

Leighanne Burnett
Silpada Designs Representative

July 11, 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 Silpada Designs Representative. 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 Silpada Designs sterling silver jewelry.

I have held two direct sales positions: I was affiliated with Creative Memories from 1997 – 2004 and I have been with Silpada Designs since September of 2004. Before signing on with Silpada, I held two jobs. My day job was at a Real Estate office and my evenings were spent as a direct sales consultant for Creative Memories. I loved the flexibility and income potential of direct sales and my ultimate dream was to be a direct sales consultant without having to work elsewhere. During this time, my friend Marybeth started with Silpada. I watched silently as she had incredible success and fun with Silpada.

A year later, I found myself at a crossroads, I was no longer happy at either job. We were struggling financially and my dreams seemed out of reach. I decided to look into Silpada and got the courage to ask Marybeth for information. Five minutes into our conversation, I knew Silpada was for me! My mind was clear and I was ready to make a fresh start. With my husband's support, I quit both jobs and signed on!

I have never been happier! I love what I do and am building an incredible Silpada team that enables me to work from home and make substantial contributions to our family's finances! The future of my family 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 representatives. Silpada Designs' start-up kits start for as little as \$199. 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. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about Silpada Designs and will then need to send in many reports to my company headquarters.

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 Silpada Designs is found guilty. Otherwise, Silpada Designs and I are put at an unfair advantage even though Silpada Designs has done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. 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 Silpada Designs headquarters 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 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,

Leighanne Burnett