



**NATURE'S SUNSHINE PRODUCTS, INC.**

**Corporate Headquarters:**

**July 14, 2006**

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)  
Re: Business Opportunity Rule, R511993  
600 Pennsylvania Avenue, NW  
Washington, D.C. 20580

<https://secure.commentworks.com/ftc-bizopNPR/>

Dear Sir or Madam:

We are writing this comment letter to express the concern of Nature's Sunshine Products, Inc., ("NSP") Provo, UT with respect to the New Business Opportunity Rule 511993. We are worried that in its present form, it could severely hurt NSP and its many hundreds of thousands of independent distributors, members and managers ("Members"). While we understand that part of the FTC's mission 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 NSP to continue as a thriving opportunity for its Members and shareholders.

NSP is a world wide leader in herbs and dietary supplements. NSP has an uncompromising dedication to quality. NSP uses only the finest raw materials, gathered from throughout the Americas, Europe, Africa, and the Orient, and boasts a force of trained herb specialists who put the "education" in the Dietary Supplement Health and Education Act of 1994. Our commitment to our Members and customers is unsurpassed. NSP has been sharing its unique herbal products for over 35 years. In that time, so many lives have been positively affected, both from a quality of life standpoint, as well as offering the dream of financial independence to our Members. NSP has led the dietary supplement industry with proven, high quality, products and a fair and honest compensation plan.

NSP, along with our Members is committed to building real relationships. It is these relationships that are threatened by the proposed New Business Opportunity Rule R511993.

One of the most confusing and burdensome sections of the proposed rule is the seven day waiting period to enroll new members. NSP's sign up fee is \$40.00. The applicant also receives \$40.00 worth of product and a Member Kit free of charge. Consumers make all

sorts of expensive purchases such as TVs, cars, and other items that cost much more than that and they do not have to wait seven days. This waiting period creates the unfounded impression that there might be something wrong with the plan that necessitates such an unprecedented delay. NSP has a policy that if a Member is not 100% satisfied with products for any reason within 90 days they may return it for a full refund. Under this waiting period requirement, NSP will need to keep very detailed records when a Member first makes contact with a prospective purchaser and will then have to retain these documents for three years. The related administrative costs will be very expensive and burdensome for NSP and our Members and does not seem to be necessary given our full refund policy.

Under the proposed rule, NSP's plan would fall under FTC regulatory authority, since the existing \$500 threshold under the existing franchise rule will be eliminated. Under the new proposed rule NSP will be required to produce numerous documented materials. If anything, the \$500 should be increased to keep up with inflation, not entirely eliminated.

The proposed rule also calls for the release of any information regarding prior litigation and civil or criminal legal actions involving misrepresentation, or unfair or deceptive practices, regardless of the outcome. Today, anyone or any company can be sued for anything. We see little value in making such a disclosure, which will no doubt only serve to confuse the prospective Member, or make him or her afraid to become a Member, really, without good reason.

The proposed rule requires direct sellers to gather information concerning demographic/geographic data and earnings claims. We are concerned that this approach will be ineffective in preventing the targeted business opportunity fraud, since those perpetuating fraudulent business opportunities will not provide accurate data. However, responsible, direct sellers such as NSP, which will faithfully comply, will have the difficult if not impossible task of interpreting and meeting some of the vague proposed requirements.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. NSP is glad to voluntarily provide references, but in these days of identity theft, we believe that privacy litigation and complaints would be the likely outcome. Additionally, the company must then disclose the fact that a new Member will have his or her contact information disclosed in the future to other buyers. That will no doubt have a very chilling effect, and could potentially undermine all direct sellers by placing unwarranted fears in the minds of potential new Members.

While NSP greatly appreciates the work of the Federal Trade Commission in protecting the consumer, we believe that this proposed rule is overly broad, over reaching, and has many unintended consequences, which may destroy the prosperous future of our company and its Members.

Thank you for considering the views and opinions of Nature's Sunshine Products, Inc.

Sincerely yours,

Nature's Sunshine Products, Inc.  
Greg Halliday – President – U.S. Sales