

FEDERAL TRADE COMMISSION

16 CFR Part 437

Business Opportunity Rule

AGENCY: Federal Trade Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Federal Trade Commission (the “Commission” or “FTC”) is commencing a rulemaking to promulgate a trade regulation rule entitled “The Business Opportunity Rule” (or “the Rule”), based upon the comments received in response to an Advance Notice of Proposed Rulemaking (“ANPR”) and other information discussed in this notice. The proposed Business Opportunity Rule would prohibit business opportunity sellers from failing to furnish prospective purchasers with material information needed to combat fraud and would prohibit other acts or practices that are unfair or deceptive within the meaning of Section 5 of the Federal Trade Commission Act (“FTC Act”).

DATES: Written comments must be received on or before June 16, 2006. Rebuttal comments must be received on or before July 7, 2006.

ADDRESS: Interested parties are invited to submit written comments. Comments should refer to “Business Opportunity Rule, R511993” to facilitate the organization of comments. A comment filed in paper form should include this reference both in the text and on the envelope, and should be mailed or delivered, with two complete copies, to the following address: Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W), 600 Pennsylvania Avenue, NW, Washington, DC 20580. The FTC is requesting that any comment filed in paper form be sent by courier or overnight service, if possible, because U.S. postal mail in the Washington area and at the Commission is subject to delay due to heightened security precautions. Moreover, because paper mail in the Washington area and at the Agency is subject to delay, please consider submitting your comments in electronic form, as prescribed below. Comments containing confidential material, however, must be filed in paper form, must be clearly labeled “Confidential,” and must comply with Commission Rule 4.9(c).¹

¹ The comment must be accompanied by an explicit request for confidential treatment, including the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. The request will be granted or denied by the Commission’s General Counsel, consistent with applicable law and the public interest. *See* Commission Rule 4.9(c), 16 CFR 4.9(c).

Comments filed in electronic form should be submitted by clicking on the following weblink: <https://secure.commentworks.com/ftc-bizopNPR/> and following the instructions on the web-based form. To ensure that the Commission considers an electronic comment, you must file it on the web-based form at the <https://secure.commentworks.com/ftc-bizopNPR/> weblink. If this notice appears at www.regulations.gov, you may also file an electronic comment through that website. The Commission will consider all comments that [regulations.gov](http://www.regulations.gov) forwards to it. You may also visit the FTC website at <http://www.ftc.gov/opa/2006/04/newbizopprule.htm> to read the Notice of Proposed Rulemaking and the news release describing this proposed Rule.

The FTC Act and other laws the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. All timely and responsive public comments, whether filed in paper or electronic form, will be considered by the Commission, and will be available to the public on the FTC website, to the extent practicable, at <http://www.ftc.gov/os/publiccomments.htm>. As a matter of discretion, the FTC makes every effort to remove home contact information for individuals from the public comments it receives before placing those comments on the FTC website. More information, including routine uses permitted by the Privacy Act, may be found in the FTC's privacy policy, at <http://www.ftc.gov/ftc/privacy.htm>.

Comments on any proposed filing, recordkeeping, or disclosure requirements that are subject to paperwork burden review under the Paperwork Reduction Act should additionally be submitted to: Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Federal Trade Commission. Comments should be submitted via facsimile to (202) 395-6974 because U.S. Postal Mail is subject to lengthy delays due to heightened security precautions.

FOR FURTHER INFORMATION CONTACT: Steven Toporoff (202) 326-3135, or Craig Tregillus (202) 326-2970, Division of Marketing Practices, Room 238, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION:

The Commission invites interested parties to submit data, views, and arguments on the proposed Business Opportunity Rule and, specifically, on the questions set forth in Section K of this notice. The comment period will remain open until June 16, 2006. To the extent practicable, all comments will be available on the public record and placed on the Commission's website: <http://www.ftc.gov/os/publiccomments.htm>. After the close of the comment period, the record will remain open until July 7, 2006, for rebuttal comments. If necessary, the Commission also will hold hearings with cross-examination and post-hearing rebuttal submissions, as specified in Section 18(c) of the FTC Act, 15 U.S.C. 57a(c). Parties who request a hearing must file a comment in response to this notice and a statement explaining why they believe a hearing is warranted, how they would participate in a hearing, and a summary of their expected testimony, on or before June 16, 2006. Parties testifying at a hearing may be subject to cross-examination.

