

Kristin Graf
Unit Manager, lia sophia

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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 advisor/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 sell lia sophia products.

I have been a lia sophia advisor/manager for 2 1/2 years. Originally, I became an advisor in my company because I felt the products were exceptional and I needed to earn some additional income. My husband and I needed the extra finances immediately. Financially, we were struggling. I needed to do something that would provide me with the extra income that we needed while making it a career so I could have time for the other important things in my life. The lia sophia opportunity is giving me both. The business opportunity was presented to me very clearly and precisely. There were no catches or gimmicks. I remember my very first pay check; it was over \$200.00! We were able to pay some of our past due bills. After about 6 months in the business I realized that this was a company worthy of sharing! I then began to present the opportunity in the same way I had been presented the opportunity because it made a difference in my life. Today, I have a team of 10 girls who are experiencing the same freedom, flexibility and income. We have a business plan that works. Women love to share things. Showing someone how to become a successful business owner is not a crime, it is a life changing opportunity!

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new lia sophia advisors. Lia sophia's 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. The initial investment to start your own company is minimal compared to franchising or opening a small business with lia sophia! Where can you start up your own company for \$149 and expect to make more than a full-time job while working only part-time! Also, when I first speak to someone about lia Sophia I will then need to send in many reports and unnecessary paper work 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 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. 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 lia sophia 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,

Kristin Graf, Unit Manager
lia sophia Jewelry