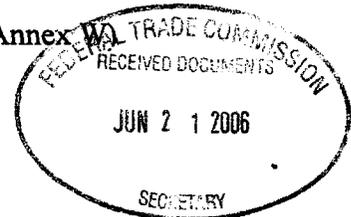


TANNER COMPANIES, LLC

Allison Pell Tanner
Chief Executive Officer

May 15, 2006

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



Gentlemen:

Our Company is concerned with the implications to our business of proposed New Business Opportunity Rule R511993. The provisions of this rule are difficult and extraordinary for a business of our size to implement and monitor.

Tanner Companies LLC is a U.S. vertically integrated, direct selling company headquartered in Rutherfordton, North Carolina. Tanner manufactures and sells quality women's apparel through a U.S. direct selling network of approximately 2,000 consultants who are independent contractors.

Our Company is a seventy-five (75) year old family-owned business, and has thrived through transparency with, and respect for, our independent contractors. Tanner Companies' sales are approximately \$100 million.

We are concerned with the sections of the proposed ruling regarding the establishment of a seven day waiting period to enroll new consultants that would allow the consultant to evaluate the business opportunity and costs of entry. Our consultants may enroll as well as cancel their relationship with our Company at will. Our sales tools have a return policy. Our consultants use sample sets provided by and paid for by the Company. Our consultants do not collect payment for customer sales nor purchase product inventory from the Company. This waiting period creates an impression that the business opportunity offered to the prospective consultant carries extraordinary risk. Under this waiting period requirement, Tanner Companies will need to maintain extensive records when it first makes contact with a prospective consultant and will then have to retain these documents for three years. The administrative costs to conduct such a process are extraordinary.

The proposed rule also calls for disclosure of information regarding prior litigation and civil or criminal legal actions involving misrepresentation, or unfair or deceptive practices whether or not the actions had merit or were dismissed. There does not seem to be value or relevance to disclosing litigation unless the Company is found guilty of the charges. It would also seem appropriate to limit disclosure to prospective consultants of litigation for which the Company was found guilty or liable and that is related to the direct selling opportunity offered by the Company.

The proposed rule requires the disclosure of a minimum of 10 prior consultants previously engaged in the direct selling opportunity offered by Tanner Companies that are located nearest to the prospective consultant. We always provide references to prospective consultants. However invasion of privacy, identity theft, and disclosure of personal information of independent contractors is a significant legal issue that needs to be considered and would result in extraordinary legal exposure for our Company. Information on current and existing consultants is competitive information that in disclosing under this proposed rule, would become available to our competitors. Again, this type of disclosure would cause undue hardship on the Company as consultant databases would need to be structured to extract the required disclosure information.

Tanner Companies appreciates the work of the FTC to protect consumers, but we believe these proposed rules are not in the best interests of our Company or our consultants.

We appreciate the time taken to consider these opinions as part of your evaluation of the proposed rules.

Sincerely,

Aliison P. Tanner
Chief Executive Officer