

Karen Umstatted July 11, 2006 Federal Trade Commission Office  
of the Secretary Room H-135 (Annex W) 600 Pennsylvania Avenue, NW Washington, DC 20580 Re:  
Business Opportunity Rule, R511993 Dear Sir or Madam: I am writing to express my concerns with the  
FTC's proposed Business Opportunity Rule R511993. I have been fortunate to be a stay at home Mom  
for my children all their lives. I had a realization one day though that really hit me hard. My husband is a  
self employed electrical contractor and I saw people in the industry getting sick, some even died, and I  
couldn't help but wonder, what if it happened to him. I would lose everything. I was totally dependent on  
my husbands income but with little children at home who were always sick, I was willing to give up  
working outside the home to be able to take care of them myself, until I saw what was happening around  
us. This is when I started looking for ways to make money from home so I could not only make my own  
money but some day get my husband out of the industry that I knew he couldn't do forever anyway. And  
that's when I found Herbalife and the Network Marketing Industry. I have been an Herbalife distributor  
since 1995 and have been able to fulfill my dreams of being a stay at home Mom. As my kids have  
grown into young adults, my eldest being full time military, because of what I call the "portability" of  
this industry, I have had the opportunity to come and go at will. We both also have elderly parents and  
being the only children in the family who work from home, it has given both my husband and myself the  
opportunity to be there to help our parents as needed. I give thanks every day that I was able to spend  
my fathers last days with him with no concern of losing my job because I worked for someone else. And  
because of the extra income provided by our Network Marketing business, we are able to provide  
financially for my in laws, allowing them to finally quit their jobs at 70+ years of age so they can also  
enjoy this time of their lives. Having been self employed in the construction industry prior to Herbalife,  
I fully appreciate the benefits of the Network Marketing industry. Prior to Herbalife, we had no time for  
vacations or sick time, no family time, we had no way of saving for retirement income. Our incomes  
were capped, my husband worked 60 hours a week already and being able to support our families  
financially as we do now was not even an option. For me, the biggest asset to a business in this industry  
is the time and retirement income this business is providing for us. We worked for 10 years in our  
construction business and had no more to show for it after 10 years than we did when we started. The  
reason we started our own business was to support ourselves and hopefully retire in a somewhat  
comfortable financial state. After 10 years, we realized it wasn't going to happen that way and after  
taking a look at the Herbalife and Network Marketing business plan, we could see that I could work this  
part time from home around my children while my husband worked his construction business and over a  
few year period, the possibility of creating a residual income for our retirement was very real. Because  
of my Herbalife business, my husband has been able to cut back his hours in his construction business to  
15-20 hours a week for more than 6 years now. With that, the stress of that industry has been greatly  
reduced which in turn has absolutely improved his health and mental outlook. We believed once again  
that we had the ability to create a retirement income and would not have to depend on the state or our  
children to support us financially as we grew old. There are so many families and young mothers out  
there today that don't want to put their children in day care any more than I wanted to put my children in  
day care. Being able to start my own part time business, from home, around my children and around my  
daily activities not only gave me hope, it HAS given us all strength and dignity not to mention better  
mental and physical health. I am afraid that the proposed FTC Business Opportunity rule would limit  
other stay at home mom's like myself, who just want to be able to share in the financial responsibilities,  
to have our own "pocket money", to bring offer our husbands the chance to slow down, relax, take  
vacations and to spend some quality time with the kids, I'm afraid this rule would take away so much  
from others like myself. I'm just a simple person who wanted to help and gain some independence by  
having my own business. What the Network Marketing industry offered me was the opportunity to do  
just that. I didn't want to make thousands of dollars from home, just enough to go shopping with.  
Because of the differences between the Network Marketing industry and Traditional Business, the  
difference in initial investments, time requirements, overhead, insurance, licensing and such, I feel this  
proposed Business Opportunity Rule may be harmful in some ways to the Network Marketing industry.  
Coming from both sides of the fence, a Traditional Business Owner and a Network Marketing Business

Owner, I see two very different aspects of businesses, what they require to get started and what they require to maintain. And because I have personally experienced it myself, I see no benefit in the Network Marketing Industry for this proposed Business Opportunity Rule but instead, a negative result that will take away the opportunity for young mothers to make a difference, as I did. For myself, what made this industry and opportunity to start my own business with Herbalife International so desirable was the simplicity to get started and maintain the business. The need to get a disclosure statement from Herbalife, then provide it to the prospect, then ask the prospect to sign it, then send a copy to Herbalife and retain a copy, then wait another week and then go back to make the sale in my opinion would take away the simplicity, benefits and American Dream of becoming self employed in my own small home based direct marketing business. As a self employed entrepreneur for more than 20 years in the construction industry and 11 of those years in the Network Marketing Industry, I do support the FTC's goal of preventing consumer fraud, but I think the agency needs to revisit its proposal to take into account the significant burdens it would impose on legitimate, hard working direct sellers like myself. Sincerely, Karen Umstatted Herbalife Independent Distributor