The same is true in the direct selling area. I have worked with several marketing network companies, referrals are spontaneously and personally provided and their websites generally feature pictures and testimonials far in excess of ten! I have no problem with referrals being made, in fact, most sellers who do well do provide referrals one way or another. But I believe publishing referrals by other means, such as by magazine, through a website or other publishing methods should also be considered legitimate, particularly where the seller provides more than ten and updates them regularly!

As far as disclosures, there are many manufacturers, retailers and wholesalers who are completely legitimate who have had lawsuits brought against them. This simply is not a measure of the ethical status of that business. However, if the lawsuit was filed for some form of fraud or misrepresentation and the individual/company was found guilty, then this is valid.

Sincerely

Sharlee Plett  
Senior Consultant