

John & Carolyn McNaughton  
John A. McNaughton, Inc.

June 16, 2006

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 & Madam,

We are writing this letter because we are concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent us from continuing as a Mannatech Distributor. We understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices", but some of the sections in the proposed rule will make it very difficult if not impossible for me to sell Mannatech Products.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors. Mannatech's sales kit is FREE. People buy TV's, cars, and other items that cost much more than that and they do not have to wait sever days. This waiting period gives the impression that there might be something wrong with the plan. I also think this seven day waiting period is unnecessary, because Mannatech already has a 90% buyback policy for all products purchased within the last 12 months. Under this waiting period requirement, we will need to keep very detailed records when we first speak to someone about Mannatech and will then have to send in many reports to Mannatech headquarters.

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. Today, anyone or any company can be sued for almost anything. It does not make sense to me that we would have to disclose these lawsuits unless Mannatech is found guilty. Otherwise Mannatech and us are put at an unfair advantage even though Mannatech has done nothing wrong.

Finally, the proposed rule requites the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. We are glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references that may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, we will need to send the address of the prospective purchaser to Mannatech headquarters and then wait for the list. I also think the following sentence

required by the proposed rule will prevent many people from wanting to sign up as a salesperson “I you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers”. People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

We have been Mannatech Distributors now for one year. The products Mannatech distributes have led directly to a better quality of life for my 87-year-old parents. Without them, my father would be DEAD and my mother would be alone. They have literally saved his life (doctors have agreed!!). We have a MISSION at Mannatech to tell everyone about these products and if you pass these new rules it will become apparent that the mission will be compromised. More than one doctor I have spoken with has told me this is one of the most important medical discoveries in the history of medicine. I want to make this mission my life work. PLEASE listen.

We appreciate the work of the FTC to protect consumer, but we believe this proposed new rule has many unintended consequences and that there are less burdensome alternatives available in achieving its goals.

Thank you for your time and consideration.

Sincerely,

John & Carolyn McNaughton