

Tammy Clinton

July 6, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)  
Re: Business Opportunity Rule, R511993  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

RE: Business Opportunity Rule R511993

To Whom It May Concern:

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 an Arbonne Independent Consultant. I understand that part of the FTC's responsibility is to protect the public from "unfair and deceptive acts or practices," but some areas of the proposed rule will make it very difficult, if not impossible, for me to sell Arbonne products and sponsor people into the business.

One of the most confusing and restrictive sections of the proposed rule is the 7-day waiting period to sign up new Consultants. Not only do Arbonne Starter Kits cost a nominal amount of money, the proposed waiting period gives the impression that there might be something wrong with the Arbonne opportunity. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about Arbonne and keep track of when to follow up. During that time period, I could easily have spoken to hundreds of people (sometimes in large groups) about my business and it would be an overwhelming burden for me to have to go back to each one, individually, and ascertain if they still want to pursue this business after a waiting period. One of the key elements to my success in this business has been capturing the enthusiasm and immediate results prospects experience with Arbonne products; the waiting period would potentially limit my ability to grow my business. This is not a complex business for a prospective purchaser to assess and I strongly believe that no waiting period at all is called for under these circumstances.

I would like to suggest that the waiting period requirement only apply to business opportunities where there is a minimum investment required in excess of \$1,000.00 or some other reasonable amount. Because, after all, it seems as if the purpose of the regulation is to prevent a material financial loss by reason of some failure to disclose risks. Surely the FTC does not believe that federal regulation is required in order to keep a person from losing an amount that is less than the price of a dinner because the purchaser did not understand what they were buying. Other than the nominal charge assessed (\$29 plus tax and shipping) to gain a wholesale license from Arbonne (includes startup materials), no other investment is contractually required. Most of my purchasers sign up to get their personal use products shipped directly to their homes at wholesale prices. Those that choose to pursue the business opportunity side of the business may or may not invest in product samples as their own personal finances allow and as their own approach to the business dictates.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It is unclear if this requirement is a disclosure of lawsuits brought against the company we represent or lawsuits brought against us personally, as the Seller. My husband is a lawyer and I know first hand that it is a common practice for some people to file frivolous lawsuits just as an attempt to extort a settlement. The proposed rule would encourage such suits to be filed against us by competing direct sales organizations (and their independent consultants) just to taint the image of their competition. Why can't this rule only apply to criminal wrongdoing where the individual direct seller has been found guilty or officially sanctioned by a regulatory body? I fear that my business will be penalized by the potentially false impression a filed lawsuit would leave, even if I have done nothing wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior Independent Consultants nearest to the prospective Consultant. This is simply information that I do not maintain and would not be able to maintain without investing in a costly information system as well as hiring a full-time assistant to keep up with it. I am glad to provide references upon request . . . it helps my business to do so, but identity theft is a reality we live with in today's world and I am very uncomfortable with giving out personal information about individuals, without their permission or knowledge, to strangers. This requirement would have a severe dampening effect on my business . . . after all, who would want to sign up to buy my products if they knew that their personal information was going to be shared with others? As a practical matter, many who attend my group presentations take a wholesale application home with them and sign-up online, leaving me no opportunity to even attempt to comply with this requirement. Since the people on the list would represent my product clientele, providing my clientele list to anyone who shows up at one of my meetings would be providing my competition with a list of who they should try to sell competing products to . . . again, hurting my future business sales. In order to get the proposed list of 10 prior Independent Consultants, I would need to send the address of a prospect to the Arbonne corporate office in California and then wait for the list. . . by the time I would get it back, it would likely no longer be accurate enough to be in compliance.

I have been an Arbonne Independent Consultant for more than two and one-half years. I became a Consultant because I love the products and our family was in need of a second source of potential income. Since starting my Arbonne business, I have developed a team of more than 5,000 Independent Consultants across the country and together we are helping our families enjoy better lives. Many of these consultants simply purchase my products for their family's personal use. Many use the product for months before deciding to pursue the business side of the business . . . the sign-up cost is the same whether you simply want the products shipped direct to you or you want to build a business. I enjoy pursuing a business that my family and friends can join in and pursue for themselves and it has been a great experience for me. I come from a very humble background (growing up on a small family farm) and, even without any sophisticated business training, have found this business opportunity to be understandable and do not believe that others find it confusing or misleading. This regulation just seems unnecessary and could easily complicate an otherwise simple business model and drive people away from trying it.

I truly appreciate the work of the FTC in protecting consumers, but I believe this proposed new rule would have far too many detrimental (and unintentional) consequences

and I hope there are alternative means to resolving the outstanding issues at hand, without harming the livelihood of millions of successful network marketers, like me.

Thank you for your time and understanding.

Sincerely,

Tammy Clinton