

JoAnn SkyWatcher
Way Healthy Young Living Essential Oils

July 5, 2006
Re: Business Opportunity Rule R511993

Dear Sir or Madam:

I am concerned about the proposed Business Opportunity Rule R511993. I believe that this proposed rule could prevent me from continuing as a distributor for Young Living Essential Oils. Like myself, the vast majority of Young Living distributors promote the purchase of product rather than any business opportunity.

I have been a distributor with Young Living for several years. I became involved with this company because I felt the products were exceptional. Later on, I became further involved so that I could earn additional income.

Seven-Day Waiting Period One of the most confusing sections of the proposed rule is the seven-day waiting period to enroll new distributors. Young Living's Starter Kits cost only \$50.00, and each kit contains products, samples, training materials, etc., worth far more than the sale price. When a Starter Kit is purchased, the purchaser becomes a distributor and is granted special discounted pricing on all orders. No commissions or other compensation is paid on these kits, and the company just covers its production costs. Having this waiting period gives the impression that there might be something wrong with the company or the compensation plan.

Litigation Information The proposed rule also calls for the release of any information regarding lawsuits involving misrepresentation or unfair or deceptive practices, regardless of whether the company was found innocent or not. It does not make sense to me that I would have to disclose these lawsuits unless Young Living were found guilty. Otherwise, this company and I are put at an unfair disadvantage even though the company has done nothing wrong.

References The proposed rule requires the disclosure of a minimum of ten 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, particularly without their approval, to strangers.

Cancellation Some people decide to stop purchasing from Young Living after a period of time or purchase very sporadically and lose their distributor status. As with any large business, this amounts to tens of thousands of individual customers who no longer order from them each year. Maintaining such lists and providing them to every potential distributor and wholesale customer would be an unrealistic burden.

Exemption For about 25 years the FTC's Franchise Rule included only those opportunities that required a buyer to make a payment of at least \$500 within the first six months of operation. Any buyer making payments of less than \$500 within the first six months was exempt from further requirements. The April 12, 2006, proposed rule completely eliminates this \$500 exemption! In 1979, to justify the reasonable \$500 exemption, the FTC wisely said: "When the required investment to purchase a business opportunity is comparatively small, prospective purchasers face a relatively small financial risk." This is still true today. In fact, today \$500 is far LESS than it was in 1979, so to reinstate the \$500 exemption would be an exceedingly prudent measure.

This exemption is necessary because without such an exemption, the proposed rule places an unreasonable burden on tens of thousands of Young Living distributors, like myself, and on millions of direct selling and network marketing distributors throughout the US. This would be devastating to the growth of my business and that of millions of Americans. I believe that the proposed application of this rule to my business constitutes an unjustified overreaching. Please reinstate at least a \$500 exemption.

Thank you for your time in considering my comments.

Respectfully,

JoAnn SkyWatcher