Benjamin Lo, MD

July 1st, 2006

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993.

Formerly a physician, I actually left medicine for a business from home as a distributor of Nuskin Enterprises in order to have more time with my family. This morning I sat on my front porch with my wife and two sons. We enjoyed a visit with two elderly gentleman who were out for a morning walk, and then I took my older son on a bike ride before starting work in our spare bedroom-turned office. Later my wife was able to take our oldest daughter on an outing and leave our three younger children playing here at home because I, too, was home, though working, and was not away at a job or clinic somewhere else.

Networking marketing, which I was introduced to at the end of 2002 when I first became a distributor of NuSkin Enterprises, has completely transformed our lives, has allowed us this kind of flexibility from home, and has become our primary source of income. Now, with the proposed Business Opportunity Rule R511993, our very livelihood is threatened.

Here are my concerns:

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors. Our sales kits cost only $350-$1350. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because Nuskin Enterprises already has a 90% buyback policy for all products including sales kits purchased by a distributor within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about NSE and will then need to send in many reports to my company headquarters. Such a requirement would also be very burdensome to new distributors who already have many things to learn as they embark on a business of their own.

The proposed rule also 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. Today, anyone or any company can be sued for almost anything. To have to report lawsuits in which the company was found innocent seems potentially misleading and damaging if the courts have already decided a suit was unfounded, and puts NSE and all its distributors, including me, at an unfair advantage even though NSE has done **nothing** wrong.

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.

Additionally, in order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to NSE headquarters and then wait for the list. Aside from the personal privacy issues, making this a REQUIREMENT adds an additional burden and time delay to every business transaction even when the prospective purchaser has no interest in waiting for references from people who are also complete strangers to him/her. Finally, I think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a distributor - "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 almost every business today has to reassure clients and partners that their personal information will NOT be shared with others, which is the opposite of what would be required here.

I appreciate the work that the FTC does to protect me and my fellow consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals. At the beginning of this letter, I mentioned that I chose to be a distributor of NSE in order to have more time with my family. A second reason I chose this direction was because I had previously seen how much job and financial stress impacted the families I saw in clinic, and I valued having a practical way to assist others to enjoy more freedom and peace of mind with a home business of their own. Now as a business coach and mentor to many, I find the above issues unnecessarily burdensome to anyone who would seek to build an income from home in the direct selling or network marketing arena. These requirements would make this avenue, which is often the only one available to the average household that does not have 10's or 100's of thousands of dollars to invest in a "traditional" business with it's associated large amount of risk, much less feasible; essentially narrowing one of the only doors open to most people who want to support their income from home.

Thank you for your time in considering my comments.

Respectfully,

Benjamin Lo, MD