



June 11, 2006

RE: **New Rule** Business Opportunity Rule, R511993

We were informed that the F.T.C. is permitting the general public to offer their comments and feedback concerning the new proposed rules for Businesses that make "claims"—especially MLMs and similar ones.

We understand that you are going to require that these companies file some type of DISCLOSURE with the F.T.C. We think that this is a good idea, but more importantly, we want to know what the CONSEQUENCES are for companies that are already frauding people and who may fail to provide such documents.

We are writing this letter because many people have complained to us that they have concerns that this new rule will HURT innocent business people. Many people who are operating HOME-BASED MLM type business are very upset and concerned that there is an "over – kill" in the requests for paperwork and documents. They think that these new rules will put such a heavy burden upon common people—that they will simply not do any business at all.

Perhaps this request for documents can be SIMPLIFIED and consolidated and--- RESPONSIBILITY for producing the DISCLOSURES placed upon the shoulders of the COMPANY offering the 'OPPORTUNITY'-- and required on a QUARTERLY BASIS....not on the individual distributors, members or Reps. Or that it be required on the basis of when the CLAIMS & other info changes significantly.

We also think that some type of SUMMARY STATEMENT should be provided to the Consumer—even if only in summary form of what they provide to the F.T.C.

WE WOULD SUGGEST THAT there not be so much of a constant request for documentation— certainly not on a monthly basis from the DISTRIBUTORS or REPS. We think that the only LEGAL DISCLOSURES that would serve the purposes of this rule would be those that relate to BUSINESS CRIMES—deception, fraud, misrepresentations, etc.

We think that the most important issues that should be "disclosed" are—

- 1) What "CLAIMS" (promises, guarantees) are being made by the company.
 - a. Earnings or profit claims
 - b. Other forms of compensation—e.g. bonuses, property, cars, etc.
 - c. Product value to the market
 - d. ...any other claims, promises, guarantees (or the like)
- 2) How much in earnings does the company claim that a person can earn?
- 3) What evidence, proofs, research, or actual people can the company show that substantiates or supports the "claims that reps earn a lot of money."
- 4) Are there any "disclaimers" --- explain.
- 5) The name and address of all other businesses operated or owned by the same owners of each company.

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