

May 28, 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/Madam,

I am writing in response to the proposed New Business Opportunity Rule R511993 that, if not modified, will become a significant impediment and burden to the network marketing industry as well as my individual livelihood. This new rule, although well intended, contradicts the very foundation of our free market economy.

The proposed rule would require a de facto seven-day waiting period to enroll new distributors. If instituted, the net effect will result in having to give the same business presentation twice to each person—even if the start-up fee is a mere \$19.95. While I support some of the disclosures with modifications, I am opposed to a seven-day waiting period. It represents an excessive burden to any company and its distributor force.

Earnings Disclosure: This rule requires any earnings claim 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 represents good business practices and works toward establishing realistic expectations. However, being forced to provide written substantiation is an excessive burden, especially considering the nominal investment required to enter the business.

Previous Litigation: This 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 addition to relevant legal actions, the implementation of this rule would require the disclosure of any and all frivolous lawsuits, regardless of outcome. It represents an unfair burden placed upon business associates. I would only support the disclosure of previous litigation whereby the claims involve fraud and the defendant is found guilty. Any action whereby the defendant is found not guilty, the opposing parties agree to settle without admission of guilt, or the case is still pending, should not be accountable to this rule

References: This rule requires the disclosure of a minimum of ten (10) purchasers closest to you.

While it is a good practice to provide references of satisfied customers, this is a burden for small businesses and, as a requirement, a violation of personal confidentiality. Requiring the release of this information can potentially threaten the business relationship with references anonymously involved in competing companies or businesses. In addition, it subjects these references to possible cross marketing by competitors. I am recommending purchaser contact information available upon request, published on company materials and not limited by geographic proximity to the inquirer.

Like many Fortune 500 companies today, the network marketing industry has powerful companies validated by Wall Street including Herbalife, NuSkin, Pre-Paid Legal Services, USANA, Natures Sunshine Products, Mannatech and more. Today, network marketing strategies are utilized by Citigroup, MCI and IBM. Top business management leaders and *New York Times* best-selling authors Robert Kiyosaki, Paul Zane Pilzer and Dr. Steven Covey, have strongly endorsed network marketing.

Network marketing is growing in popularity and significantly contributes to the U.S. economy. This growth should be fostered. There are 13 million Americans involved in the network marketing industry today. According to Dr. Charles King, Professor of Marketing at the University of Illinois, in his book, The New Professionals, “Within the next ten years, one out of every two Americans will be involved in network marketing.” In 2003, sales of products and services through network marketing were estimated at more than \$29 billion.

I have been involved within the network marketing industry for more than 14 years. Because of its method of advertising and distribution, companies within the industry have the financial resources to produce the finest products. Because of these same methods and the resulting compensation plans, distributors have the potential to provide more for their families. Over the last 14 years, I have met some of the finest people, used the best products, received more personal growth and development and created more discretionary income through network marketing. This home-based business has allowed me to work from home, retire my wife and raise our son together with our values.

I understand, respect and value the role of the FTC. However, I believe this proposed new rule exceeds what is necessary and requires significant modifications. We live in a free market economy where people have the individual responsibility of making informed decisions based on best information. Please legislate to support, not hamper, the free market.

Sincerely yours,

Jason Domingo
President, Ovation Marketing Group, Inc.