

Loni Spendlove  
Stampin' Up! Demonstrator/Sr. Manager

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Dear Sir or Madam:

I am concerned about the proposed Business Opportunity Rule R511993: if passed, it would be extremely difficult for me to continue my business as a Stampin' Up! Demonstrator. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," however, the proposed law would punish hundreds of thousands of honest business people for the dishonest actions of a handful of deceitful people.

I became a Stampin' Up! demonstrator 14 years ago and have worked diligently at building my business through workshops and recruiting some wonderful people. Some years I have made money, while others have been leaner. However, I have ALWAYS supported my downline demonstrators and recruits to the best of my ability, and have consistently striven to serve my customers with honesty and fairness. Because of this monumental effort, I am beginning to reap the benefits of hard work and fair business: I am paying part of my home mortgage and paying for orthodontics for my daughter. I have always looked at the time I spent in growing my business as an investment in the future of my family: This future is dependent on the stability of the direct selling industry.

Stampin' Up! demonstrators pay only \$199 to start their business. One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new demonstrators. If the concern is to protect consumers, why not expand the rule to extend to a week-long waiting period to purchase insurance, travel services or any other investment? This waiting period gives the impression that there might be something wrong with the company or the compensation plan. Under this proposed waiting period requirement, I would need to keep very detailed records when I first  *speak*  to someone about Stampin' Up! and would then need to send in many reports to my company headquarters. This red-tape would seriously slow down my business, and increase the costs to the company.

Another aspect of this proposed ruling that would add more unnecessary paperwork and cast direct-selling in a negative light is the Litigation Reporting section: The proposed rule 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. These days, anyone or any company can be sued for just about anything! It does not make sense to me that I would have to disclose these lawsuits unless Stampin' Up! had been found guilty AND if that ruling had anything to do with my business, or put the potential recruit at a risk.

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. This 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, and I know that there are some fraudulent businesses in operation, but the largest majority of the direct-selling businesses are beneficial and enjoyable for most of the people who participate and purchase from them. Do you have Tupperware in your kitchen? Have you used any Avon products? Do you decorate your home? Then you have benefited from a direct-selling company! Perhaps more research into the Direct Selling industry is in order before making blanket assumptions. There are hundreds of reputable companies with hundreds of thousands of honest demonstrators/consultants/businesspeople who run their individual businesses with integrity. I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Respectfully,

Loni Spendlove  
Stampin' Up! Demonstrator/Senior Manager