

Susan Pottish

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Dear Sir or Madam:

I recently learned of the proposed Business Opportunity Rule R511993, and it is causing me grave concern. As I understand it, in its present form it could harm my livelihood of over ten years, and prevent any expansion of my wonderful, health-oriented business distributing products for Young Living Essential Oils.

While it certainly makes good sense to improve education about the network marketing business model, it does not make good sense to suppress it. Every business has good and bad exemplars. In the network marketing industry, millions of hard working people, like me, have made their livelihood and achieved retirement because of this business model, marketing high quality products and helping people become financially independent. Certainly, there are thieves and rogues in every kind of business. Look at Enron, or the tobacco industry! But we hope they are the exceptions to the rule, and we hope that our laws provide the means to penalize them and get them out of business! Our network marketing company is a great company. Many are. I do not want to see this fabulous business model needlessly suppressed because of a few rotten apples. It would be far better to create rules that penalize companies that break existing rules (like false advertising, false claims, etc.) than to suppress an entire industry.

I became an Independent Distributor of Young Living Essential Oils just over ten years ago. I was looking desperately for a way to make a living at age 47, having been recently divorced and having no prospects. I chose Young Living because someone suggested I try the products, and the results were nothing less than miraculous. I was hopeful that I could create a life for myself because of the unique compensation plans of network marketing, having read several books about it. Excitement and inspiration are essential to success in business. It gives you focus. This is very important at the start.

When I began my business, I was really just telling the few people I knew what a great experience I had just had using the essential oils. I didn't even know that many people, but before I knew it, I was earning commissions of a few hundred dollars. I started my business 40 thousand dollars in debt. I had to learn how to create a business without any schooling. At the end of my first year I was earning about two thousand dollars a month. In my fourth year, I paid off all my debt and my husband retired a few years later. We continue to live on this income and hope to do so till the day we die. We are now in our sixties. We have worked hard, pay our taxes, and feel that this business is life-saving not just to us but for many other people. I am afraid that the proposed rule could negatively impact our potential to introduce other people to this wonderful business.

Someone can begin a business marketing Young Living Essential Oils by purchasing a \$49 starter kit. I am trying to understand how anyone is being truly protected by making a person wait seven days to buy one of these kits and learn how to create a business. Why not do the same thing when people are about to buy a \$50 book on how to get rich in the stock market?

Aren't these kinds of books being sold all the time? Caveat emptor makes sense whenever a financial transaction takes place, but we do not have a Congressional rule about buying books or even electrical appliances or chain saws that require you to wait a week because of the potential down side of such purchases.

When we make people wait seven days before buying a gun, it's because the buyer needs to be checked out, not the seller. Somehow we don't mind that the seller is selling something potentially lethal. What I am selling is not lethal. It's not even addicting. Maybe there are scam companies out there that deserve to be penalized, but why penalize all the rest of us who have legitimate businesses that actually HELP people? Young Living doesn't do background checks on its customers and Distributors, and I don't do background checks on my local auto repair shop. I certainly do "due diligence" on any major expenditure, and I always recommend that my prospective Distributors do the same before committing to building a business with me or anyone else. And while everyone should, they probably don't. But that is a matter of personal responsibility and will always be so. And finally, unlike gun peddlers and sellers of books about how to get rich in real estate or the stock market, our company also makes its commitments to Distributors clear from the outset: You can return your products for a refund or exchange, and you can stop being a Distributor any day you choose.

The proposed waiting period gives the impression that there might be something wrong with the company or the compensation plan. It has a psychological impact that any sane person can see. Also, it puts a significant burden on me of both time and money to be following up with people after that seven day period, not to mention the added communication I have to make to my company's headquarters and the added administrative time/costs to them. There are other ways to educate people about what it means to do due diligence on a prospective business. Why not require that companies just put a disclaimer on their applications (which I think most do already, actually) like the surgeon general's warning on a pack of cigarettes. Or write some kind of detailed improvement on the Supreme Court decision about Amway's business, enhancing the definition of a scam versus a real business.

An adult in our county is free to buy a pack of cigarettes and get addicted, causing themselves and our country terrible suffering without any seven day waiting period. I dare say that far more people have been harmed by cigarettes, alcohol and automobiles than by starting a network marketing business. Please also take note of the fact that most people who start any kind of business—any kind of business—fail.

I am also troubled by the requirement to give people information about lawsuits, whether the company was found innocent or not, and whether the charges were frivolous or not. Think about the effect of doing something like this when someone is about to go to a hotel or a hospital or a college. Should those businesses be required to provide their lawsuit information in their literature to prospective customers? It doesn't take a psychologist to figure out the impact of requiring us to give someone this kind of raw information.

Perhaps worst of all, however, is the part of the rule requiring that we provide information about ten other people who bought products near the prospective new customer or Distributor. Aside from anything else, what an incredible invasion of privacy! I don't even get information about exactly what people in my organization buy. If someone doesn't like

what they get, they can return it or stop buying those things. That's how I find out what people think.

But even aside from the privacy issue, I wish I understood the logic of the "nearby" part of the proposed rule. What difference does it make if I talk to someone who bought their Ford Ranger in my town or someone else's town? If you want to make a requirement for a new purchaser to have access to "previous purchasers" why not just say that. That would be easy. Most companies have meetings where you can meet lots of other "purchasers." In fact, it is standard operating procedure to encourage people in the "downline" to have prospective customers and Distributors call the "upline" and any number of other people to find out what other people think and what they are experiencing. But setting the questionable logic of the rule aside, this rule creates a daunting burden for me and my company, especially when you understand what it's like to build my business. We talk to hundreds of people. We also use the internet, where we may end up connecting with people all over the country, or even the world. To require that the company make a database service available to us, and then deal with protecting people's privacy by making initial communications to make sure it's okay to have someone contact them, etc. is daunting in the extreme. Can you see what this means? The underlying logic of this proposal, it seems to me, is not protection but suppression of activity.

Furthermore, to include the requirement to say: "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers," you are all but destroying a feeling of safety for the prospective buyer. I ask you to imagine this happening to you when you are trying to buy a product that interests you. How do you feel about the next "new purchaser" getting your name? Is there any other place in the American market place where this kind of thing is required? Plus, in the current environment, where privacy and control over one's personal information is in the news almost daily, I believe this language would be plainly and simply an obstacle to my business as it would be for any business. It is a turn off.

Finally, there is the possibility of this rule creating more darkness than you are trying to cure. Our business, like very other business, is competitive. If you require me to give a prospective Distributor the names of people nearby who previously purchased my products, unscrupulous and predatory marketers could pretend they were prospects for my business just to get those names. These people could then use me and many other people they contact through me as a means to get free "leads" for their own businesses or for their scams. And how would you like to be receiving multiple calls from people you have never met? Don't we have too much of that already?

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and that there are far less burdensome alternatives available to protecting and educating the public in this exciting area of American business. I know I speak for the people with whom I have worked to build my business. We know that our stock in trade is our integrity. We know that if we don't have real and valuable products, we will not have a business that lasts. Please look at the companies that have been around for ten years or more, like mine, and perhaps you can find guidelines that will set a better standard for the whole industry rather than suppressing the activity of all Distributors who are taking their first steps to success, who need encouragement, not dissuasion.

Thank you for your consideration.

Respectfully,

Susan Pottish