

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 Sir or Madam:

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

I believe that in its presented form, it could prevent me from continuing as a distributor in XanGo™ and unduly burden legitimate companies while those that are the offenders will not provide accurate data – defeating the purpose of the proposed rule.

One of the most disturbing of the provisions is the seven day waiting period. This waiting period will give the public the idea that there's something wrong with me or our plan and also reflects badly on me. I also think this seven-day waiting period is unnecessary. I recognize that the FTC wants to protect a prospective consumer/distributor in theory but in practice it is a different matter.

For example, I may buy an automobile costing between \$10,000 and \$100,000 or more here in the State of Florida and may rescind the contract after three days or even the purchase of a home costing thousands of dollars. The seller must present the information in their contract or bill of sale.

The cost of becoming an independent distributor in XanGo is only \$35 and yet they would have a 7 day waiting period just for becoming an independent contractor?

They are setting up a home-based business at minimal cost – this rule, in effect, would be treating all business opportunities the same regardless of the initial investment.

There is already a guarantee on any products purchased and a full refund within 90 days and the independent distributor may resign at any time from our company.

I have been an independent Distributor for more than three years in XanGo™ after spending approximately 10 years as a trainer in the industry and know that the legitimate companies do not require a major investment. That's the beauty of the direct selling model unlike franchises which require major investments in land, buildings, training and personnel.

Originally, I started my Network Marketing after retiring from IBM having spent 30 years in Marketing and Marketing Management. I recognized that this business model is the last opportunity an individual would have (without a major investment) to earn an extraordinary income and because of the quality of the products which are generally higher than those purchased elsewhere.

As a result, I have developed an income stream double my retirement in just under three years – while it took me 30 years to earn my original retirement. I now depend on this extra income to supplement my budget. Please don't destroy my small business we need it!

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. Secondly it would require me to contact the company to find the nearest prospective purchaser/distributors and I believe would require an undue burden on the company with thousands of distributors in North America.

Women in my organization may be subject to sexual or racial harassment so this part can't go in at all, unless the FTC passes an addition to this rule Prohibiting sexual or racial attacks related to this disclosure. In the end the rule must bind the FTC to take direct enforcement action on sexual and racial attacks with a special unit assigned to monitor actions related to the disclosure forms.

I have seen many scams on the Internet and been approached by many crooks because of my success. This rule will do nothing to stop them. They violate the current rule all the time. They hurt legitimate businesses! But this rule would hurt law abiding citizens and businesses and I certainly fit into that category.

There are other provisions I believe to burdensome and impractical as well – but I have limited my remarks to those noted above.

Please reconsider these changes and understand the perhaps unintended consequences of such a rule and the resulting negative impact on me and others like me who earn a living in direct marketing.

As a leader we also positively impact the lives of others in this field of endeavor – I personally coach several people at a time and have watched them grow individually and assume leadership roles for the first time in their lives – this is the real essence of free enterprise and what we should be protecting.

Sincerely,

Jerry Hines