

Friday, July 07, 2006

Comments on the Federal Trade Commission's Business Opportunity Rule Change Proposal:

I will attempt to "hit on" matters of concern to me (that I am aware of). In regards to the requirements to:

inform prospects of all legal "complaints and actions, etc. - pending and going back 10 years; It is unrealistic, as well as unfair. This type of information is a matter of public record and should be the "shopper's" responsibility to do their own 'due diligence' before making a commitment.

require IBOs to calculate and make separate disclosures – and provide "substantiation" of/for every income "claim"; First of all, in presenting the compensation plan that I am affiliated with, the term "claim" is incorrect. References to the amounts of income that CAN be made are more accurately described as "projections", and they are almost always conservative. As for those times when "claims" of a certain amount of income ARE made – whether personally or in reference to what someone else is known to make – it should come with the disclaimer that it's all based on individual effort and other "factors" that can and do differ from person to person. Additionally, because this kind of information is confidential, it should be optional (not mandatory) to the individual making such claim, whether he/she will provide any type of disclosure/substantiation.

require IBOs to provide prospects with a list containing contact information for 10 other (potentially competing) IBOs at least seven days before the prospect signs up; Excuse me, but this one is not only unrealistic, it's laughable! (smile) No (self-employed) provider of a service, e.g. lawyer, doctor, mechanic, banker, realtor, etc., in their "right mind" is going to refer potential business to a competitor – and it's absolutely ludicrous to ask them to! In my particular business opportunity (affiliated with Quixtar.com), it's common practice to introduce prospects to many other business owners as part of the (mutual) fact-finding, information gathering process prior to signing them up. Although the premise of this particular proposal is good, and (hopefully) well-meant, the method is extremely harsh and inconsiderate to business owners – not to mention the possible legal ramifications of divulging others' personal information without their consent!

impose a mandatory seven day waiting period from the time they receive (necessary/customary) disclosure information, before a prospect can sign up; If a business opportunity is operating with integrity, the only pressure a potential business owner should feel to sign up should be self-imposed – they should be encouraged to take as long as THEY like in making that decision! Conversely, it IS THEIR DECISION, and they should be able to make it WHENEVER they want (whatever happened to "BUYER BEWARE"?). However, I DO feel that some sort of MINIMAL monitoring/regulatory "device" to help combat fraud SHOULD be considered, as there are a lot of unscrupulous 'predators' "out there". Perhaps instead of a waiting period to sign up, there should be a REASONABLE grace period within which a prospect/business owner could simply 'back out' of ANY contractual agreement (FOR ANY REASON) and receive a full refund of any money spent/invested. I really feel that this would be an INFINITELY more effective way of regulating or "policing" this industry, not to mention a very good and accurate indicator of the quality and integrity of each respective business opportunity!

Lastly, I would like for the "powers that be" to consider that one of the most profound qualities and/or benefits of being self-employed in this 'industry' is the sense of hope and encouragement that individuals can improve their own lives and help others to do the same. There's real work required to succeed, it shouldn't be made any harder!

Thank you for considering my comments.