

July 3, 2006

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

Ref: Business Opportunity Rule: R511993

Dear Sir:

We wanted to provide the commission with our perspective on the proposed "Business Opportunity Rules" presently being considered. Our involvement goes back some 31 years and we feel will give you some insight into the proposed rules you are considering. We would not be considered among the super stars of the Direct Sales industry. However, this is not because we are or were unable, it is because we have chosen not to do the work necessary.

Our business has provided benefits beyond the monetary ones. Primarily, it provided an atmosphere that was a positive influence on our children during their formative years and has let them grow and become fine citizens.

Prior to personally registering our business we were provided an overview of the concept, how income is derived, and some literature to review. This always seemed a reasonable way to approach explaining our business. We still provide an overview of the concept, how the income is derived, importance of doing the work required, and provide literature to be reviewed. This provides a platform for us to discuss the work and time required to reach any financial goal. The bigger the goal the more time required, i.e., it takes longer to earn \$200 a month than \$100 a month. This is unlike the TV advertisements we see that promise huge monthly incomes within extremely short periods of time.

While formulating rules we feel these rules should create a level playing field. We hope they will be clear, simple, and reflect some type standardized income disclosures that will apply to all Direct Sellers. Of the proposed rules, there are a number of specific issues we would like to address from our perspective:

1. Requiring a 7-day waiting period:

a. A waiting period does not really gain anything and may have a negative effect on the initial stages of getting a business started. When a decision has been made the enthusiasm needs to be harnessed and specific information provided on the steps to take. A waiting period creates an initial barrier during the fragile time to ensure a successful start.

b. Years of hit and miss have led us to believe that we need to be with them from the moment of the decision, be it immediate or later, to guide them to success. We have learned that our approach should be a two step one. First share the concept and secondly meet to discuss their decision. This two step process has worked for us; but, it sometimes takes place at one meeting and sometimes takes place at two or more meetings. However, if not held within a 48 hour period, educational statistics and personal experience reveal the retention of information will be so low as to need to begin from the beginning.

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for all direct sellers.

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- c. We also explain that there is a six month money back guarantee, if they determine that becoming business owners is not for them – for any reason.
 - d. We believe that this guarantee or cancellation policy should be part of the policy
2. Requiring references:
 - a. This proposal would definitely tread on the privacy rights of the individual business owner. Can you imagine having your name and address given out so those interested in the Commissions work could call you at home 24 hours a day, 7 days a week, 365 days per year?
 - b. However, we do have weekly training meetings and encourage prospective business owners to attend and meet the people face-to-face to get a feel for the individuals and their diverse backgrounds as well as our training process. We believe these meetings are enough to allow anyone the opportunity to talk with others in our business to get questions answered.
 - c. At these meetings we personally get a chance to meet prospective new business owners, chat with them, and answer questions they may have in a relaxed atmosphere where they are not the center of attention.
3. Requiring a “Litigation List”:
 - a. This proposed rule is challenging to us in its meaning. If it means disclosure of any litigation pertaining to the operation of our personal business, this is one issue and is one that we have no difficulties with as we have had no challenges in 31 years.
 - b. However, if it means, that we must disclose any litigation, entered into or against any business owner this becomes a different issue. Our business is generally across section of the population of the country and will include those that initially may cross the line. It is our experience that these folks do not last very long and quickly separate themselves, and unfortunately leave a negative legacy behind.
 - c. Quite possibly a check with the Better Business Bureau would give one a better picture of a business operating methodology.
4. Requiring specific earning disclosures:
 - a. We provide information, made available to us by the company, that shows the average monthly gross income of all active business owners. This is required by our internal rules.
 - b. Additionally, we provide a description of how income is derived by the individual and that all income is volume based. In short, goods and services must move to an end user for there to be income.
 - c. There can be an information overload that can choke off a persons ability to make a decision. Therefore, additional disclosures while appearing to assist may only add confusion to the process.
5. Requiring financial substantiation:
 - a. We have never made an issue of what our personal business income is as a part of the information for a new person. When asked, we reply that it is not material, as it is our income

not theirs. Their attention should be to determine the financial

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goals they wish to attain, identify the work needed, the time required and we will help them.

- b. We realize that when visiting our home, etc., some may reach a conclusion on their own as to our income; however, we always point out that our income is diversified and not due solely to our business.
- c. It is interesting to note that we do not have any idea what the business income is of anyone we associate with in business. We also would never dream of asking them for a financial statement or records to substantiate their income. It is income they earned and is no business of ours.

While we hope the above will be of some assistance to the Commission, we would like to once again ask that all rules be simple, clear, and apply to all Direct Sellers. To the extent possible that explanation of income potential be as standardized as possible across the industry. Please do not formulate rules for the one percent while the 99 percent operate honestly and above board at all times. It is good for our economy that there be viable alternatives in the market place where the individual has the opportunity to unleash their entrepreneurial spirit regardless of their background or circumstances.

Sincerely,

s/Tracy & Sandy Baker