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June 21, 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 regarding the proposed Business Opportunity Rule R511993. Since 2001 I have supported my family through Internet multi-level network marketing of nutritional supplements, with an average cost per product of \$50.00. The new rule, if not modified, will drastically reduce my income and significantly increase my expenses. In all likelihood my business will then fail.

The proposed rule requires a seven-day waiting period to enroll new distributors. This affects my business in that:

- 1) It impedes new business development by requiring documentation and follow-up for an investment of less than \$25.00.
- 2) It unfairly creates the impression that there is something "wrong" with this company, when consumers routinely purchase cars, boats, TV's and other consumables without a waiting period.
- 3) It requires me to "sell" the customer twice on the same business.
- 4) It would require massive programming changes as most of my clients sign up as distributors at the time they order products in order to obtain these products at wholesale prices.

The proposed rule requires a written "disclosure statement" of previous lawsuits (even if found innocent), the number of previous purchasers who have cancelled within the last two years and a list of "references". This affects my business as follows:

- 1) I support the disclosure of prior litigation in the case of fraud or misrepresentation if I, the company or its executives are found guilty. I do not support that disclosure if I, or the companies for whom I distribute product, are found innocent. I do not support disclosure if the prior litigation is over one year old. Furthermore, this type of disclosure is more

appropriately located on the company web site. It would be redundant, burdensome and unduly alarming to disclose it again in writing to a prospect.

- 2) 90% of my clients become distributors in order to obtain wholesale pricing, and they may cancel their distributorship at any time if they no longer desire to receive the product. Therefore, providing the number of distributors who have cancelled within the past two years would present an enormous burden and expense to compile, update and mail. Furthermore, no company in America is required to disclose the number of customers that have decided to stop using its product.
- 3) The required disclosure of a minimum of 10 purchasers is a violation of their privacy, especially if they have signed on as a distributor to receive wholesale pricing. It also leaves them open to ID theft. I support the disclosure of references, but only if the person referenced has agreed.

Finally, the proposed rule requires an "Earnings Claim Statement Required by Law". This again presents an undue burden and expense to compile, update and mail to prospective distributors who only wanted to purchase the product at wholesale prices. I would be more than happy to provide this type of information to a potential distributor who wishes to start up a home, web-based business, upon their request.

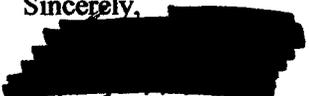
I can only assume that, by the very nature of this proposed rule, the FTC does not clearly understand the nature of product-driven multi-level network marketing. I do understand that a few dishonest and unethical people have caused you to propose these rules. I suggest that they be handled through the existing consumer complaint system. However, the vast majority of the approximate 13 million network marketers are honest and ethical Americans. They are network marketers who truly care about their clients and actively work with their new distributors to help them supplement their income, save for college expenses or provide for their retirement.

For about 25 years the FTC's Franchise Rule covered only those opportunities that required a buyer to invest at least \$500.00 for the first six months of operation. In 1979 the FTC said, "Where the required investment to purchase a business opportunity is comparatively small, prospective purchasers face a relatively small financial risk." That holds true today for the millions of new distributors who enter the \$29 billion network marketing industry. The up front investment of approximately \$25.00 for a personal web site, plus the ability to cancel and/or return product within 30 days for a full refund makes entering the network marketing business less risky than an afternoon at the race track, and certainly more potentially profitable than buying state-sponsored lottery tickets.

The FTC's mission is to "stand up for America's free market process." This proposed rule hinders the free market process and will have a devastating impact on this \$29 billion industry.

Thank you for reviewing my comments.

Sincerely,


Greg Hendrick
President