

Your name
Business name
Street address
City, State Zip
Phone number (optional)
Email address (optional)

Date

Re: Business Opportunity Rule R511993

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. While I understand the responsibilities of the FTC to protect the public from “unfair and deceptive acts or practices,” I believe that this proposed rule could prevent me from continuing as a distributor for NutriHarmony supplements. There are specific sections in the proposed rule that will make it very difficult, if not impossible, for me to sell NutriHarmony’s products. Like myself, the majority of NutriHarmony distributors promote the purchase of product rather than any business opportunity.

I have been a distributor with NutriHarmony for several years. I became involved with this company because I felt the products were exceptional. Later on, I became further involved so that I could earn additional income. Through NutriHarmony, I have developed leadership skills and cultivated many meaningful relationships. My family and I enjoy the health benefits of using these products daily and are thrilled to be part of NutriHarmony. We have come to rely on the income from my direct selling business. The future of my family is dependent on the stability of the direct selling industry.

Litigation Information

The proposed rule also calls for the release of any information regarding lawsuits involving misrepresentation or unfair or deceptive practices, regardless of whether the company was found innocent or not. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless NutriHarmony were found guilty. Otherwise, this company and I are put at an unfair disadvantage even though the company has done nothing wrong. To release this information would be misleading to prospective distributors.

References

The proposed rule requires the disclosure of a minimum of ten prior purchasers nearest to the prospective purchaser. I am glad to provide references, but, in this day of identity theft, I am very uncomfortable giving out the personal information of individuals, particularly without their approval, to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses, including those of competitors. In order to get the list of the ten prior purchasers, I would need to send the address of the prospective purchaser to NutriHarmony headquarters and then wait to receive the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a distributor: “If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers.” People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met. Further, NutriHarmony simply does not sell “business opportunities” in this fashion.

Cancellation

Some people decide to stop purchasing from NutriHarmony after a period of time or purchase very sporadically and lose their distributor status. As with any large business, this amounts to tens of thousands of individual customers who no longer order from them each year. Maintaining such lists and providing them to every potential distributor and wholesale customer would be an unrealistic burden.

Exemption

For about 25 years the FTC's Franchise Rule included only those opportunities that required a buyer to make a payment of at least \$500 within the first six months of operation. Any buyer making payments of less than \$500 within the first six months was exempt from further requirements. The April 12, 2006, proposed rule completely eliminates this \$500 exemption! In 1979, to justify the reasonable \$500 exemption, the FTC wisely said: "When the required investment to purchase a business opportunity is comparatively small, prospective purchasers face a relatively small financial risk." This is still true today. In fact, today \$500 is far LESS than it was in 1979, so to reinstate the \$500 exemption would be an exceedingly prudent measure.

This exemption is necessary because without such an exemption, the proposed rule places an unreasonable burden on thousands of NutriHarmony distributors, like myself, and on millions of direct selling and network marketing distributors throughout the U.S. This would be devastating to the growth of my business and that of millions of Americans. I believe that the proposed application of this rule to my business constitutes an unjustified overreaching. Please reinstate at least a \$500 exemption. I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences, and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

[Your signature]

[Your name]