Cathleen Jones
Independent Beauty Consultant
Mary Kay

June 22, 2006

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a Mary Kay Independent Beauty Consultant. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell Mary Kay products and recruit new team members.

I have been a Mary Kay Independent Beauty Consultant for only 1 year, but have seen what a difference it is making, not only in my life, but the lives of others. Originally, I became an Independent Beauty Consultant in my company because I felt the products were exceptional and I wanted to earn some additional income. Now, I am having to leave my career field of 20 years due to a rear-end accident and my family will be partially supported through my direct selling business. The future of my family is dependent on the stability of the direct selling industry.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new Independent Beauty Consultants. The Mary Kay sales kit only costs $100. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because Mary Kay Inc already has a 90% buyback policy for all products purchased by a salesperson within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about Mary Kay and will then need to send in many reports to my company 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 I would have to disclose these lawsuits unless Mary Kay is found guilty. Otherwise, Mary Kay and I are put at an unfair advantage even though Mary Kay has done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am 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 who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to Mary Kay 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 - "If 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. Plus the Mary Kay opportunity affords each Independent Beauty Consultant the option to control their business in the manner they see fit. In some cases, new Consultants only want to work at a personal or "hobby" level and do not plan to market or sell to customers outside of their family and friends.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Cathleen M Jones