

CAROLANNE ENTERPRISE

August 3, 2006

Carol Morse
Carolanne Enterprise

RE: **Business Opportunity Rule, No. R511993**

Dear Sir or Madam:

I am fully in agreement with the FTC's efforts to protect the consumers from fraudulent activities *and* companies. I do believe that these types of initiatives can be of great service to the many legitimate companies that desire to run their businesses honestly and ethically.

However, I am writing this letter because I am also concerned about the above referenced rule. I believe that in its present form, it could prevent me from continuing as a small business owner. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell my technology based products.

I live in the state of California and have owned a small business servicing the public for the past five years. I recently sold that business because of the increasingly high cost of running overhead. It was so out of control that we could not even give our employees pay increases to keep up with the everyday cost of living.

The workman's compensation insurance, auto insurance and liability insurance was so costly that we had to ask our employees to contribute to their own medical benefits. As these costs also affected our vendors, their cost to us was increased. The fuel, as everyone knows is another issue and we were running 6 route trucks and a large install van. We simply could not keep up even under the best financial management.

I am currently an independent distributor for a company manufacturing and providing outstanding products that contribute to the well being of all human beings as well as the indoor and outdoor environment. These products address all basic human needs and I actually have the opportunity to create security in my

retirement. I was not able to accomplish that in my business that I sold. I am a single lady and need to be serious about my decisions.

My company honors all promises and works as a supportive team from the top right down to the entry level. It provides a pattern that all of America should be looking at.

I am 63 year old and have always worked to support myself. I have developed many skills over the years that I am now able to use for my own benefit and for every business partner involved.

I have a great respect for my fellow human beings and this is one of the first opportunities I have ever had to actually be able to give and receive with no strings attached!

I am appalled at the suggestion of a seven-day waiting period.....I have never been offered more than 3 business days to opt out of anything, and most times there is no opportunity to opt out. My company's sales kit only costs \$49.00.....I don't consider that to be a risky decision at all, not to mention that my company, as a Direct Selling Association member already has a 90% buyback policy for all products *including* the sales kit purchased by any distributor within the last twelve months! Therefore, the seven-day waiting period is totally inappropriate and unnecessary.

Our country needs to be supporting supportive companies, not trying to shed negative light on them. We need these companies.

The proposed rule requires **the disclosure of a minimum of 10 prior purchasers** nearest to the prospective purchaser. I do believe in worthy references, but in this day of identity theft and sexual predators, I can't imagine that this requirement could be realistic.

The issue of **Litigation Reporting** is inadequate.....I see no way that it can distinguish between the winning and losing of lawsuits, and of course, in the interim I have most likely lost a customer or business partner. We need to be supporting the people of our communities who are willing to work hard and honestly with integrity. Our country needs to be built up, not further torn down.

I do appreciate efforts that help us to regulate this wonderful industry from fraudulent groups, yet this proposed rule would unfairly target legitimate direct

selling businesses such as mine. I do believe there are less burdensome alternatives available to achieving your goals.

Thank for your time to review and consider my comments.

Respectfully,

Carol Morse