

Judy Coroy  
Costar Enterprises, Inc

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

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Dear Sir or Madam:

I am writing concerning the proposed Business opportunity Rule R511993. Though I understand the FTC is trying to protect the public from “unfair and deceptive acts or practices”, I believe this proposed rule could prevent me from developing my business with Young Living Essential Oils. Living in New Orleans in the aftermath of the storm, I recently devoted time to develop my business and see the possibility of tremendous growth. Some sections in the proposed rule will make it extremely difficult, if not impossible, for me to sell Young Living’s products. Like myself, the vast majority of Young Living distributors promote the purchase of products rather than promoting the business opportunity. I could not financially afford to stock inventory, thus enrolling people to directly buy from the Company under me allows me to earn a living while offering quality products to the public.

I have been a distributor with Young Living for 8 years because I felt the company had integrity and the products were exceptional. Eventually I started to earn extra income from introducing it to others. I now have come to rely on the income especially since the storm destroyed my other business. Under the new rule, several requirements will be initiated that will be oppressive and burdensome for me to conduct legal business. Specially:

**Seven-Day Waiting Period** - A most confusing sections of proposed rule involving new distributors. Young Living’s Starter Kits cost only \$50.00 and each kit contains products, samples, training materials, and a very nice brief case worth far more than the sale price. When a Starter Kit is purchased, the purchaser becomes a distributor and is granted special discounted pricing on all orders. No commissions or other compensation is paid on these kits, and the company just covers its production costs. The waiting period implies there may be something risky about the enrollment. The fact that people can get a full refund if they return the kit makes this rule unnecessary. The seven day waiting period disrupts business and restricts free trade. It would be unreasonably burdensome for me to keep such detailed records of when I spoke with every person about Young Living and would create a huge backload of unnecessary paperwork to have to send reports to company headquarters.

**Litigation Information** -This proposed rule calls for release of any lawsuits involving misrepresentative or unfair deceptive practices, regardless of whether the company was found innocent or not. Our justice system presumes innocence until proven guilty. Lawsuits alone do not prove wrongdoing and it should not be my responsibility to cast doubt on a good companies reputation simply because someone decided to sue but no wrongdoing was proven.

**References** - The proposed rule requires the disclosure of a minimum of 10 prior purchases nearest to the prospective purchaser. While I could provide references, I am deeply concerned

about disclosing and invading the privacy of people who simply enroll to buy quality products at a discount. I think this is an invasion of privacy and puts an undue burden on my ability to conduct business. You are removing the freedom of people to their privacy by disclosing that if they take advantage of this business opportunity their name can be disclosed to other buyers in the future. This is truly invasive and unnecessary.

**Cancellation** - Some people choose to stop purchasing products from Young Living after a period of time or very sporadically and thus lose their distributor status. Demanding the company to provide these lists of tens of thousands who no longer order is also burdensome, unrealistic and an invasion of privacy.

**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 6 months of operation. Any buyer making payments of less than a required \$500 within the first 6 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 stated: "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 and without it the new rules place an unreasonable burden and unfairly restricts my ability to conduct a legitimate business. Please reinstate at least a \$500 exemption.

While I appreciate the FTC goal to protect the public there are certainly less burdensome alternatives that do not jeopardize privacy issue and freedom of trade. Thank you for considering my comments and please revise the proposals to be fair to small businesses so that we may be able to freely conduct business.

Respectfully,

Judy Coroy