

Mr. Don Clark  
Office of the Secretary  
Federal Trade Commission  
Room H-135 (Annex W)  
600 Pennsylvania Ave., N.W.  
Washington, D.C. 20580

RE: Business Opportunity Rule, R511993

Dear Secretary Clark:

I am writing to express my opposition to the proposed business opportunity rule. I joined Primerica Financial Services as an independent agent in 1980 after graduating from Wake Forest University. Primerica offered an unmatched opportunity to build a business in the financial services industry and from the start I made a full-time commitment to achieving that goal. Over the past 26 years, I have succeeded in building a successful business by delivering valuable services to my customers, as well as by introducing other entrepreneurs to the Primerica opportunity and training them to be successful agents. However, I am extremely concerned about the negative impact of the proposed business opportunity rule on my business.

As a Primerica Financial Services representative, I sell mutual funds, variable annuities, term-life insurance and broker home loans, primarily for debt consolidation. These are recognized legitimate products. Both the products and the sale of the products are highly regulated on the state and federal level. Selling securities and life insurance always requires a license and the loan business does in many states. Obtaining and maintaining a license requires extensive study and continuing education mandated by regulators. In this regard, Primerica is no different than its competitors. However, because Primerica, unlike its major competitors, sells its products through an independent, sales force with multi-tiered commissions levels, I will be subject to the burdensome and misleading requirements of the business opportunity rule. As a result, my competitors will have a substantial and unfair advantage over me.

Working as an independent financial services professional allows me to work as much or as little as I please and gives me direct control over how much I earn. The multi-tiered commission system provides an additional incentive because by recruiting and training new agents I can earn more based on the products sold by those agents. Importantly, I earn no money for recruiting. I only earn money if the new agent sells a financial product to a customer. These new agents are similar to apprentices. With the assistance of Primerica, I am responsible for seeing them through the licensing process, teaching them about the products and supervising them for compliance with regulatory requirements. As I mentioned above, I receive no compensation unless and until the individual becomes licensed and sells financial services to a customer. As you can see, success in this system leaves no room for fraud or deception. In fact, any type of

deception or fraud in recruiting is completely counterproductive. If the agents I recruit think that I have deceived them, they will simply quit and I will have gained nothing.

With respect to particular requirements of the proposed rule, the mandatory disclosures and 7-day waiting period will create a substantial administrative burden and will unjustly penalize my Primerica business and me. The mere existence of the disclosures and waiting period will make recruits think the Primerica opportunity is something to be afraid of. Furthermore, the disclosures will also be misleading. Primerica, as a large company that has been in existence for many years and also being a member of Citigroup, will be required to disclose huge amounts of information. Most if not all of the information will be irrelevant, but the volume of it will likely create the incorrect impression that Primerica has a litigation problem, which it does not. The disclosure of refund statistics will also mislead prospective agents. The cost of trying out Primerica is low and the opportunity is available to almost anyone who wants to try. However, it does take hard work and dedication. Inevitably, some people decide they don't want to make the effort. For these people, Primerica offers a generous refund policy. It appears that the FTC wants prospective agents to equate refunds with problems with the system. However, there are many legitimate reasons for people to change their minds. The proposed rule completely fails to take this into account.

Primerica's system provides benefits to both its agents and customers that are simply unavailable in an employee/employer system. The system allows agents to work part-time or full-time. The opportunity is available to people from all walks of life. Importantly the Primerica system also allows us to reach the underserved middle market that is deliberately ignored by other companies. Because of the size and strength of its sales force, Primerica can offer customers the opportunity to save for retirement by investing as little as \$25 a month. In contrast, most other companies don't want anything to do with a customer who can only invest \$25.

Placing the burdens of the proposed rule on Primerica is unfair and unnecessary. While I applaud the commission's commitment to fighting fraud, the proposed rule will unjustly harm entrepreneurs working to build a Primerica business. It will unjustly harm hard-working people who are looking for part-time work to supplement their income. Finally, it will harm the consumers who purchase and benefit from our financial services.

Sincerely,

Andy Young