

Linda S. Smitherman

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

Re: Business Opportunity Rule, R511993

July 16, 2006

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 present form, it could prevent me from continuing as a XanGo Distributor. I understand that part of the FTC's responsibilities to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell XanGo products.

I have been a XanGo distributor for more than two years. Originally, I became a distributor because I felt the product was exceptional and I wanted to earn some additional income. **I am disabled and unable to work as a nurse, my profession for over thirty years. Because the income from my business has replaced the income that I was able to earn as a nurse, I have not had to apply for any disability payments.** The business has also kept me active and involved with other people since I can no longer hold down a traditional job. **My business has become my income lifeline and this proposed rule will put it in serious jeopardy.**

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors. XanGo's sales kit only costs \$35.00. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because XanGo already has a 100% guarantee for the first 30 days someone is a distributor and a 90% buyback policy for all products purchased by a salesperson within the last 90 days. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about XanGo and will then need to send in many reports to my company headquarters. I am a small business person and the paperwork involved in the proposed rule would be difficult, if not impossible, for me to complete.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless XanGo is found guilty. Otherwise, Xango and I are put at an unfair advantage even though XanGo has done **nothing** wrong.

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. 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 will need to send the address of the prospective purchaser to XanGo headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I have seen many scams on the Internet and been approached with many questionable business proposals because of my success. This rule will do nothing to stop them. This rule will not stop the dishonest and unscrupulous – they violate the current rule all the time. But I am a good American citizen and it will hurt me. Please do not make a rule that may destroy what I have worked so hard to achieve.

Thank you in advance for your favorable consideration of this request.

Respectfully,

Linda S. Smitherman