

July 15, 2006

Business Opportunity Rule R511993

To: Federal Trade Commission
Room H-135 (Annex W)
600 Pennsylvania Avenue
NW Washington, DC 20580

From: Mark S. Schnitzer, M.D., F.A.C.S., Distributor for Wellness International Network, Ltd.

Re: Business Opportunity Rule, R511993

Dear Mrs. Chairwoman Majoras and Commissioners of the FTC:

I must express my strong opposition to the proposed Business Opportunity Rule R511993. I understand that it is the responsibility of the Federal Trade Commission to protect the public from "unfair and deceptive acts or practices," but the rule as proposed would make it very difficult for me to operate my legitimate business as an independent distributor for Wellness International Network, Ltd. (WIN).

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors. Although WIN requires a completed distributor application for distributors to sell products, the personal purchase of product is strictly optional. Most of the people who sign an application do so to purchase WIN products at a wholesale price. In other words, they are solely consumers of the products. If they later wish to build a business, there is no additional kit, fee or application required. The WIN Member Kit, WIN's System for Success, costs only \$99 which provides applicants with magazines, newsletters and the opportunity to increase their immediate product discount within the specified range, among many other benefits and provides valuable marketing and communication tools - weekly newsletters, quarterly magazines, a personal website and shopping cart to name a few.

The cost of WIN's application fee is far less than many, if not most, consumer purchases, from televisions to all manner of household appliances, none of which require a seven-day waiting period and do not provide an opportunity for a person to become a business owner.

The proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. There are many problems with this proposed requirement. In this day of identity theft, I am uncomfortable giving out the personal information of other WIN distributors and consumers, without their knowledge or consent. I understand that those who sign up after the rule takes effect would be told in writing "If you buy a

business opportunity from the seller, your contact information can be disclosed in the future to other buyers." I believe that this would dissuade new people from becoming business owners as they are concerned not only about identity theft, but also about their privacy. People today are understandably reluctant to share their personal information with individuals they may never have met.

Providing the ten references also could damage the businesses of numerous WIN distributors. Some part-time distributors are involved in more than one company. Providing a list to a prospect, who may already be a distributor for another company, may be an invitation to solicit existing distributors for such other opportunity.

The ten-reference requirement also is an administrative burden. In order to obtain the list of 10 prior purchasers, I will need to provide Wellness International Network, Ltd. with the prospective distributor's address, and then wait to receive the list of the 10 nearest distributors who became distributors within the past three years. Each prospective recruit will need a customized disclosure statement. This will result in a delay far longer than seven calendar days before any potential recruit can sign an application. In view of the fact that many people enter network marketing part-time to earn extra income for a specific goal, such as holiday purchases or a family vacation; the long wait which the proposed rule will entail may make the goal unattainable.

The proposed rule calls for the release of any information regarding lawsuits that allege misrepresentation, or unfair or deceptive practices over a ten-year period. It does not matter if the company was found innocent or not liable. Today, almost all business lawsuits contain claims of misrepresentation or unfair competition. It does not make sense to me that I would have to disclose these lawsuits unless Wellness International Network, Ltd., or its officers, directors or sales department employees, have been found guilty or liable. Otherwise, fourteen-year old companies such as Wellness International Network, Ltd. and their distributors would be placed at a disadvantage compared to start-up companies, which may not yet have experienced litigation but which are far more likely to have legal issues surrounding their opportunities.

I am a Johns Hopkins-trained, Board Certified, Neurosurgeon. Although I am successful in my practice, the very nature of the structure of medical compensation and expenses, render me incapable of earning what I am worth and properly provide for the needs and wants of my family. While I would not recommend a career in medicine to a young person today, it is too late for me to obtain the skill set and capital needed to start my own traditional company. By proper execution of a legitimate Network Marketing business, such as Wellness International Network, Ltd., I can better provide for my family and help other people do the same.

While I appreciate the work of the FTC to protect consumers, I believe this proposed new rule has many unintended consequences for owners of legitimate network marketing businesses and that there are less burdensome alternatives available to the agency to achieve its goals.

Thank you for your time in considering my comments.

Sincerely,

Mark S. Schnitzer, M.D., F.A.C.S.