

Tamara S. Waddell

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

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I am writing this letter due to my concern about the proposed Business Opportunity Rule R511993. In its present form, it could prevent me from continuing as a Stampin' Up! Demonstrator. As a 15 year Stampin' Up! Demonstrator I provide a significant portion of my family's income while sharing my love of scrap booking and rubber-stamping with countless people. At the same time, I have been home with my children. My children were three and four when I started; my oldest is currently a Midshipman 2nd Class at the United States Naval Academy, my youngest will be starting at Linfield College in the fall. I understand that part of the FTC's responsibility is to protect the public from "unfair and deceptive acts or practices," but some of the sections in the proposed rule will make it difficult, if not impossible, for me to sell Stampin' Up! Products and share the business opportunity with others. Looking back over my 15 years and applying the proposed changes I would not have been able to have the career I have had and positively impact many people lives, those in my downline who have met personal financial goals and customers who have learned a new skill or preserved their family's memories in scrapbooks.

Some of the key points of the ruling that will place a burden on business people like me are:

- **Seven-Day Waiting Period:** When someone decides they want to be a Stampin' Up! Demonstrator they want to get started right away. If they start while their enthusiasm is high they are always more successful. Having signed over 100 demonstrators in my career, I can look at the ones who started right away or waited and in every case, an immediate start leads directly to success. Why a seven day waiting period for a \$195 investment? This \$195 investment gives the new demonstrator over \$300 in product that even if they choose not to pursue a business opportunity they have received more than their investment in product. In addition to that Stampin' Up! already has a policy under which they will repurchase all products, including sales kits, at 90 percent of their cost, for up to a year. What exactly is the seven-day waiting period supposed to accomplish? I can spend hundreds of dollars on airfare yet if something happens I cannot even get a refund or change without a \$100 dollar fee.
- **Disclosure Statement:** One of the greatest assets of a direct selling business is its list of distributors. We all strictly protect these. I know from personal experience that when someone in other marketing companies get my personal information and finds out that I am in the direct selling business, the high-pressure sales will start. I try to tell them I am a Stampin' Up! Demonstrator because I believe in the product. Disclosing the 10 closest geographic purchasers would be very difficult since not all of them I would know personally and would not want to give out personal information. I supply references of when asked, of people I have personally asked permission. We base our business on personal relationships. Currently no one wants their personal information given out randomly. Giving out all people nationwide would open us up to the very unscrupulous business people from whom you are trying to protect us. I would not want my name going out to anyone who expressed an interest in becoming a Stampin' up! Demonstrator. How easy would it be for someone wanting to start a business to express interest in our business get this information and use it to start their own?

- **Litigation Reporting:** To report every lawsuit seems unduly harsh especially if not able to differentiate between winning and losing. Why would I have to report litigation I was involved in that did not involve my business? In today litigation happy society, this could disclose information that is private and unrelated to the business.

In reading over the Rule it is quite clear that the Federal Trade commission is trying to fulfill its mission to protect the consumer from "unfair and deceptive acts or practices," at the same time it is clear that they do not have a clear understanding of how legitimate direct-selling businesses operate. While I applaud, the FTC in attempting to protect us before enacting this rule be sure you are not penalizing the people you are trying to protect.

This ruling while attempting to stop the unscrupulous businesses, I believe will place undue hardship on the legitimate direct selling business entrepreneur. The people you are trying to stop will simply change their way of doing business and figure out how to continue their business within the rules being sure to operate within the letter of the law but not within the intent.

Please feel free to contact me if you have any questions. Due to my long history in direct-selling and multi-level marketing, I have counseled many people looking at business opportunities as to the questions to ask and what to think about before making an investment. I would be happy to share some of that knowledge with you.

Thank you,

Tamara Waddell