

June 30, 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 FTC:

I am hopeful, despite the fact that you will undoubtedly receive thousands of letters and emails about the proposed rule changes for the direct selling industry, you will have an opportunity to read my letter. I have not written a letter to the government since grade school, but truly believe you want to hear from us on important and wide impacting issues.

My name is Willie A. Jackson. My wife Orehia and I live in Sugar Land, Texas, with our two children Alexander (21) and Kellee (17). I am a former US Marine and professional in the technology industry for over 20 years and now a XanGo™ distributor. XanGo™ is a product marketed through direct selling which I have sold since last summer. I have participated in other direct selling business since 1996 that have added to both my personal and financial growth.

As a result of working in the direct selling industry, I attended several personal development training classes mostly related to the industry and not any one particular product or service. As a technologist (a geek), the personal communication skills I've learned in this industry have been invaluable in my career, family, and church life.

I have since become a fulltime distributor of this product which constitutes 40% of my family's household income.

Before I continue, please let me say that I do not envy the incredible responsibility your office has in protecting consumers, business, and commerce. I truly appreciate your work and the evident conviction your office is giving the very serious topic. I am however concerned about the impact of regulation on legitimate direct selling companies during your mission to protect consumers from fraudulent groups out there. Again, I do not covet your responsibility, I thank you.

Although I am concerned about several of the proposed changes, I would like to address only three (3) proposed changes that I believe, if adopted, would negatively impact my business. If adopted, I believe this particular rule unfairly targets legitimate direct selling businesses.

1. Elimination of the \$500 business threshold

a. The adoption of this proposed change forces 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 \$35 for a direct selling sales kit.

b. I believe the costs to buy a XanGo™ business, \$35, is a very minimal up-front financial investment. Adoption of the proposed rule to eliminate the \$500 threshold would place an undue administrative and financial burden on direct selling business owners. So many of the legitimate direct selling businesses do not require the purchase of "training kits", "advance stocking of products", or other "front loading" enrollment requirements, hence the low enrollment fee.

## 2. Local References Requirement

a. The adoption of this rule represents an impractical burden on direct selling business owners who would be required to 'find' existing sales people in a location they may or may not be familiar with. This administrative and possibly unattainable requirement would cripple my business and inevitably put me out of business.

b. Even more, I believe that the requirement for disclosure of personal information about local direct sellers merits closer scrutiny as it may violate the privacy of those persons. Such disclosure would not only be an imposition on people, but also could raise a serious threat to personal safety. This is clearly not the intent of the proposed rule change.

c. Finally, and perhaps most dramatic, such disclosure requirements would only exacerbate the spiraling activities associated with identity theft and unwarranted solicitation by unscrupulous 'fake buyers'. Imagine an unscrupulous company employing several 'fake buyers' who intentionally seek out the required 10 names and numbers of persons to aggregate that information for the purposes of solicitation and more egregious, identity theft.

## 3. Seven-day waiting period

a. The proposed requirement for a seven day waiting period will create a burden and an undue air of suspicion among prospective buyers. This waiting period creates suspicion of risk that simply does not exist for my XanGo™ business. While I understand the need for consumers to be 'aware' and 'cool off' before buying high-end products or services, i.e. cars, boats, jewelry, etc., I believe the costs to buy a XanGo™ business, \$35, is a very minimal up-front financial investment and XanGo™ has a generous buyback policy which presents little or no risk to a prospective buyers.

b. The waiting period will make it extremely difficult for me to recruit while on the road. I typically drive between Houston, San Antonio, and Austin on a weekly basis. Not being able to help people start their business while I am there and requiring me to initiate a seven-day follow-up rotation will place an immeasurable financial burden on my business and my family. This burden is amplified once the 'local references' disclosure is added.

It is for these reasons that I strongly and respectfully request your consideration to not adopt Business Opportunity Rule, R511993 as proposed.

With respect and sincere concern, I offer,

Warmest regards.