

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

IN RE: PETITION TO TAKE ENFORCEMENT)
ACTION AND PROMULGATE TRADE)
REGULATION RULE CONCERNING UNFAIR)
AND DECEPTIVE ACTS AND PRACTICES IN)
THE MULTI-LEVEL MARKETING INDUSTRY)

FEDERAL TRADE COMMISSION
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DOCUMENT PROCESSING SECTION

The undersigned are an *ad hoc* coalition of consumer advocates, entrepreneurs, economists, professionals and former participants in multi-level marketing (“MLM”) programs. None of us are receiving any compensation from any source for submitting this petition. We come from different backgrounds, experiences and political persuasions, but we share a concern that the MLM industry has become a substantial cause of injury to consumers. The MLM industry has proven incapable of regulating itself, is rife with fraudulent and deceptive earnings claims and has caused – and will continue to cause – untold financial harm and misery to the poorest and most vulnerable of the consumers whom the Commission was formed to protect.

For the reasons set forth in more detail below, we respectfully request that the Commission do the following:

1. Investigate the MLM industry for the purpose of determining whether owners, developers and promoters of MLM programs are using unfair or deceptive acts or practices, including but not limited to operating as pyramid schemes, making fraudulent or