

Dana Dyer Pierson

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Good afternoon,

I am writing this letter because of my profound concerns with the proposed Business Opportunity Rule (R511993). While I applaud and support any reasonable, effective, and enforceable legislation aimed at those individuals who blatantly and criminally abuse consumer trust, I cannot describe R511993 in these terms. The rule, in its present form, is too vague and comprehensive to truly have any positive impact. I understand that the FTC is committed to protecting the public from “unfair and deceptive acts or practices,” yet, ironically, this very rule would serve to destroy the businesses of many honest businesspeople – who are, unquestionably, members of that same “public” it seeks to protect. I agree that people are taken advantage of by unscrupulous recruiters, but this proposed rule will punish many hundreds of thousands of upstanding, honest, and reputable businesspeople, when the goal should be to TARGET those INDIVIDUALS most deserving of such sanctions.

I have been a Pure Romance consultant for just under a year. I joined this company because I felt that there is a profound need for women to have access to reliable information and trustworthy, affordable relationship-enhancement products, and that Pure Romance addressed that need in a sophisticated, informed, reputable, and up-scale manner. My husband and I decided that Pure Romance was a viable opportunity for me, one of which I could be proud, and I signed on so that I could make an even larger contribution to our adoption fund. Quite literally, the future of my family is dependent on the stability of the direct selling industry.

One of the most confusing, troublesome, and burdensome elements of the proposed rule is the seven-day waiting period to enroll new consultants. While I understand the need to protect the uninformed from predatory, high-pressure recruiting tactics and unscrupulous quota-driven managers, I am concerned that this very element of the rule will make it nearly impossible for even the most reputable sales persons to recruit new members to our company. It is clear that it is not the behavior of these reputable salespersons which drive the need for this rule, so to say that “I would never” or “my company would never do that” is irrelevant. To impose such an industry-wide sanction WILL negatively impact far more honest people than it protects, so I urge you to abandon – or greatly redesign — this particular aspect of the rule. This waiting period gives the impression that there might be something wrong with the company or the compensation plan, and that is an unfair stigma to attach to our industry. What is more reasonable is a period in which the new recruit has the option to step away without penalty, and even that should be a matter of company policy rather than federal mandate.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent – or even, if no such complaint has even been made against it! As we all know, there are millions who abuse the legal system with frivolous lawsuits, and this industry is particularly vulnerable to this type of suit. To have to disclose these cases would be more damaging to the innocent than a deterrent to the guilty.

Finally, the proposed rule requires the disclosure of a minimum of ten prior purchasers nearest to the prospective purchaser. I simply cannot nor will not betray the trust of my customers in such a fashion, and unless I, myself, am directly, personally charged with criminal wrong-doing and those actions result in subpoenas of my personal records, there is no reason for me to release the identities of my customers to ANY ONE. My company sells products of an intimate nature, and if I were forced to disclose the identities of even ONE of my customers, I would be out of business. How could I, in good conscience, ask anyone to trust in my discretion and professionalism if I know that I will be forced by the FTC to betray that hard-earned trust? My current practice should be sufficient: If a potential recruit wishes to discuss the opportunity with another consultant, I send her information to my team and ask one of them to contact her. There is no reason why the privacy of my customers should be so violated. If she wanted to speak to a customer, I would need some very viable reasons for such a conversation.

To conclude, I believe that these proposed rules punish an entire industry, when what is needed is effective, local legislation which can target those individuals who DO abuse the public trust. Assuredly, there are more effective and balanced ways to address this problem than this ill-conceived and burdensome new rule. This rule currently resembles an industry-wide witch hunt, when what is needed is more powerful tools to punish and stop those individuals who prey on the unwary.

Thank you for your time in considering my comments.

Respectfully,

Dana Dyer Pierson