

Jason & Vangie Peterson

June 30, 2006

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

RE: Business Opportunity Rule, R511993

Dear Sir or Madam:

I am taking the time to write to you because I am concerned that the proposed Business Opportunity Rule (R511993) as presently drafted could greatly hinder the success of my independent USANA Health Sciences business. Personally, I've been involved with USANA Health Sciences for 4 ½ years now, 4 of those years making USANA my full-time income. After due-diligence on numerous network marketing companies & plans, USANA was a standout from my first exposure. The integrity that I have found in this company is commendable & very important to me. I also find the 'natural' governing or balance that occurs in this direct sales industry to be powerful – where there is no legitimacy, there is no long-term success. I understand and appreciate the FTC's responsibility to protect the public from "unfair and deceptive acts or practices," but I believe this specific rule goes too far in trying to protect the public by proposing certain unnecessary requirements that will make it very difficult if not impossible for me to operate my USANA business.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new independent USANA Associates. USANA's sales kit only costs \$49.95 (or \$19.95 for the electronic version). People buy TVs, cars, and other items that cost much more than that, and they do not have to wait seven-days. These high-end purchases have a greater financial detriment to the individual & very little opportunity to recoup the cost, much less build any profit from the purchase. This waiting period gives the impression that there might be something wrong with USANA's business plan. I also think this seven-day waiting period is unnecessary, because USANA already has a **100% buyback policy for all products including sales kits within the initial 30 days** and a **90% buyback for products purchased within the last twelve months**. Under this waiting period requirement, I would have a huge amount of unnecessary paperwork and many reports to submit to USANA headquarters, raising their busywork immensely.

The proposed rule also calls for the release of any information regarding lawsuits involving misrepresentation, or unfair or deceptive practices, regardless of the verdict. Today, anyone or any company can be sued for almost any reason. It does not make sense to me that I would have to disclose these lawsuits, unless USANA is found guilty. Otherwise, USANA and my independent USANA business are put at an unfair advantage because potential independent USANA Associates are misled to believe that USANA is guilty of wrong-doing even though USANA may be entirely innocent.

Finally, the proposed rule requires the company to disclose to each prospective independent USANA Associate the names and contact information of a minimum of 10 previously enrolled independent USANA Associates who live nearest to this individual. I am glad to provide references, **but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers.** USANA considers the names of its independent Associates to be confidential and trade secret information, and a requirement to disclose this information for this purpose makes it very difficult for USANA to protect its trade secret information and this could damage the company's business. Moreover, I personally make myself responsible for each of my partners' information. This now becomes an issue of personal integrity & honesty that is effectively taken out of my hands. For example, I do not agree with the following sentence required by the proposed Rule, "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 the privacy of their personal information and the potential for identity theft. They will be reluctant to share their personal information with undisclosed individuals & furthermore, I would not ask them to do so!

I have been an independent USANA Associate for more than 4 years, working with this company full-time for most of these years. The growth I have experienced as a person, in my professional skills, & in relationship with diverse people are all priceless benefits that this business has afforded me & my family. We depend on the income this business generates to give us the financial stability to pursue additional businesses that we have an interest in, thereby creating more benefit for more people. We also look forward to a bright future of bringing great benefits to many, many people because what we do as a business is something that we can 'give' to anyone interested & help them make beneficial changes in themselves & in their position in life.

Given my past experiences in a variety of business & corporate environments, I can say with conviction & confidence that there is not a better way for an individual to build a solid ethical business than by choosing a solid company with moral integrity in this Network Marketing industry. I believe this business arena must be protected so as to allow more people the benefit of ownership & growth. At the same time our society at large must be protected from unethical & illegal 'predators'. To strike this balance is a large task & I am thankful that the FTC is willing to 'lend an ear' to those of us working in this industry, in our own businesses, to make policy based on the wisdom of many. By making our industry 'safer' by too much legislation or rules will in the end create great loss for our society on an individual level & on a large scale.

Thank you for your time & effort, & for considering my comments.

Sincerely,