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Self Help Education Associates
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June 2, 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'm writing this letter, because I'm very concerned about the proposed Business Opportunity Rule R511993. In its present form, this proposed Rule would create overwhelmingly difficult obstacles for me to continue my business with four different network marketing companies.

It's very difficult for me to comprehend why the FTC would impose such heavy-handed controls on an industry that has become part of mainstream American commerce and is already heavily regulated.

While I can understand the FTC's responsibility to protect the public from "unfair and deceptive acts or practices," this proposed rule seems to me to go way beyond reason in doing so. If it were enacted, it would basically decapitate the industry. It seems to me to be a clear example of throwing the baby out with the bath.

The proposed seven day waiting period to enroll new Distributors, for example, seems highly prejudicial to our industry. I know of no other area of commerce where a similar waiting period is imposed on a business transaction even when much larger sums of money are involved. All network marketing companies that I'm familiar with already have generous buyback policies that protect new distributors from being stuck with products they're unable to sell. The detailed records that would have to be kept to be compliant with a rule of this type would be extremely onerous and would add enormously to the difficulty of building a distributional network.

Requiring the release of any information regarding lawsuits involving misrepresentation, or unfair or deceptive practices seems similarly prejudicial and would set up a blatant double standard for the direct selling industry in comparison to all other forms of business. This seems especially unwarranted and unfair in that it would be required regardless of the outcome of any previous litigation in which the company was involved. What precedent is there for such a requirement?

Further, complying with the part of the proposed rule that requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser would be next to impossible. Further it would entail releasing personal information about individuals to strangers without their permission. Given all of the very legitimate concerns about identity theft these days, this rule all by itself would basically make it impossible to build a successful network marketing business. Where else in the business world is a similar standard required?

So, in summary, I object strongly to the blatant and unprecedented double standards entailed by this proposed rule.

If the intended purpose of this proposed rule is, indeed, to protect consumers, I'm certain that effective and much less burdensome alternatives can be found.

Thank you for considering my comments.

Sincerely,

George Shears
Retired Psychologist