

Mr. K Kim Rice

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To the FTC:

I would like to take this opportunity to thank you for your efforts in protecting people from unethical and dishonest business practices. I have been involved in direct sales for the past 16 years. It has been my mission to prove the ethics and honorability of this industry. I am 52 years old and have for years looked for a way the average person can take control of their lives and make residual income.

We are in commissioned sales. This industry has evolved to where it's attracting many professional people to the home based business arena. It has become a profession that is being taught in universities such as the University of Illinois at Chicago by Dr. Charles King, a Harvard University trained professor. (See his business model explanation at www.brilliantexchange.com). Word of mouth marketing is the fastest and best way to get the products, goods and services to the end user. Network marketing is an idea whose time has come. It is really an industry that has matured to the point of self policing. Give people more credit for being able to decide a good opportunity from a bad one. What I mean is people are now very careful about looking for a company that has integrity. People don't follow poor integrity for very long. I can understand the FTC going after unscrupulous business men, but please don't punish the good companies and destroy a great industry in your zeal to protect the public. There are many great and honest network marketing companies. Most of them are extremely honest and ethical and maintain high integrity. They strictly forbid all of us, Independent Product Consultants, from making any income promises or health claims. In fact, I personally tell people that I cannot promise that they will make any money because I don't know how hard they will work. But if they treat it like I treat it - a business instead of a hobby - then their prospects of making a good income will greatly improve. Please reconsider the adverse affect that your proposed changes will have on our beloved industry. The changes will put up a red flag to the point where it could scare people away. In a world where all kinds of people are being down sized and a lot of jobs are going overseas, can we afford to make changes that will adversely affect millions of people's livelihoods?

I will try to respond to your proposed changes individually. I feel that your proposal unfavorably defines "business opportunity" and "business assistance" that likely include all direct selling activities.

- Reduces the standard \$500 investment threshold for the registration of a business opportunity to ANY expenditure. This change is not really necessary if the FTC will make companies give people a 100% money back guarantee with-in 30 days of signing up.
- Requires the direct seller to provide a “disclosure statement” to all prospects, including a list of references of other purchasers of the opportunity and a list of all legal actions in the past 10 years. This rule is unfair to companies who have a small entry fee and then only pay out checks on real sales. This change would scare people away from our industry even if we were 100% squeaky clean. If your considering this, what about all Attorney’s or Insurance agents or Doctors disclosing any and all legal action for their past 10 years? This gonna happen? I don’t think so! Besides, a company may have had some questionable policies or individuals and later made the necessary changes to comply with FTC rules.
- Forbids signing prospects to a business opportunity until passing of a 7-day mandatory waiting period after they have received written materials. This would hurt our efforts severely. It would put up undue red flags and make our sales much harder to do. **WHY NOT JUST GIVE THE BUYER A WARNING TO BEWARE AND GIVE THEM 7 DAYS TO REVIEW THE CONTRACT AFTER THEY SIGN UP?**
- Requires direct sellers making earnings claims (a term with broad definition) to provide a detailed earnings claims statement to prospects. This is unfair to serious builders as most people treat this like a \$35 dollar deal. So it’s very easy to come in and very easy to quit. You can’t quantify who is going to take any business opportunity serious. Jobs are going over seas and companies are down sizing, please don’t devastate a great industry by these changes.

Go to the Direct Sales people and do something GOOD by letting them show how these changes will hurt hard working people. Thanks for letting me voice my humble opinion and for all you do to keep American’s safe from the unethical people. Many baby boomers such as me are looking for a better way to plan for retirement, (since Social Security and Pension Plans are iffy at best) and network marketing gives us an alternative way to make a living so that we do not become a heavy burden on the social agencies.

Sincerely and Concerned,

Mr. Kim Rice