

Elissa Holder
Independent Consultant with
The Pampered Chef ®

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Dear Sir or Madam:

I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form. This could prevent me from continuing my business as a consultant with The Pampered Chef ®. 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 The Pampered Chef ® products.

I began my business with The Pampered Chef ® three years ago when my husband was suddenly unemployed due to the dissolving of the company for whom he worked. As a mother of six children, a traditional job will not fit with my life needs. I saw the business opportunity with The Pampered Chef ® as a means to earn income and provide an opportunity of income growth in the future.

The Pampered Chef ® business opportunity offered an economical kit. For only \$90, I received products and supplies for my business. Even if I didn't make money (and I have made money), the products I received were way below retail value and could be used to prepare meals for my family. I felt this was a win-win opportunity.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new consultants to my team. The opportunity kit only costs \$90.00. Most people spend that amount or more in a typical trip to Wal-Mart. You go into the store for one or two items and purchase much more. There is no waiting period for impromptu purchases in a retail establishment. I also think this seven-day waiting period is unnecessary, because The Pampered Chef ® only asks for a commitment to complete four shows. If they fail to do so, no one forces them to fulfill this commitment. Under this waiting period requirement, I will have increased paperwork to maintain to document when I first speak to someone about The Pampered Chef ® and will then need to send in many reports to my company headquarters.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless The Pampered Chef ® is found guilty. Otherwise, The Pampered Chef ® and I are put at an unfair advantage even though The Pampered Chef ® has done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this

information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to The Pampered Chef ® headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met. I would not want my information disclosed to others.

I appreciate the work that the FTC does to protect consumers. My daughter joined another direct sales company. Due to her youth, she did not perform her own research into the potential viability of her business. She invested money beyond the initial kit before she had offsetting income for that expense. However, that was her choice. The other direct sales company did not demand that she do so. Personal choices have personal consequences.

Many people choose to start up a small business. Everyone has a personal responsibility to make good business choices. My husband and I are also the owners of a service business. We have to have a business plan to operate from to insure that equipment purchases, wages and other expenditures are appropriate for our growth plan.

I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Elissa Holder