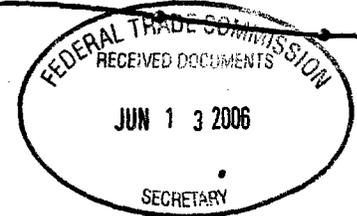


*Bead
Retreat*
Ltd.

311 Ed Wright Lane Suite G, Newport News, VA 23606; 757.596-4300 www.beadretreat.com

June 8, 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 or Madam,

Please allow this letter to serve as our written documentation of concern regarding the proposed New Business Opportunity Rule R511993. We are concerned that in its present form, it could severely impact Bead Retreat, Ltd. We appreciate the FTC's responsibilities to protect the public from unfair and deceptive acts or practices, but some of the sections in the proposed rule will make it challenging if not impossible for Bead Retreat, Ltd. to do business as a direct sales company.

Bead Retreat Ltd. was founded in 2001 and we are a direct sales company that provides beading instruction in the home setting. Our Coordinators guide the Host and his/her guests through the art of bead design and everyone leaves with a finished beaded project such as a bracelet, book mark, or earrings.

We find the seven day waiting period to enroll new Coordinators the most confusing and burdensome section of the proposed rule. Bead Retreat's business kit only costs \$175. Consumers make numerous purchases such as televisions and electronics, automobiles, exercise equipment and other items that are more costly and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the plan. Bead Retreat has a 90 percent buy-back policy for all products including sales kits purchased by a Coordinator within the last 12 months. Under this proposed requirement,

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Bead Retreat will need to keep very detailed records of when an independent contractor in one of many states first makes contact with a prospective purchaser and will then have to retain these documents for three years. The related administrative costs will be enormous for a small company such as ours.

Under the proposed rule, Bead Retreat's plan would fall under FTC regulatory authority since the existing \$500 threshold under existing franchise rule will be eliminated and Bead Retreat will now have to produce numerous pieces of documented materials in order to comply with the proposed rule.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the perspective purchaser. Bead Retreat is glad to provide references, but we are very reluctant to provide personal information of individuals without their permission to strangers. Ironically, the requirement to provide references may result in privacy lawsuits, which under the proposed rule we would have to report. In addition, giving out this information without any control on how it could be used will very likely and unfairly benefit our competitors. In order to generate the list of the 10 prior purchasers, we will need to obtain the address of the prospective purchaser, search our database for the geographically nearest existing Coordinator, use a software program to confirm that these are the closest people, then send the results to the Coordinator. We cringe at the idea of having to state "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers". This is not how we currently operate to best protect the confidentiality of our Coordinators.

While Bead Retreat commends the work of the FTC to protect consumers, we believe the proposed new rule has many unintended consequences, which may impede our business. We also feel there are less burdensome alternatives available.

Thank you for your time and consideration.

Sincerely,

Lesa H. Shepherd
Co-Founder

Cindi Swett
Co-Founder

cc: Direct Sales Association