

Tim Mangrum

June 4, 2006

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

I am very concerned about the proposed Business Opportunity Rule R511993. I believe that it could prevent me from continuing as a Mannatech Inc. Independent Consultant and hurt my families financial and physical well-being. There are major problems with how the proposed Rule is written.

While part of the FTC's responsibility is to protect the public from "unfair and deceptive acts or practices," this Proposed Rule would not only NOT produce that effect, it is discriminatory against people who want to own their own business but are not wealthy enough to open and operate other business models. Single parents and low to mid-income families would be prevented from or at least penalized for operating their on direct selling business.

The seven-day waiting period is ludicrous. Mannatech's sales kit costs only \$40. People buy cars, electronics, houses, invest in stocks, and spend much more money on many other purchases that does not come with a seven-day waiting period. That is not only absurd, it also gives the appearance that there is something so wrong with it that it has to have a waiting period. Spending \$40 dollars to start your own business is not equal to having to wait to buy a handgun so that if you were planning to murder someone with it in a moment of passionate distress and anger you could cool down before taking such a horrible action. It is also unnecessary because Mannatech already has a 90% buyback policy for all products including sales kits purchased by a salesperson within the last 12 months. That is much more protective of a consumer than a 7 day waiting period.

The waiting period requirement would also be burdensome as it would require much more detailed record keeping of each person I speak to about Mannatech, Inc. and I would have to submit many reports to Mannatech, Inc. headquarters.

The proposal for the release of ANY information regarding lawsuits involving misrepresentation, or unfair, or deceptive trade practices is a bad idea. Even doctors, politicians, and banks don't have to release such information and people have much more risk from them than from Mannatech, Mary Kay, Avon, Creative Memories, or the scores of other consumer product providers that are sold through personal relationships.

In this age of rampant frivolous lawsuits when anyone can sue anyone for almost anything whether it is true or not, it would be ridiculous and harmful to this business. All it takes to

damage the reputation of an entity is to publicize an accusation. The public does not follow up and find out if it is true or not or what the eventual outcome is. All they remember is that such and such is suspect because they were accused of something. Mannatech and me personally would be put at an unfair disadvantage to big box retailers that often sell much inferior or even harmful products without such burdens.

Finally, the proposed rule requiring the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I often provide references, in fact that is the essence of direct selling or network marketing. It is people telling people they have relationships with about something that may provide them benefit. It makes it easier to sell something to someone if they personally know others that have benefited. This proposed rule is not only unnecessary, it would invade the privacy of people that do not know the person I am talking to about my company.

This would be damaging to the business relationship with the people whose information was given to strangers. I would not want to be part of a company where other people would be giving my information to people I did not know. In this day of identity theft I cannot believe that such a clause was even submitted. It is beyond asinine. Having to contact the company to get such a list of 10 references would also add expense and more workload to my work.

If a sincere effort to help weed out the bad guys from the direct selling agency is the goal then it would be logical to consult industry leaders and organizations for help and input. We would welcome such an approach as the majority of direct selling companies would like to get rid of or at least limit the few bad apples that reflect badly on our industry.

I have been a Mannatech distributor for 16 months now and have benefited greatly. Firstly, the products have improved my family's health, reduced the amount of harmful prescription drugs we have to take, and relieved (albeit in a small way) our over-loaded medical industry. It has also contributed to the economic well-being of my family by subsidizing my income and likewise I have helped many others do the same. The people I have helped start businesses and myself are all taxpayers and consumers. So that extra income benefits the economy and adds to the coffers our government can utilize. My family now depends on this income to supplement our budget.

I appreciate the work the FTC does to protect consumers and help business. I believe this proposed ruling will not be towards that end. It would produce many unintended consequences and there are many better alternatives available to help the FTC achieve its goals. I again suggest that the FTC involve the industry in addressing issues which would impact the industry.

Thank you for your time in considering my comments.

Sincerely,

Tim Mangrum