

Christine E. Whitacre
Southern Living At HOME

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, DC 20580

RE: Business Opportunity Rule, R511993

Dear Sir or Madam:

I am writing this letter to you because I am deeply concerned about the future of direct sales. I have reviewed the proposed Business Opportunity Rule R511993 and I believe that in its present form, it could prevent me from continuing my *Southern Living At HOME* business. As a *Southern Living At HOME* Independent Consultant, I have had the opportunity to build a multi-million dollar organization that includes thousands of consultants who have also found success in direct sales. I believe I speak for many by saying how grateful we are to have had the opportunity to choose this as our profession. I understand and appreciate the FTC's responsibility to protect our public from "unfair and deceptive acts or practices", but some of the sections in the proposed rule will make it very difficult, and in some cases impossible, for my fellow colleagues and I to sell *Southern Living At HOME* products or services. There are three areas which give me the greatest concern.

The "seven day waiting period" gives the impression that there could be something illegal or wrong with doing business with me as a *Southern Living At HOME* consultant. Most business opportunities have a very low start up fee (ours is only \$199, plus tax)—much lower than the cost of a car, computer or piece of furniture – all things that consumers are able to purchase without having to wait seven days. Evidence shows that when waiting to begin something like a business opportunity, the longer you wait, the harder it is to get started as doubt can take over and people can lose confidence in themselves. I am proud that this is a business that helps people gain confidence and that the confidence is often what fuels a quick start which creates success for them. To take away this opportunity could possibly set people up to fail. This waiting period also seems quite unnecessary because *Southern Living At HOME* offers a 100% buy back policy on any starter kit purchased within one year by a consultant. If someone were to decide not

to pursue a business opportunity with *Southern Living At HOME*, they could make that choice with no further obligation.

I am also very concerned of the unnecessary impact on direct sales companies and their representatives if every lawsuit filed against a company in regards to allegations of misrepresentation, unfair or deceptive practices needs to be disclosed. Today, anyone or any company can be sued for almost anything. It does not matter if a company was found innocent of charges; just because the company was sued, they are then put at an unfair disadvantage, even if the company did nothing wrong. Supplying this type of information in a disclosure form would create a mess for the small business owner who has no control over how others may view their experiences with a company. I believe only disclosing lawsuits where a company has been found guilty should be required.

The section of the proposed rule that is very impractical and perhaps the most disturbing is that of finding the 10 nearest representatives who bought into the business opportunity to use as references. Identity theft is a fear and concern of most people. If people do not want their personal information shared they should feel comfortable that if they are going to join a company to sell their products or services they won't have to sign off on their personal information. Another concern with this part of the proposed rule is that sometimes people join a business opportunity for reasons that they don't want others to know of. For instance, I have a consultant in my organization who is a doctor. She only sells products to her family, closest friends and herself– but she would not want her patients to see her in any other way but as their doctor. That privacy should be expected. Honest testimonials are often provided by most companies, and if anyone has a negative experience with a company, the word will likely spread like a wildfire!

All of these components of the proposed rule will create an incredible amount of paperwork and documentation that will create unnecessary delays in people starting their businesses. It will cost companies millions as they hire additional personnel to track the information and more. This will result in higher prices in order to operate –and competitively that could crush the small independent business owner putting us all out of business.

Twelve years ago, I discovered the direct sales industry by attending a home party. I wanted to be a smart consumer and buy the products I was going to buy anyway at a discount. I was skeptical that this was a business opportunity where I could ever make enough money to supplement our family budget. Through the simplicity of the direct sales business model, however, I found this instead to be a great way to contribute to our family's income. I applied what I learned: the importance of building relationships with people, helping them by selling high quality products, providing good customer service and helping many others start their own business and teaching them to operate their businesses like I do. Today, I not only have a wonderful, thriving *Southern Living At HOME* business, I have a great team of consultants and customers who I have seen become better people through personal growth and creativity. I know of women on my team who were in abusive relationships, who are now safe in their own homes with their children, starting a new life due to the opportunity with *Southern Living At HOME*. I am

also now providing an income for our family that we completely depend on. Personally, I have grown as a business woman, wife and mother and for my two sons who are 11 and 9, provide wonderful opportunities for them with both parents now at home. My children believe in the opportunity to make choices and they understand that “only you can create your own success”.

I am proud to be a consultant with *Southern Living At HOME*, a company with integrity and a strong reputation in the direct sales industry, even though it is only five years old! I want to continue to build my dream and to help others build theirs. It is vital that you understand the ramification for so many in a \$30 billion dollar industry if this proposed Business Opportunity Rule R511993 is allowed to pass in its present form. I urge you to investigate alternatives to keep our public safe from bad or unethical business opportunities so that legitimate companies which promote healthy opportunities will not be hurt.

Thank you so very much in your effort to protect the consumers and for your time in considering my comments.

Sincerely,

Christine E. Whitacre
Founding Senior Director
Independent *Southern Living At HOME* Consultant

cc: Dianne Mooney, Executive Vice President, Founder *Southern Living At HOME*®