

Lisa Krivitz

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To Whom It May Concern:

I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing running my business as a Lia Sophia Division Manager. 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 continue with my direct selling company.

I have been a Lia Sophia Advisor for more than 2.5 years. Originally, I became an Advisor because I wanted to earn some additional income. I started selling one night a week, made good money, then decided I needed to make more so I started doing 2-3 shows a week and began sponsoring some women who are also doing fantastic with Lia Sophia. Recently, my husband became unable to work. I am the sole supporter of my family through my direct selling business with Lia Sophia. The potential for my success and the future of my family is dependent on the stability of the direct selling industry. These new rules scare me.

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 starter kit costs \$99.00. Deciding to become an Advisor with Lia Sophia was an easy decision for me. I decided I could buy kit, try my hand at direct sales and if I didn't like doing it, I could quit and keep the \$450.00 in jewelry that the kit contained or return it for a full refund. Either way it was a win-win situation for me. Fortunately for me, Lia Sophia offers a fantastic opportunity and I have continued to build a strong business that I never dreamed possible. I pride myself in mentoring women on my team to attain what I have over the last 2.5 years. I did not have to wait seven days to sign up. If I did, I know I would have decided not to, because it would have scared me. I would have thought why is there this waiting period? What's wrong with Lia Sophia and/or the direct selling industry. I definitely feel that this waiting period gives the impression that there might be something wrong with the company. No employer has to tell a prospective employee that they have to wait 7 days before they can start their new job. Why should the direct selling industry be different?

I also think this seven-day waiting period is unnecessary, because Lia Sophia already has a 100% 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's home office. This is way too burdensome. Many people that I talk to about the opportunity, decide not to start...there would be too much to track.

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 we have 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 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. Most will be very reluctant to share their personal information with individuals they may have never met. Again, other employers do not have to provide personal information of past employees that may have quit to future employees. I do not understand why the direct selling industry should be different.

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.

I also appreciate your time in considering my comments.

Sincerely,

Lisa Krivitz