



SYNTHETIC LUBRICANTS

July 12, 2007

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 Madaam:

I am writing on behalf of AMSOIL INC. We are concerned about the proposed New Business Opportunity Rule #R511993. This rule, in its present form would severely hurt AMSOIL INC.

We understand the FTC is responsible for protecting the public from unfair and deceptive business practices. In over thirty-three years, however, AMSOIL has never had any complaints. We, therefore, dislike the implication the public needs to be protected from us.

AMSOIL created the first 100% synthetic motor oil approved by the American Petroleum Institute (API) in 1972. Since this time, AMSOIL has been the quality leader in the lubricant industry. AMSOIL decided to market via direct sales because independent distributors were able to invest the time and effort required to educate consumers about this revolutionary product. The success of this direct sales effort has benefited AMSOIL INC. and our independent distributors. Many other Americans have also benefited because all oil companies, auto and equipment manufacturers have been forced to improve the quality of their products to keep up with AMSOIL.

The general public, therefore, has benefited by AMSOIL INC. and direct sales has been an important part of that success. We believe the continued success if AMSOIL will also result in continued benefits to the public because AMSOIL is committed to improving the quality of our products. Our competitors, therefore, will also have to improve and all consumers will benefit.

AMSOIL is in the oil and lubricants industry. There is perhaps, no more competitive industry in the United States. Unnecessary regulations and the increased administrative functions, as proposed in R511993, will adversely affect our marketing effectiveness and ability to remain competitive. Following are a few issues that concern us the most about R511993.

The required seven day waiting period will create the false perception that something is wrong with the AMSOIL distributor opportunity. Recruiting new distributors is crucial to the continued success of AMSOIL. This rule and the false perception it creates will certainly have an adverse impact on our recruiting ability. A waiting period would also create an administrative burden that would reduce our ability to remain cost competitive. In addition, a waiting period seems unfair when the total cost for a new AMSOIL dealership is less than \$100 and Americans routinely spend much more on kitchen appliances, tickets to sporting events and other trivial purchases without a required waiting period.

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Additional requirements such as disclosing litigation, providing earnings claims and references are also unfair and unnecessary burdens. AMSOIL doesn't have anything to hide regarding litigation. The problem, however, is that a company can be sued for virtually anything and the proposed rules require disclosing lawsuits even if the company is found innocent. Like the seven day waiting period, the fact that litigation must be disclosed creates a false perception that something is wrong with the AMSOIL distributor opportunity.

Providing earnings claims would be another administrative function that is a burden and would hinder our ability to remain cost competitive. Providing references is also a burdensome administrative function but there are other major flaws with this requirement. Due to privacy, identity theft and other concerns, many people do not want their contact information released to the public. This is sensitive and confidential information that our competitor's would love to use to their advantage.

AMSOIL INC. understands the FTC is attempting to protect consumers. This proposed rule, however, has many consequences that will seriously affect legitimate companies like AMSOIL. Please realize, AMSOIL competes against corporate giants like Exxon/Mobil, Pennzoil, General Motors and many others. These competitors would not be affected by these rules, therefore, these requirements would put AMSOIL at a serious disadvantage. We believe there are less burdensome alternatives and existing rules that can be enforced that would protect consumers and allow legitimate direct sales companies to compete in the open market. We request that you work closely with the Direct Selling Association in developing any regulations or policies.

Thank you for your consideration. Please feel free to contact me if you have any questions or require additional information.

Sincerely,

Dean Alexander  
Executive Vice President & General Manager  
AMSOIL INC.

CC: Direct Selling Association

