

Kathy Glace  
Unit Manager, lia sophia

July 13, 2006

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a lia sophia Unit Manager and Sales Advisor. I also believe that many women who may benefit from the opportunity to own their own lia sophia jewelry business may decline due to the proposed Rule. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell lia sophia products and share the lia sophia opportunity.

I started my direct sales career over 8 years ago with PartyLite Gifts, Inc. I never regretted the decision and helped support my growing family. Due to health issues, I needed a change in 2005. I found and joined lia sophia. I joined lia sophia because the company was reputable, the starter kit was affordable and lightweight, and the startup program was simple. Now I work with a company that offers sales advisors a starter kit for just \$149.00 and offers its customers a lifetime replacement guarantee! I work with a company that offers women (and men) the support to earn full-time incomes for their efforts. I work with a company that is valued and respected by the DSA. I am very concerned that the proposed Rule will complicate the start-up process for a new sales advisor and perhaps overwhelm the entire direct selling industry. The future of my family and millions of other families is dependent on the stability of the direct selling industry.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new advisors. lia sophia's sales kit only costs \$149.00. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because lia sophia already has a 90% buyback policy for all products including sales kits purchased by a salesperson within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about lia sophia and will then need to send in many reports to my company home office.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless lia sophia is found guilty. Otherwise, lia sophia and I are put at an unfair advantage even though lia sophia has done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. In this day of identity theft (I unfortunately was a

victim 3 years ago); I am very uncomfortable giving out the personal information of individuals (with or without their approval) to strangers. I don't want my information given to anyone! Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to the lia sophia home office and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met. I for one would be very hesitant to do so.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Kathleen M Glace