



Federal Trade Commission/Office of the Secretary, Room 11-135 (Annex W)
500 Pennsylvania Avenue, NW
Washington, DC 20580

RE: Proposed Business Opportunity Rule, R511993

I am sure detailed analysis on all major points of this proposed rule has been provided by industry trade associations like the DSA and MLMIA and well as by many leading companies in the industry.

My perspective is not from that level. My opinions are from the grass-roots, the concerns of the small, home-business owner. I am one of the many millions of hard-working American citizens who earn my livelihood from this industry, and in fact, have done so for the last twenty years. Some of the provisions of this proposal seem inherently biased against the home-based business owner, and in fact, are blatantly unfair.

- For instance, the proposal that would require a prospective sales associate to wait seven days after the sales presentation to actually join the business is an abusive requirement that would inhibit growth and moreover, a practice that is not found in any other business transaction. In most business transactions, there is a contractual period of time after signing that the prospective sales associate can rescind their decision. This is fair; this is appropriate and in this case the seven days is not unreasonable. Having this up front delay does not in any way help the customer. Most of my new customers/distributors are very anxious to get their product; if they had to add a seven day waiting period onto the delivery of that product, it would be entirely unacceptable to them.
- Requiring direct sellers to provide information and identity of ten sales associates in close geographic proximity to the prospective salesperson would not only be a logistical nightmare, and frankly, I think simply could not be done in many instances, the more frightening part of this is the dramatic invasion of privacy it engenders. I am a female; many – in fact most of the self-employed, hard-working Americans in this industry are female. Many are single-parents without sophisticated security in place. The potential for identity theft and for even more frightening physical threats because my personal information has been given to strangers is really beyond the pale. This simply creates an open opportunity for sexual predators.
- Some parts of this proposed rule are simply onerous; requiring direct sellers to release any information about prior litigation –EVEN IF THEY WERE NOT AT FAULT – creates a negative unwarranted stigma for parties involved.
- Today as I understand it, if an opportunity has an initial investment cost below \$500 (In the case of my company it is a mere \$35) then they are below the expenditure that triggers the FTC franchise rules. With this proposal, our very

minimum investment home-based business would be subjected to the same onerous record keeping and disclosure rules that apply to franchises. This type of constraint overburdens the small one-person operation. Small business contributes mightily to the US economy, in fact has been a major growth segment of the US economy. This free enterprise should not be squelched by burdensome bureaucracy.

If the goal of this proposal is to attack sleazy “fly by night” marketers of false and deceptive direct selling practices; I believe the FTC today has the enforcement clout to do so, and we applaud them for that! This proposal adds nothing to that quest. In our industry, no one – not the customer, the companies, nor those of us who are currently distributors, benefit by the negative business environment created by a few bad actors. But this proposal, risks the livelihood and future of approximately 14 million, hard-working, honest Americans and that is simply not necessary.

Respectfully submitted,

Mary E. Richmond