

Kimberly L. Schneider
Lia Sophia jewelry

July 14, 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 Lia Sophia consultant. 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 consultant for the past four and a half years. Originally, I decided to pursue sales in Lia Sophia to make some extra money to pay off credit card debt and student loans from both undergraduate and graduate school. I worked a full time job as a Speech Pathologist in a grade school as well. I was able to finally resign my full-time day job just this past June, 2006 because of the extraordinary opportunity that Lia Sophia has provided me both financially as well as personally. The future of my new marriage and 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 consultants. Lia Sophia's sales kit currently only costs \$99.00. People buy TV's, 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, because Lia Sophia already has a 90% 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 headquarters.

The proposed rule also calls for 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 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 ten 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,

Kimberly L. Schneider