

As an IBO, the paramount goal of my business is to use it as a tool to help others. In doing so, it is imperative that any business relationship consist of a mutual beneficial criteria for both parties.

That being said, I understand that whatever parties have created to recent FTC proposal are trying to achieve the same ends; that is, fair and equitable standards that result in the greatest likelihood of mutually beneficial business relationships for all parties involved.

However, focusing on the details of the proposal there can be no doubt that such criteria as outlined in the proposal runs directly contrary to the greater good of both business owners and their prospective partners. This is not without ground; the legislation proposed attempts to encompass such a range of possible scenarios that it must compromise in the form of zero-tolerance policy.

This in fact is the nature of legislation; in that it cannot serve to prevent all conceivable permutations of undesirable or unfair events without being able to predict all possible outcomes. As a result, the inevitable compromise attempts to prevent certain unwanted scenarios but also as a consequence acts as an obstruction for many more scenarios; the same scenarios that the legislation is trying to protect and empower its subjects to experience.

In regards to specifics, the seven day waiting period is one such proposal that exhibits perfectly this situation. The intention is to eliminate impulse decision making under duress or temporary incapacitation of clear judgment due to an external “influence” that may prove to be damaging in the long run. This assumes firstly that the time factor is the primary determining variable that would cause this to happen. This is non causa pro causa, in the sense that it is not time but rather that individuals self accountability that determines the basis on which their decisions are made. However, since accountability can’t be legislated, the classic fallacy of false cause is committed in an attempt to “protect” us from making decisions without thinking the matter through.

In addition to doing nothing to enhance a prospective partner’s knowledge about a business or what it entails, it unnecessarily restricts those who do wish to engage in enterprise together from getting started. This reactionary philosophy of mandatory waiting periods patronizes those whom it supposedly seeks to protect by superseding their own sense of timing and judgment. It further assumes that any entrepreneurial venture would require some guarantee of protection in order to be considered legal, which is completely contrary to the free enterprise economics upon which this country was founded and built.

To serve the purpose of what the FTC is trying to accomplish does not require mandating wait times or lists of personal information to be furnished that reveal nothing relevant to that individuals context of criteria for evaluating a business on their own personal basis. The uncertainty comes not from lack of information about other IBOs or lack of time in which the decision can be made, but from that individuals own basis for the decision. As an IBO, revealing how much I make or who I know or how long one would have to wait

to do business with me has no bearing on how much they make, who they know, or how long they should wait to start their own company. The name INDEPENDENT BUSINESS OWNER does not come without certain context that the name implies, such that their success or their compensation bears no relation to mine. Were that not the case, such information would be useful if it could be used to form a reasonable prediction of prospective success. Yet network organizations such as mine are precisely different from mechanistic structures in exactly that manner. Imposing such restrictions on network organizations does not serve to inform about the structure because the structure is precisely that factor which is not constant.

The problems that this proposal is aiming to solve are real: there are many so-called schemes out there that are in fact illegal and do attempt to defraud those whom become involved. The correct and effective way to fight against these operations is for the prospective business owner to take personal responsibility to educate themselves about the difference between legal business systems and self-employed business opportunities and illegal pyramid schemes and other scams as they are defined by law.

The FTC can accomplish this not by legislation, but by active campaign to establish a fundamental knowledge of entrepreneurial systems and personal finance strategies in our schools and for the general public. With its access to laws and its regiments of lawyers and trained accountants, the FTC can provide a valuable resource to the citizens by putting together such a system. That way, an educated prospective business owner would be able to evaluate their opportunities based upon their own criteria and not the lowest common denominator or baseline level established by the FTC.

Fundamental to free enterprise business, our free market, and entrepreneurship is precisely that it is not guaranteed. Unfortunately, legislation is blind to the intent or the ethics of any prospective partner; it cannot account for every probable outcome and safeguard against them all. Only the accountability of the partner to educate themselves about business and entrepreneurship can equip any prospective business owner with the right criteria to help tell the difference between an honest deal and a fraud. Even then, however, without any guarantees, failure in business is not always attributed necessarily to fraud or illegal tactics on the part of the partners or organization.

In closing, the FTC can encourage everyone to not simply shut the door by trying to eliminate risk, but rather to manage it with the right kind of financial education that it can work to put into our schools and communities. There certainly can be no doubt that such a campaign is needed; one only has to look to our staggering rates of consumer debt to know how critical such education is now and how more important it will become in the future.