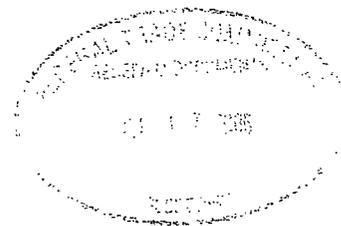


522418-70304



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

RE: Business Opportunity Rule, R511993

Cc: The Honorable Cliff Stearns, Chairman,
Subcommittee on Commerce, Trade and Consumer Protection
U.S. House of Representatives
The Honorable U.S Representative Dan Burton (Indiana)
The Honorable U.S. Senator Richard G. Lugar, (Indiana)
The Honorable U. S. Senator Evan Bayh, (Indiana)

From: Marilyn L. York

[REDACTED]

Dear Sir or Madam:

I am writing this letter to express my extreme concern about the proposed Business Opportunity Rule R511993. While I understand the responsibilities of the FTC to protect the public from "unfair and deceptive acts or practices" I believe that this proposed rule could seriously jeopardize my financial future. **I am writing to request that Business Opportunity Rule, R511993 NOT be implemented.**

I am 68 years old, and have been an Independent Distributor with Young Living Essential Oils for almost 5 years. I originally became involved with the company because of their quality products. Later on, I furthered that involvement so that I could earn additional income to supplement my small \$480 per month Social Security check. Today, my monthly check from the company has grown to the point that I can finally sustain my monthly health needs, as well as my on-going monthly expenses. **The proposed rules, if implemented, could threaten my financial future--dramatically, and IMMEDIATELY!!**

Aside from my own personal situation, I am actually very surprised that the FTC would even consider implementing the provisions of Business Opportunity Rule R511993. Surprised, because they seem "punitive" in intent, and especially surprised since the **entire Multi Level Marketing Industry currently generates over \$20,000,000,000.00 (billion) into the U.S. economy** (based on the most recent figures I have encountered). In fact, the very nature of the proposed ruling suggests that the FTC does not truly

understand that **the vast majority of the 13,000,000 Independent Distributors involved in Direct Marketing companies, nationwide, conduct business ethically and honestly every day, and that such a ruling could potentially threaten the very livelihood of these individuals.**

Moreover, when one considers the "roll-over" effect that that \$20,000,000,000.00 (billion) stimulates in additional monies into the economy from industries peripherally involved with those companies--and which can include (but not limited to) **jobs** in manufacturing of the products, **jobs** in the financial institutions that process those funds, clerical and data-processing **jobs, jobs** via raw materials purchases, **jobs in** advertising, **jobs** in communications, computer technology, order processing, warehousing, packaging, printing, transportation, commercial real estate, etc., etc.-- it is truly sobering.

In fact, one of the standard roll-over rates utilized in other industries (such as in the Travel and Tourism Industry) is a 2 ½ times roll-over rate. **Utilizing that 2 ½ roll-over rate would suggest that the Direct Marketing Industry is generating upwards of \$90,000,000,000 (Billion) into the U.S. economy. Plus, because of those 13 million Independent Distributors, even the U.S. government is a beneficiary--via the income taxes it collects.**

I am additionally surprised, because currently not only are many Schools of Business in major Universities including Direct Marketing courses in their curriculum, but some major, national corporations have developed independent divisions within their companies that utilize the Direct Marketing Distribution method for their products, in addition to their regular retail sales methods. (It is estimated that upwards of 39% of all goods are distributed in the U.S. via Multi-Level Marketing. By comparison, in Japan, over 60% of ALL goods and services are distributed by the Direct Marketing form of distribution.)

Plus, I recently had a vendor booth at a **Business Expo co-sponsored by the U.S. Small Business Administration and a leading international banking institution.** The event was specifically designed to showcase Multi Level Marketing companies to prospective consumers, and of the almost 100 vendor participants ALL were Independent Distributors of Direct Marketing Companies. Representatives from both Sponsors of the event observed to me that their respective organizations were sponsoring the event because their respective institutions had become VERY aware of the significant dollars being generated into the economy by Multi-level Marketing companies, through their Independent Distributors.

I am specifically concerned about the following sections of proposed Business Opportunity Rule R511993:

Seven-Day Waiting Period:

One of the most confusing sections of the proposed rule is the 7-day waiting period to

enroll new Distributors. Young Living's Starter Kits cost only \$50.00, and each kit contains products, samples, training materials, etc., worth far more than the sale price. When a Starter Kit is purchased, the purchaser becomes a Distributor and is granted special discounted pricing on all orders. No commissions or other compensation is paid on these kits, and the company just covers its production costs.

Potentially requiring this 7-day waiting period would give the impression that there might be something wrong with the company or the compensation plan. I also think this 7-day waiting period is unnecessary, because Young Living fully refunds this cost if the customer decides to send it back. Requiring a 7-day waiting period before a distributor is allowed to even place an order would be destructive to my business as well as that of thousands of distributors who are building a business around Young Living's products. Additionally, it would also be extremely burdensome for me to keep such detailed records of when I spoke with every single person about Young Living, and would create lots of unnecessary paperwork to have to send these reports to my company headquarters. (Thus, on the surface, it seems to me that if this rule is imposed, it would be easier to buy a handgun, than to enroll in a Direct Marketing company).

References

The proposed rule requires the disclosure of a minimum of ten 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 personal information of individuals, particularly without their approval to strangers.** Moreover, I would need to send the address of the prospective purchaser to Young Living headquarters, and then wait to receive the list.

I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a distributor: "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.** Furthermore, Young Living simply does not sell "business opportunities" in this fashion.

Litigation

The proposed rule also calls for the release of any information regarding lawsuits involving misrepresentation or unfair or deceptive practices--**regardless of whether the company was found innocent or not.** 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 Young Living were found guilty. Otherwise, this company and I are put at an unfair disadvantage even though the company has done nothing wrong.** To release this information would be misleading to prospective distributors.

Cancellation

Some people decide to stop purchasing from Young Living after a period of time, or purchase very sporadically and lose their distributor status. **As with any large business, this amounts to tens of thousands of individual customers who no longer order from them each year. Maintaining such lists and providing them to every potential distributor and wholesale customer would be an unrealistic burden.**

Exemptions

For about 25 years the FTC's Franchise Rule included only those opportunities that required a buyer to make a payment of at least \$500 within the first six months of operation. Any buyer making payments of less than \$500 within the first six months was exempt from further requirements. The April 12, 2006 proposed Business Opportunity Rule, R5111993 completely eliminates this \$500. Exemption.

In 1979, to justify the reasonable \$500 exemption, the FTC wisely said: "When the required investment to purchase a business opportunity is comparatively small, prospective purchasers face a relatively small financial risk." This is still true today.

This exemption is necessary because without such an exemption, the proposed rule places an unreasonable burden on tens of thousands of Young Living distributors, like myself, as well as on the 13 million Network Marketing and Direct Selling Distributors throughout the U.S. This would be devastating to the growth of my business, and that of millions of Americans. I believe that the proposed application of this rule to my business constitutes an unjustified overreaching. Please reinstate at least a \$500 exemption.

I appreciate the work that the FTC does to protect consumers, yet I believe that the proposed Business Opportunity Rule, R511993, if implemented, could have many unintended and deleterious consequences, and that there are less burdensome alternatives available to achieving your goals. I respectfully request that Business Opportunity Rule, R511993 **NOT** be implemented.

I thank you for your time and thoughtful consideration of my deep concerns and request.

Respectfully,

Marilyn L. York