

July 17, 2006

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

Dear Sir/Madame:

My name is Shan Eisler, Senior Executive Sales Director for The Pampered Chef. I have been a Consultant with the company for the past 15 years. I am writing to share my views about the proposed Business Opportunity Rule R511993. As currently written, I am very opposed to the enactment of this legislation. It is unnecessary, confusing, and damaging to the growth of my and other Direct Seller's, business.

By way of history, Direct Selling has always been a product driven industry. Customers are attracted to our company and others like ours, by the exceptional performance of the products we offer for sale. This is especially true with The Pampered Chef which has enjoyed remarkable growth and a stellar reputation for the 26 years we have existed as a Direct Selling company. Potential hosts and Consultants are introduced to our company through the use of the product. Hence, when considering our business opportunity, these customers are already very familiar with the company and the services that are offered. In the case of The Pampered Chef, over 80% of our Consultants were show hosts first before considering and then joining the company.

There are no risks in joining our company. The starter kit is purchased for \$90.00 or earned for less by hosting a kitchen show. The value of the products, (which is the actual price paid by customers) is over \$269.00. The company actually subsidizes the kit so the risk is on the company that the Consultant may never make a sale, not on the Consultant who purchases products and a business at large discount to retail. We can only assume that many non performing Consultants simply wanted the product at a discounted price and had no business intention at all. Again, there is no risk to the Consultant.

I am very familiar with the franchising business model where disclosure statements are required. We are not at all similar to franchising. Most franchises require substantial outlays of cash/financing, trade fixtures and equipment, long term leases, tenant build-out, multi-year franchise agreements, employees and a daily commitment to operating a business. Direct Sellers by contrast are independent contractors and have few, if any, of the above mentioned obligations and expenses. There exist myriad amounts of information from the Direct Selling company, the internet, the customer base, and the Consultant base for the potential recruit to make a meaningful decision rendering a Disclosure Statement totally unnecessary and redundant.

Excitement rules the day in Direct Selling. When a prospect makes the decision to join our company, they are eager to start their new business immediately. They want their kit “now”, not later as they often have hosts wishing to hold a show and prospects waiting to join their team. A waiting period would only disappoint and delay the business of the new prospect. In my 15 years I have experienced only a few instances where the new Consultant did not want to commence their new business. In that case their money was refunded. Any reputable company would gladly make a refund in this instance.

I have built a very large team and have made my Pampered Chef business one of the largest (top 15) in the company. It is a full time business for me. My Consultant team is located all across the country and on U.S. Military Bases overseas. Any type of delay in providing a potential recruit the immediate benefits of starting a new business would be detrimental to my business.

A franchise type of disclosure and waiting period follows no business precedent. The Consultant certainly should be considered savvy enough to know how to spend \$90.00 on a Starter Kit. A home, automobile, plasma t v can all be purchased without a waiting period or right of rescission. And these purchases are substantially higher than our \$90.00 kit. Also, with the literally millions of people who come and go in the direct selling business, I wonder if it is even possible to monitor and enforce the proposed 7 day waiting period. This would in itself open up many “grey avenues” (I can already think of ways this will be done) where people would find ways to get active prior to the 7 day period.

Like weight loss products, exercise equipment, self help books and seminars, professional sports, real estate sales, insurance sales, brokerage sales, etc. the Direct Selling industry offers independent contractors an opportunity to take a proven business model and create their own level of success. There are and can be no guarantees. This is American capitalism at work which is the heart of our great country. In all of the above endeavors, each person determines their own effort and success. As long as the companies are reputable, the products have value, and the rules are fair, which I believe is true of our industry, then an informed market place will vote these companies and their business opportunities into or out of existence. The market is efficient and works splendidly. No further legislation is require.

I thank you in advance for your consideration of my comments and sincerely expect that this legislation will not move forward. I can be contacted directly should you desire further input and would welcome the opportunity.

Sincerely,

Shan Eisler  
Independent Senior Executive Director  
The Pampered Chef