



Pre-Paid Legal Services<sup>®</sup>, Inc.

Tuesday, May 16, 2006

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

Dear Sir/Madam

RE: Business Opportunity Rule, R511993

I am writing in response to the proposed New Business Opportunity Rule R511993, if not modified, will be a significant impediment and burden to the network marketing industry. This new rule, although well intended, represents a significant burden to the free market trade.

The proposed rule would require a de facto seven-day waiting period to enroll new distributors. In essence, one would have to sell a person twice on the same business—even if the start-up fee is a mere \$19.95. While I support some of the disclosures with modification, I am opposed to a seven-day waiting period because it is excessive burden to any company and distributor who would be required to document and follow-up on the process and an impediment to new business development

The rule requires that any earnings claim statement made by the distributor or company to a prospect, whether written or oral, general or specific, be validated with a detailed "Earnings Claims Statement Required By Law." Additionally, the distributor would be required to provide written substantiation of any earnings claim made upon request. I support the disclosure of an average earnings income statement because it is good business practices to establish realistic expectations. However, I oppose being forced to provide written substantiation because it is an excessive burden considering the investment of money to enter into the business is nominal.

The rule also calls for the release of any information regarding prior litigation and civil or criminal legal actions involving misrepresentation, or unfair or deceptive practices, even if you were found innocent. In our lawsuit-happy culture, anyone can be sued for anything almost with impunity. Irregardless of the outcome, you would have to disclose it and explain it to a new business associate which is patently unfair.