

July 10, 2006

Federal Trade Commission
Office of the Secretary
Room H-135 (Annex W)
600 Pennsylvania Ave., N.W.
Washington, D.C. 20580

RE: Business Opportunity Rule, R511993

Dear Federal Trade Commissioners:

I am an honest, hard-working individual who decided nineteen years ago to go into business for myself and for my family. Business Opportunity Rule, R511993, could put me and the thousands of individuals I work with out of business. I cannot believe that the FTC intended for this to happen.

My name is Keith Otto and I am an independent business owner and a representative with Primerica Financial Services, a member of Citigroup. Primerica is a solid financial services company that helps families get out of debt, offers protection to families in the case of the death of a loved one and provides important savings strategies to individuals who may not have otherwise saved for retirement, their children's education or even emergency expenses.

I am 41 years old from the state of New Jersey and, in 1987, was introduced to the Primerica business. Within a few months, I obtained my life insurance license and was able to, within a very short period of time, pay off all of my credit cards and other debts and begin to save. Today I am financially independent.

Primerica is a financial services company whose major competitors are household names like Prudential and New York Life and we also sell mutual funds from Van Kampen, American Funds, Oppenheimer, Legg Mason and over thirty other fund companies. Although our company is heavily regulated by state and federal regulators like our competitors, your Business Opportunity rule sweeps us and not our competitors into a rule designed for frauds, which we are clearly not.

Primerica representatives are small business owners. We are responsible for our own business expenses from office rent to the cost of yellow sticky notes. Nobody is forced to join our sales force, and we certainly are not forced to show up to work each day. **The proposed business opportunity rule will add astronomical costs to our administrative budget and will be an absolute deterrent for prospective recruits.** We will be required to pay for the cost of printing the disclosure statement, whether it is printed by the company and the costs for printing and shipping are passed onto us or whether we print it using our own printers, paper and ink cartridges. As a primarily part-

time sales force, we will lose hundreds if not thousands of existing representatives due to the sheer amount of time and effort that will be needed to create, print and then coordinate the delivery of the disclosures. This business is hard enough without these additional burdens.

The seven day waiting period is extremely troubling. Not for the obvious reason that people will simply change their minds in seven days. In our business, the decision to join is always one that is made with a great deal of thought. Individuals have to consider whether they are willing to attend classes to learn a new field and to take difficult state-administered tests in order to sell a single product. This requirement is troubling for Primerica because of the time and difficulty involved for our part-time sales force to make even one appointment. These appointments are necessarily made in the evenings and weekends when they are not working their full-time jobs. The seven day wait period will mean that twice as many meetings will need to be set up; the inconvenience to potential recruits will be doubled; and representatives will struggle with scheduling issues as they try to coordinate each meeting so that at least seven days have expired since their last visit. **Once you calculate the time and effort spent, along with the inconvenience and time conflicts that will occur with twice the number of meetings, and you factor in the fact that we have a volunteer sales force – it's not hard to see that our business will break at the seams fairly quickly.**

I understand that there are swindlers who lure innocent people into scams and that these people must be dealt with, both for the protection of consumers and to protect the integrity of an otherwise legitimate industry. However, I believe that this rule unfairly jeopardizes the viability of companies that are doing nothing wrong and that have adequate measures in place to effectively guard against the kind of fraud the FTC is intending to target.

Please reconsider the proposed business opportunity rule. The entire industry – one built by millions of hard working entrepreneurs who embody the American dream of self-sufficiency and success – lies vulnerable to a vicious blow that will effectively destroy our businesses.

Yours truly,

Keith Otto