

**SAC COMPANY**
[REDACTED]
[REDACTED]

July 8, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)
600 Pennsylvania Avenue, NW
Washington, DC 20580
RE: Business Opportunity Rule, R511993

Dear Sir or Madam:

I am writing this letter because I have great concerns about the proposed Business Opportunity Rule R511993. I believe that in its presented form, it could prevent me from growing a new business that could, if our business plan is successful, generate over 400 made-in-the-USA jobs in 3-4 years.

Let me explain. The CEO of SAC COMPANY is Steven Corte. Steve is a blue-collar guy, having run machines at General Motors to make transmissions for 25 years. He was also a constant exercise and workout enthusiast who was diagnosed with a serious form of multiple sclerosis in 1997 that caused him to lose 80% of his bodily function. While only given 3 years to live with the likelihood of having to use a wheelchair and nursing home for the remainder of his life, he invented an exercise product that allowed him to regain the majority of his strength back. He is in amazing shape 8 years later, causing his doctors to marvel.

We have a patent pending on his product and as a person with disability business enterprise, have chosen to manufacture the product in the USA. Because this product is so simple, it requires a personal demonstration to a prospective customer. We've found from experience that a legitimate product that requires hand-on demonstration works best with a direct sales effort. And previous success in using the network marketing channel has shown that regular people who have limited funds to get into a personal business can make from a modest to a major income with this approach to doing business.

We plan to extend this device into the disability community as well, to offer those with disabilities a chance to help other people through greater exercise while making money part-time or full time as a distributor and sales person.

We feel strongly that making products in the USA is important to keep jobs and, by our plan, well-paying jobs available to US citizens, even though we could likely make greater profits by taking these jobs overseas. Steve is a common man and understands that regular Americans need opportunities that are not choked with regulations and restrictions due to the negative practices of a few bad apples in any industry.

I personally have used the network marketing technique before in 1997 with HTEUSA selling Chi Machine exercise equipment as well as another firm offering other health and wellness products. My family benefited from my ability to get into those distributor opportunities easily, which added several thousand dollars of income per month for part-time work. We know network marketing can be a positive way to do business for a family or for an individual.

Unfortunately, as in most industries, there are people who cheat the system and take advantage of individuals by offering shoddy merchandise or offering get-rich-quick schemes. Yet you'll find these same kinds of problems in real estate, stock sales, non-profit appeals and many other industries. Why don't these industries have the same kind of ruling to protect buyers from fraud? It's likely because the fraud statutes are seen as sufficient, when enforced. Network marketing should be the same.

The Business Opportunity Rule R511993, while well-intended, has some serious flaws that could put my newly-start business under and represents one more reason why I should question whether to make and sell this product in the USA. By requiring a waiting period for network marketing businesses only, and not many of the other industries that benefit from a rapid customer decision, my customers will get the idea that all network marketing opportunities contain something to be wary of. The Uniform Commercial Code already provides a three-day full-refund opportunity if someone has buyer's remorse. In addition, while our product carries a full 60-day money back guarantee and the SAC COMPANY distributor deal will likewise support those who change their mind with 90% product refunds up to one year, including sales kits, we will now have to endure another set of regulations that will only add paperwork and headaches to our business. The 7 day waiting period only puts up barriers to doing business with legitimate customers and companies such as ours—it will not deter those who seek to cheat customers out of their money. The paperwork requirement to ensure this seven-day period is met will create unduly amount of administrative costs that will decrease my competitiveness. No other exercise manufacturer has to follow these stringent requirements, which puts me at a disadvantage.

You are unfairly singling out this network marketing industry on small purchases compared to other industries such as automotive, housing, mortgage companies, and other high-dollar consumer items such as televisions, appliances and more. My son's godmother recently lost her home to an unscrupulous mortgage lender who cut a deal that had confusing terms and she now is homeless. Where was the waiting period for this transaction that resulted in the taking of a person's home?

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. While I am more than happy to provide references, I am not comfortable giving out personal contact information to strangers, which goes against our privacy policies. As you know, there could be serious consequences if predators used this technique to contact people in their area, especially if this release resulted in any kind of personal or racial attack. If you require this component, then I am asking for protection from liability for sexual or racial attacks related to this disclosure. This new rule must also bind the FTC to take direct enforcement action on sexual and racial attacks with a special unit assigned to monitor actions related to the disclosure forms.

This rule does nothing to overcome the cheats and frauds who prey on innocent victims. That will continue even if this rule is adopted in its present form. Instead, honest American business people such as myself, and my CEO Steve Corte, will have greater difficulty in getting our American businesses going. It may even put us out of business due to the nature of our product requiring personal demonstration in order to understand our important product that can help combat obesity and give hope for those with limited mobility or disability.

Don't penalize us due to the efforts of a few miscreants. Enforce existing laws that were designed to stop this same problem you now seek to deter with new business rules.

Sincerely,

A large black rectangular redaction box covers the signature area of the letter.

AJ Deeds
President and Chief Operating Officer