

July 6, 2006

Dear Madam or Sir,

I am very disturbed to learn about the proposed Business Opportunity Rule R511993. There are many facets of the Rule that are a concern to me, not the least of which is the government's attempt to over-regulate yet another industry under the false pretense of protecting the public. While you might not agree with this perspective, let me tell you why I believe this to be true.

First, this Rule is unduly burdensome to small businesses in the direct sales arena. Most of us engaged in a home direct sales business do this on the side for a variety of reasons that can change over time. When I first started with my direct sales business five years ago, I did so to supplement my family income. At the time I worked part-time as a RN while home-educating my three children. I did not want to spend more time at the hospital away from them, but needed extra income to pay for co-op activities. A member of my church introduced me to the direct sales company I am involved with. My entrance into independent direct sales on a limited basis worked out well because it was low cost to join and maintain a demonstratorship while meeting my family's needs. Fast forward now five years and this business has changed as my family situation has changed. I have recruited only one individual because recruitment was never a goal I sought even though I offered the opportunity to those with whom I came in contact. After an initial growth spurt, my business does the minimum amount required to stay active because of a change in immediate and extended family obligations. There remains the hope that once those obligations are met I will be able to work on business growth again. Until that time, as always, I present the information to those I meet and give them the opportunity to check out the company in the same way I was able to do so and anyone can through contact of other demonstrators provided by the company on their website home page, meeting satisfied customers, and checking with the Better Business Bureau. There should not be an additional special rule requiring presentation of litigation nor information about a specified number of recently joined demonstrators as a requirement for demonstratorship. This information is already available in other forms.

In addition to the litigation and reference issues addressed above, I am insulted as a direct seller that I can purchase a car with only a three day waiting period, but must tell a person interested in doing the job I do that he or she must wait 7 business days before processing the business agreement. Most persons interested in direct sales want to get started as soon as possible and have already been thinking of making this move before actually getting started. Why should this person have to wait further because of a governmental restriction that does not exist elsewhere? In addition, it is ridiculous to think that a small businessperson, working out of his or her home on a limited basis would ever be able to keep up with the required documentation of contacts and record keeping sent to the company. This Rule presupposes that every one of us direct sellers has a home office. I have a shelf unit in my living room with four containers housing my supplies and records.

In conclusion, I want to state that I appreciate when a governmental entity, such as the FTC, is concerned about protecting the people from "unfair or deceptive acts or practices". I realize that there have been several recent examples of these deceptive practices in large companies. However, the sole burden of protection should not fall on the shoulders of the government. At some point soon, individuals need to accept and assume responsibility for their decisions including those that involve independent small business operations and direct sales. The information on determining sound business practices is out there for the taking. The government should not be over-regulating independent direct sales to provide this readily available information. If this Rule continues through to become law, it will be to the death of the direct sales business community, which keeps money moving through the economy. At present, the income I receive from my business only pays for paper supplies to conduct business and my discount allows me the opportunity to purchase product for personal use and assist a few customers with their purchases. The new Rule would end my business and that of my others I know in my same situation. I would ask the FTC to seriously examine the effects of Rule R511993 on the independent direct seller before effectively shutting down an important component of economics in this country.

Sincerely,
Cynthia S Cherry
Independent Stampin'Up! Demonstrator