

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

Re: Business Opportunity Rule, R511993

Dear Sir or Madam:

I am writing to express my concern over proposed rule, R511993. This rule could potentially be extremely detrimental to my business, and other small businesses.

I am a work at home mother, a professional psychotherapist who made the choice to leave the “corporate” world so that I could stay at home and raise my child myself. Until recently, I was considered a “stay at home mom,” but last year sought and found a wonderful work-at-home business opportunity and decided to pursue it.

My husband and I own Blue Cottage Collectibles, LLC, which is now in the process of recruiting independent consultants. Currently, we have six enterprising work-at-home moms who have joined our team and are working to build a business, based upon the opportunity we provide. We have been experiencing slow but steady growth, just as we’d planned. The proposed rule, however, would potentially harm our growth, and might ultimately lead to our closing our business.

We have found, not only in our business, but in any type of business, people act when they are enthusiastic about a product, service, or opportunity. If they wait, more often than not, they will forget about it, and they will never act. If potential consultants are forced to wait for a period of time, although they might still sign on to a consultant plan, they will have already lost some of their initial enthusiasm, meaning that they will not be as excited to begin their new business, and they will not act as they would have, had they been allowed to sign up when they want to do so.

It is well known in direct sales that the first weeks and months after a consultant signs on are critical to their building a successful business. When they are excited about the opportunity, they will be eager to work their business, and to spread the word about their new opportunity. The longer they have to wait to be able to start, the more they will lose enthusiasm, the less likely they will be to succeed.

In essence, this proposed rule might not be setting up the “parent” businesses for failure; more importantly, it may be setting up the CONSULTANTS (in other words, the people you are trying to protect!) for failure! If a consultant does not act while his or her passion is running high, her his/her business will not succeed, and he or she will likely withdraw from the company.

In addition to the mandatory waiting period, I take serious exception to the proposed mandatory disclosure of personal information. This is a serious violation of consultants’ right to privacy! If I were in a situation in which my personal information would be shared with potential recruits

without my knowledge or consent, I would seriously consider withdrawing from any and all direct sales companies. I am certain that others share this sentiment about personal information and their right to privacy. What will happen to direct sales businesses if this proposed rule is passed, and people, in order to protect their privacy, begin to withdraw from direct sales companies en masse? How quickly would the direct sales companies shut their doors? How would that impact the economy?

There is another issue with regard to divulging personal contact information about current consultants: the unethical practice of “harvesting” contacts to try to recruit them for another company.

If this proposed rule is passed, and a direct sales recruiter is unethical, she may inquire about consultant opportunities with a rival direct sales company. She would then receive a list of people who are PRIME CANDIDATES for direct sales business opportunities: those who have already signed onto a program! She could then contact all of the people on the list, and try to persuade them to join HER company.

Recruiters pay a good deal of money for targeted leads, in effect, people who have expressed some interest in direct sales businesses. Through your proposed rule, not only would you force companies to provide targeted leads to unethical competitors FOR FREE, the leads list would be even more targeted: those who not only are interested in direct sales, but those who are interested enough to SIGN ON to a company!

In summary, I believe that this proposed rule could be devastating, not only on my small business, but also on the direct sales industry as a whole. I urge you to reconsider this rule.

Thank you for your time.

Sincerely,

Donna Lauritzen