



August 4, 2006

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

To Whom It May Concern:

We have recently been notified of the FTC's Business Opportunity Rule R1511993. Given our position as business owners and dedicated advocates of fair business practices, we are strongly opposed to this potential addition to the FTC regulations. As strict adherents of all federal trade regulations, our company and all our consultants would face insurmountable difficulties in attempting to reach compliance.

Our business thrives on the unique culture created within a direct selling organization; this culture is exemplified by a simple sign-up procedure and straightforward business opportunities. The new Business Opportunity Rule would greatly discourage future growth of independent consultants. With such rigid administration in place, new consultants would be lost in paperwork before they even learn the business! In addition, the financial and growth incentives of developing their businesses through recruiting will be overshadowed by the immense amounts of record-keeping and time-restrictive formalities required by your organization.

Please take a moment to review our rebuttals of your proposal:

§437.2 The obligation to furnish written documents

- Our company, and all other members of the Direct Selling Association, provides all new recruits a 12 month period in which they can return any unsold merchandise for a 90% refund.
 - In the event of any buyer's remorse, the situation can be remedied quite simply any time within their first year of sign up. This system is easy for the consultants and puts the administrative duty into the corporate hands of Cookie Lee Inc. where it belongs.
 - A refund system protects free trade practices as well as the buyer, unlike the obligation to furnish written documents in Section 437.2
- Requiring a "cooling off" period to join a direct selling assumes our customer base cannot be trusted to make an intelligent decision on their own, creates unnecessary suspicion about the company in question, and is in direct contradiction the rules of capitalism upon which our economic system was based.
 - Anyone can go out to a mall, a car dealership, or the internet and spend tens of thousands, or even hundreds of thousands of dollars without anyone questioning their decision as long as they have the financial wherewithal to do so.
 - Many retail outlets do not even offer refunds.
 - Why should the direct selling industry be targeted by discriminatory regulations?

§437.3 **The disclosure document**

- We would be extremely concerned for our consultants' safety if this clause takes effect. The FTC would be essentially requiring all consultants, mostly women, to allow their personal information to be given to perfect strangers.
 - Most consultants, of Cookie Lee Inc. and other direct selling companies, operate their business from their home; giving out their address and telephone number opens them up to identity theft, vandalism, larceny, assault and other criminal activity.
 - Being cognizant of these possibilities, our potential consultants would be rightfully hesitant to join our company knowing that their personal information would be given out to every potential recruit in their area.
- Requiring our consultants to disclose their involvement in any civil or criminal action for misrepresentation, fraud, securities law violations or unfair or deceptive practices in the past 10 years is misleading and prejudicial if they do not have a chance to report the outcome of the action.
 - Being involved is not an immediate sign of guilt, however by the time the potential recruit discovers the truth, the seller's reputation will have already been tainted by the implications of the report.
- This regulation would scare away potential recruits from our completely legitimate business opportunity, as well as deter existing consultants from wanting to sign up new recruits.
 - Providing a list of 10 recruits within the closest geographical area to every potential recruit is extremely time consuming, especially for a consultant who is doing Cookie Lee Inc. as a secondary job or just for fun.
 - Providing the disclosure document would drastically reduce the pool of interested buyers as well as lower the motivation of sellers merely due to overwhelming administrative procedures and invasion of privacy, not any fault of the business.

The Business Opportunity Rule will not effectively protect buyers, instead it will simply place an extra burden on the direct selling industry. Our company, Cookie Lee Inc, has been in business for 14 years, during which we have always maintained impeccable standards in our business practices. We have crafted our company around our values of integrity and following the "Golden Rule." We are here to present a legitimate business opportunity to anyone with a passion for jewelry and success. By implementing the proposed regulations, the FTC would cripple not only our company and the more than 40,000 consultants who depend on us, but also the rest of our industry and the millions of people who have created a livelihood from direct selling organizations.

We appreciate your time and attention to this very important matter.

Sincerely,

Debra Lin "Cookie Lee" and John Lin
Owner and Vice President, Cookie Lee Inc.