

Hello,

My name is John Poletti and I do business development for DaniJohnson.com, a web based company dedicated to training, equipping and developing leadership within the home based business industry. I am writing concerning the proposed FTC “Business Opportunity Rule R511993”.

DaniJohnson.com takes a unique stand as a business coaching organization in that one of our main objectives is to raise the level of professionalism in the home based business industry. Throughout our audio programs and live seminars, Dani rebukes the hype, exaggeration and fraudulent misrepresentation that have been so prevalent in this industry. She paints a realistic picture for our clients that they will have to increase their skill level, work hard and not expect instant results. Dani also spends a great deal of her training teaching our clients a step by step system of how to get out of debt. In the last 3 years, we’ve collected well over 1,000 testimonials from people who have paid off hundreds of thousands of dollars of consumer debt. I am pointing these things out to demonstrate how much we are on the same page with the intentions of the FTC to protect the American Consumer. We are proud to report that many of our clients have abandoned the potentially fraudulent methods of promoting their business for a system that allows them to professionally present their business opportunity with realistic expectations.

With all of the progress we are seeing in helping clean up bad behavior in the home based business industry, we have deep concerns about the proposed FTC Business Opportunity Rule.

1. The 7 day waiting period immediately puts a cloud over a direct selling program, giving it a negative image. In the electronic age, people are accustomed to prompt service. Having someone wait 7 days is not only impractical but it also opens the door for record keeping and administrative problems for companies who are already complying with existing FTC regulations. Buy back policies are already in place for companies to legitimately deal with consumers who may have been coerced into impulse buying decisions. The 7 day waiting period would put a serious burden on good standing companies who diligently follow FTC rules and regulations.
2. Elimination of the \$500 business threshold lumps the average home business seeker in with people seeking to invest larger sums of money. In many cases, a person can start a home based business by ordering a direct sales kit which is typically under \$50. Franchise business opportunities should remain a separate category due to the major differences in investment level and procedures.
3. As for litigation reporting, there are already channels in place for anyone to research and discover any litigation against any company. The way the proposed legislation is worded would not provide distinction between winning and losing lawsuits. Reporting all litigation regardless of the outcome would be irrelevant and time consuming.
4. The “bad Actors” targeted in the earnings claims section of the proposed legislation are more than likely not going to provide accurate data. We encourage

- accuracy and honesty in all testimonials regarding earnings. Also, there are already strong restrictions in place on disclosure of earnings. Additional legislation here will just create unnecessary difficulties for legitimate companies.
5. Providing references of the “10 nearest existing sales people” asks companies to compromise basic privacy issues. This would put a burden on legitimate companies and violate the trust of its independent representatives. This could also open a huge door for corporate liability in the case of identity theft. It would also be easy for fraudulent companies to provide a fraudulent list of “references”. We don’t see that this legislation would provide a significant deterrent to fraud businesses.

In conclusion, we at DaniJohnson.com are as committed as the FTC to protect consumers from fraudulent business practices within the home based business industry. We have made great strides in developing our clients into professional businesspeople with the highest of moral and ethical standards. Even with its good intentions, the proposed FTC Business Opportunity Rule will do significant damage to legitimate companies who are committed to complying with the already tough FTC standards. Please remove this proposed legislation from consideration and allow organizations like the Direct Selling Association and DaniJohnson.com to influence companies and their representatives to uphold the current laws, and set the appropriate examples to be followed. We currently have everything we need to deal with fraudulent behavior and we will continue our efforts to rid this industry of those who choose not to play by the rules.

Thank you for giving this letter serious consideration.

Sincerely,

John Poletti