

Ruth Wingeier

11 July, 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 Sir or Madam:

I am writing to express my concern and strong opposition to the proposed Business Opportunity Rule R511993. I understand that the Federal Trade Commission must protect the public from “unfair and deceptive acts or practices,” but the proposed rule would make it very difficult for me to continue my business as a Shaklee Independent Distributor.

A confusing and difficult section of the proposed rule is the seven-day waiting period to enroll new distributors. All of the people who have signed up as a Shaklee member in my business group are consumers of the products. If they later wish to build a business, all they need to do is to supply Shaklee Corporation with their Social Security Number. No additional kit, fee or application is required. Their original Shaklee Membership Kit costs only \$19.95. This is far less than most consumer purchases that don't require a waiting period. The waiting period for Shaklee products is totally unnecessary in that Shaklee Corporation has a 90% buyback policy for products, including the Member Kit, purchased by a distributor within the previous two years.

The proposed rule also requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. In this day of identity theft and concern over privacy, I am uncomfortable giving out the personal information of other Shaklee members and distributors, without their knowledge or consent. I understand that those who sign up after the rule takes effect need to be told in writing, “If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers.” This would dissuade many people from signing up as members and distributors as they might be concerned, not only about identity theft, but also about their privacy. Already, I have potential customers refuse the advantages of a membership because they do not want to share personal information.

Providing the 10 references also could damage the businesses of Shaklee distributors. Lower ranking distributors often are involved in more than one direct selling company. Providing a list to a potential recruit, who may already be a distributor for a competing direct selling company, may be an invitation to solicit existing Shaklee distributors for another company and introduce competition and potential loss of my business customers.

The 10 reference requirement is also an administrative burden. To obtain the list of 10 prior purchasers, I will need to provide Shaklee Corporation with the prospective distributor's address, and wait to receive the list of the 10 nearest distributors who became distributors within the past three years. Each prospective recruit will need a customized disclosure statement. This will result in a delay far longer than the seven calendar days written into the proposed rule before anyone can sign a membership application. Many people enter

direct selling to earn extra income for a specific goal, such as holiday purchases or a family vacation. The wait which the proposed rule creates may make the goal unattainable.

The proposed rule calls for the release of any information regarding lawsuits that allege misrepresentation, or unfair or deceptive practices over a 10-year period. It does not matter if the company was found innocent or not liable. It does not make sense to me that I would have to disclose these lawsuits unless Shaklee Corporation, or its officers, directors, or sales department employees, were actually found guilty or liable. Fifty-year old companies such as Shaklee Corporation would be at a disadvantage compared to newer start-up companies, which may not yet have experienced litigation but which are far more likely to have legal issues surrounding their business opportunities.

I have been a Shaklee Distributor for more than 30 years. Originally, I became a Shaklee Distributor because I loved the Shaklee nutritional and household products. Only later did I start to share Shaklee products with others and gradually began to view my Shaklee connection as a personal business. When I had my last baby (who is 13 years old now), I decided to build a Shaklee business to earn additional income, working from my home, and extending my maternity leave, thus postponing my return to my "real" job as a certified nurse-midwife. Now my husband and I depend upon this extra income to help put our older children (ages 19 and 21) through college.

Thank you for considering my comments.

Sincerely,

Ruth Wingeier
Independent Shaklee Distributor