

View f:\emailobj\200605\2\51534437.txt

522418-70357

From: Write your representative <writerep@hcoc-www6.house.gov>
Date: 5/15/2006 3:32:23 AM
To: askadam@mail.house.gov
Subject: WriteRep Responses

Jonni Bantz
Ameriplan
[REDACTED]

May 15, 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 Adam Smith,

I am writing in response to the proposed New Business Opportunity Rule R511993. This rule, if not modified, will be a significant impediment and burden to the network marketing industry. This new rule, although well-intended, represents a significant burden to the free market trade in our largely decentralized economic system.

The proposed rule would require a seven day waiting period to enroll new distributors. In essence, one would have to sell a person twice on the same business—even if the start-up fee is a mere \$19.95. This would create a significant administrative burden to any company and distributor who would be required to document and follow-up on the process. While I support some of the disclosures with modification, I am opposed to a seven-day waiting period because it is an excessive administrative burden and an impediment to new business development.

The rule requires that any earnings claim statement made by the distributor or company to a prospect, whether written or oral, general or specific, be validated with a detailed "Earnings Claims Statement Required By Law." Additionally, the distributor would be required to provide written substantiation of any earnings claim made upon request. I support the disclosure of an average earnings income statement because it is good business practice to establish realistic expectations. However, I oppose being forced to provide written substantiation because it is an excessive burden considering the investment of money to enter into the business is nominal.

The 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, even if you were found innocent. In our lawsuit-happy culture, anyone can be sued for anything almost with impunity. Regardless of the outcome, you would have to disclose it and explain it to a new business associate which is patently unfair. I support the disclosure of previous litigation of companies, executives, affiliated companies and the like involving fraud and misrepresentation only if the party is found guilty. If the defendant is found not guilty or if the opposing parties agreed to settle without admission of guilt, then it should not be necessary to disclose this information because it would be a hindrance to developing a new business relationship. If the parties agreed to settle without admission of guilt, there usually is some public document available, particularly if it involves

a government agency and further disclosure therefore would be unnecessary.

Lastly, the rule requires the disclosure of a minimum of 10 purchasers closest to you. While it is a good practice to provide references of satisfied customers, this is a burden for small businesses and, as a requirement, is a violation of personal confidentiality particularly if you have to choose within your geographic area. Unfortunately, requiring the release of this information can threaten the business relationship of the references who may be involved in other companies or businesses. In addition, it subjects these references to cross-marketing by competitors. I am recommending that contact information for purchasers be available upon request, that their availability be published on company materials, and that due to Internet-

[REDACTED] 6/22/2006

marketing, they not be limited to geographic proximity.

The network marketing industry is one of the few remaining opportunities for people to earn additional income or to create a new career. Once scoffed at by investors, many network marketing companies are publicly traded on Wall Street including Herbalife, Nu Skin, Pre-Paid Legal Services, USANA and others. Network marketing is being used by blue-chip corporations including Citigroup, MCI and IBM. Top business management leaders and New York Times best-selling authors Robert Kiyosaki, Paul Zane Pilzer, and Steve Covey have endorsed network marketing. Warren Buffet, the most successful and known businessman in modern history owns the network marketing company, Pampered Chef.

The industry is also growing in popularity and contributes to the US economy. This growth should be encouraged. There are 13 million Americans involved in this network marketing industry today. Lastly, the network marketing industry contributes to our growing economy. Sales of products and services through network marketing are estimated at more than \$29 billion in 2003.

Although I have only been involved in the network marketing industry for a few months, I have been introduced to some of the most caring, helpful and genuine people who believe strongly in helping themselves by helping others. I became involved when, after 17 years, I was downsized and found how hard it was to get another job at fifty two. This home based business will help me significantly, allowing pay my way while spending more time with my family.

I understand and value the role of the FTC mission "to stand up for America's free market process and for its consumers, who benefit from competitive markets in which truthful information flows." However, I believe this proposed new rule exceeds what is necessary and needs significant modification. We live in a free market economy where people have the responsibility of making informed decisions based on best information. A better approach would be to provide consumers with objective criteria when analyzing a business opportunity and let an informed market proceed. I am in support of the disclosures that should be made during the sales process without the requirement of a seven-day waiting period, only if modified as suggested.

Thank you very much for your kind attention.

Best regards,

Jonni Bantz

==== Original Formatted Message Starts Here ====

DATE: May 15, 2006 03:00 AM
NAME: Jonni Bantz
ADDR1: [REDACTED]
ADDR2:
ADDR3:
CITY: [REDACTED]
STATE: [REDACTED]
ZIP: [REDACTED]
PHONE: [REDACTED]
EMAIL: [REDACTED]

Message:
Jonni Bantz
Ameriplan

May 15, 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