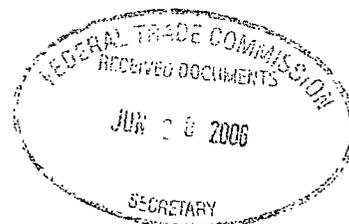


Joan Shannon  
For The Health Of It

522418-70073

June 22, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)  
Re: Business Opportunity Rule, R511993  
600 Pennsylvania Avenue, NW  
Washington, DC 20580



**RE: Business Opportunity Rule, R511993**

Dear Sir/Madam,

I am writing in response to the proposed New Business Opportunity Rule R511993, if not modified, will be a significant impediment and burden to the network marketing industry. This new rule, although well-intended, represents a significant burden to the free market trade.

The proposed rule would require a de facto seven day waiting period to enroll new distributors. In essence, one would have to sell a person twice on the same business—even if the start-up fee is a mere \$19.95. While I support some of the disclosures with modification, I am opposed to a seven-day waiting period because it is excessive burden to any company and distributor who would be required to document and follow-up on the process and an impediment to new business development. In some companies, a distributor is a preferred customer. The prospect of waiting 7 days before being able order product is truly an excessive burden.

The rule requires that any earnings claim statement made by the distributor or company to a prospect, whether written or oral, general or specific, be validated with a detailed "Earnings Claims Statement Required By Law." Additionally, the distributor would be required to provide written substantiation of any earnings claim made upon request. I support the disclosure of an average earnings income statement because it is good business practices to establish realistic expectations. However, I oppose being forced to provide written substantiation because it is an excessive burden considering the investment of money to enter into the business is nominal.

The rule also calls for the release of any information regarding prior litigation and civil or criminal legal actions involving misrepresentation, or unfair or deceptive practices, even if you were found innocent. In our lawsuit-happy culture, anyone can be sued for anything almost with impunity. Regardless of the outcome, you would have to disclose it and explain it to a new business associate which is patently unfair. I would only support the disclosure of previous litigation of companies, executives, affiliated companies and the like involving fraud and misrepresentation *only if the party is found guilty*. If the defendant is found not guilty, the opposing parties agreed to settle without admission of guilt or the case is still pending, then it should not be necessary to disclose this information. If the parties agreed to settle without admission of guilt, there usually is some public document available, particularly if it involves a government agency and further disclosure therefore would be unnecessary. If a case is pending case, it shouldn't be commented upon.

Lastly, the rule *requires* the disclosure of a minimum of 10 purchasers closest to you. While it is a good practice to provide references of satisfied customers, this is a burden for small businesses and, as a requirement, is a violation of personal confidentiality. Unfortunately, requiring the release of this information can threaten the business relationship of the references who may be involved in other companies or businesses. In addition, it subjects these references to cross-marketing by competitors. I am recommending that contact information for purchasers be available upon request, that their availability be published on company materials, and that due to Internet-marketing, they not be limited to geographic proximity.

The network marketing industry is one of the few remaining opportunities for people to leverage their time and limited resources to earn additional income or to create a new career. Once scoffed at by investors, many network marketing companies are publicly traded on Wall Street including Herbalife, Nu Skin, Pre-Paid Legal Services, USANA and others. Network marketing is being used by blue-chip corporations including Citigroup, MCI and IBM. Top business management leaders and *New York Times* best-selling authors Robert Kiyosaki, Paul Zane Pilsner, and Steve Covey have endorsed network marketing.

"Your industry promotes core values all around the globe and gives people a chance to make the most of their lives." \_ **Bill Clinton**

**British Prime Minister Tony Blair** declared that, "it makes a tremendous contribution to the overall prosperity of the economy."

**Billionaire investor Warren Buffett** called it simply, "the best investment ever made".

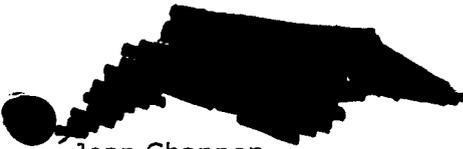
The Network Marketing industry is growing in popularity and contributes to the US economy. This growth should be encouraged. There are 13 million Americans involved in this network marketing industry today. Sales of products and services through network marketing were estimated at more than \$29 billion in 2003.

I am a Single Mom. 15 years ago I found myself in a family transition with two young sons, very little money, poor health and no hope for a future. My biggest dream was to be able to take time to rest when my sons turned 18. Network Marketing was presented to me by my sister, a nurse who believed the products would help my health and the business would allow me to stay home and raise my sons. I took the excellent health products, my health dramatically improved (my physician will attest to this) and thanks to this business model I was able to surpass my income as an instructor/counselor at a local college, leave my job to stay home and raise my sons. Thanks to this industry, my sons have had a house to live in, went to private school and are now in college without student loans. I have been an Independent Distributor for Starlight for more than 14 years and for ViaViente for almost 3 years. This business allowed me to reach one of my dreams and also to help others reach their dreams. I have been involved in the network marketing industry for more than 15 years. I have met some of the finest people and have been introduced to some of the best products. For the first year, I was involved because I wanted the benefit of using the products. Later, I decided to get involved on a full time basis. As you can see from my story, this home based business helped me significantly, and allowed me to spend more time with my family while earning a significant income.

I understand and value the role of the FTC mission "to stand up for America's free market process and for its consumers, who benefit from competitive markets in which truthful information flows." However, I believe this proposed new rule exceeds what is necessary and needs significant modification. We live in a free market economy where people have the responsibility of making informed decisions based on best information. A better approach would be to provide consumers with objective criteria when analyzing a business opportunity and let an informed market proceed. I am in support of the disclosures should be made during the sales process without the requirement of a seven-day waiting period, only if modified as suggested.

Thank you, in advance, for reviewing and posting my comments.

With kindest regards,



Joan Shannon