

Greg Montoya
Success Builders, Inc.
July 13, 2006

Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue, NW Room H-135 (Annex W)
Washington, DC 20580

RE: Business Opportunity Rule – R511993

To Whom It May Concern:

This letter is written in opposition to the Notice of Rule Making – Business Opportunity Rule R511993.

I am fully in agreement with the FTC's efforts to protect consumers from fraudulent activities and unscrupulous companies and legitimate companies that desire to run their businesses honestly and ethically.

I believe that in its present form R511993 could prevent me from continuing as a small business owner. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices". Some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell my technology based products.

I have been an Independent Business Owner representing a company for more than ten years. Originally, I became a Distributor in my company because I felt that the products were exceptional in both quality and performance and I wanted to earn some additional income. Today, I am fully supported through my direct selling business. Thus, my future is dependent on the stability of the direct selling industry.

One of the most confusing and burdensome sections of the proposed rule R511993 is the seven-day waiting period to enroll new distributors. Registration in my company only costs \$49.00. For this fee, the company provides a new business owner's kit containing extensive information about the company, its business plan, and products. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period could unfairly single out my business and make it more difficult to operate by giving the impression that there might be something wrong with the company I represent. I also think this seven-day waiting period is unnecessary, because our company as a Direct Selling Association member already has a 90% buyback policy for all products including sales kits purchased by any distributor within the previous twelve months. Under the proposed waiting period requirement, I will be required to keep very detailed records of when I first speak to someone about my company and its business opportunity. Further, I will then be required to send in many reports to my company headquarters. This places an unnecessary burden upon both me as a business owner and the company I represent.

R511993 also calls for the release of information regarding lawsuits involving misrepresentation and/or unfair and deceptive practices. It does not matter if the company I represent or I were found innocent. Today, anyone or any company can be sued for almost anything and there are many mean and deceptive people who are bring frivolous lawsuits. For the average citizen who does not understand the foregoing fact or the ramifications of a lawsuit, any mention of a lawsuit past or present represents “bad news”. This could create a negative impact on my business regardless of the outcome or nature of the suit. It does not make sense to me that I should have to disclose any lawsuit unless my company was found guilty of misrepresentation and/or unfair and deceptive practices. To require otherwise, would put my company and me in an unfair competitive disadvantage when there has been no wrong doing found.

Finally, R511993 requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser – a requirement that is not made of other sellers and is in direct violation of the privacy laws. I could provide references, but in this day of identity theft and sexual predators, I am very uncomfortable giving out the personal information of individuals to strangers, even if the individuals give me permission. 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. In order to get the list of the 10 prior purchasers, I would need to send the address of the prospective purchaser to my company’s headquarters and then wait for the list. I also think the following sentence required by R511993, as proposed, will prevent many people from wanting to purchase a product - “If you buy a product or service from the seller, your contact information can be disclosed in the future to other buyers.” People are very concerned about their privacy, identity theft and personal safety and will be concerned about having their personal information shared with individuals they may have never met.

In conclusion, I support the efforts on the part of the Federal Trade Commission to oversee and examine companies for inappropriate practices. This Notice of Rule Making is unfair to ethical companies that offer a good product in good faith to qualified customers and offer a legitimate business opportunity to interested persons seeking to be business owners.

For the above reasons, I oppose Business Opportunity Rule – R511993 and request its immediate withdrawal.

Thank you for your consideration.

Very truly yours,
Greg Montoya