

General Counsel's Office

EcoQuest International

310 T. Elmer Cox Drive

Greenville, TN 37743

Roy W. Keith CPA JD

Admitted to practice in:

Wisconsin • Illinois

Minnesota • Tennessee

General Counsel

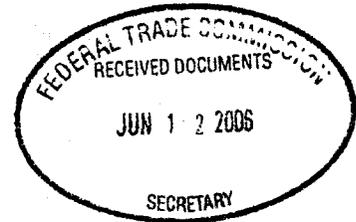
888.285.6114

royk@ecoquestintl.net

Fax: 423-798-6412

June 6, 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 New Business Opportunity Rule R511993. I am afraid that in its present form, it could severely hurt EcoQuest International, Inc. 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 EcoQuest to continue business.

EcoQuest was founded in January, 2000. We sell air and water purification products, as well as nutritional products. We have more than 280,000 distributors with sales of approximately \$245 million.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors. EcoQuest's sales kit only costs \$49. Consumers make many purchases, such as TVs, cars, and other items, that cost much more than that and they do not have to wait seven days. This waiting period creates the impression that there might be something wrong with the plan. This seven-day waiting period is unnecessary, because EcoQuest already has a return policy for resalable inventory. Under this waiting period requirement, EcoQuest will need to keep very detailed records when an EcoQuest distributor first makes contact with a prospective purchaser and will then have to retain these documents for three years. The related administrative costs will be very expensive.

Under the proposed rule, EcoQuest's plan would fall under FTC regulatory authority since the existing \$500 threshold under existing franchise rule will be eliminated and EcoQuest will now have to produce numerous pieces of documented materials in order to comply with the proposed rule.

2 The proposed rule also calls for the release of any information regarding prior litigation and civil or criminal legal actions involving misrepresentation or unfair or deceptive practices. It

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does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. We at EcoQuest see little value in disclosing these lawsuits unless EcoQuest is found guilty. Otherwise, EcoQuest is put at an unfair advantage even though we have done **nothing** wrong. In addition, it seems that everyone throws claims for misrepresentation into every complaint these days. Should prospective distributors be concerned, for example, about litigation between the company and a software provider if their contract dispute contains a claim for misrepresentation? It seems appropriate to include only litigation that is related to the earning opportunity offered to the prospective distributor.

The proposed rule requires direct sellers to gather information such as distributors' demographic/geographic data and earnings claims. We are concerned that this approach will be ineffective in preventing the targeted business opportunity fraud, since those perpetuating fraudulent business opportunities will not provide accurate data. However, direct sellers such as EcoQuest, which will try to faithfully comply, will have the difficult, if not impossible challenge, of interpreting and meeting some of the proposed requirements.

Finally, the proposed rule requires the disclosure of a minimum of ten prior purchasers nearest to the prospective purchaser. EcoQuest is glad to provide references, but in these days of identity theft, we are very uncomfortable giving out personal information of individuals (without their approval) to strangers. Ironically, the requirement to provide references may result in privacy lawsuits, which under the proposed rule, we would have to report. Also, giving out this information without any controls on how it could be used will very likely and unfairly benefit our competitors. In order to generate the list of the ten prior purchasers, we will need to obtain the address of the prospective purchaser, search our database for the geographically nearest existing distributor, use a software program or online service such as MapQuest to confirm these are the correct persons, and then send these results to the distributor. 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, and so are we from a privacy litigation standpoint. Individuals will be reluctant to share their personal information with individuals they have never met.

EcoQuest appreciates the work of the FTC to protect consumers, but we believe this proposed new rule has many unintended consequences which may destroy EcoQuest's business. We also believe that there are less burdensome alternatives available in achieving the consumer protection goals stated in the proposed rule.

Thank you for your time in considering our comments.

Sincerely,

Roy W. Keith
Corporate General Counsel

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