

Tara Bazata
Colorado Rubber Stamping

RE: Business Opportunity Rule, R511993

July 16, 2006

Dear Sir or Madam:

I am writing this letter because I am deeply concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a Stampin' Up! demonstrator. I understand that part of the FTC's responsibility is to protect the public from "unfair and deceptive acts or practices," but some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell and promote Stampin' Up! products and business opportunity.

One of the most confusing sections of the proposed rule is the seven-day waiting period to enroll new demonstrators. This waiting period gives the impression that there might be something wrong with the plan and/or the company. Stampin' Up! already has a policy under which they will repurchase all products, including sales kits, at 90 percent of their cost, for up to a year, making such an added requirement unnecessary. Under this waiting period, I would need to keep very detailed records when I first even speak to someone about becoming a demonstrator for Stampin' Up! and then will have to send in many reports to Stampin' Up! headquarters. As a small independent seller, more reports and trying to be compliant with a complex set of rules just makes it that much harder to do business, and for many people, this will be prohibitive to operating their own business. Why is it that people can buy TVs, cars, and other items that cost much more than the mere \$199 for a Stampin' Up! starter kit, yet they do not have to wait seven days to reconsider their decision?

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 nearly anything. It does not make sense to me that I would have to disclose these lawsuits unless Stampin' Up! is found guilty of something. Otherwise, Stampin' Up! 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 happy to provide references, but I am extremely uncomfortable giving out the personal information of individuals (without their approval) to strangers. In order to get the list of the 10 prior purchasers, I would need to send the address of the prospective purchaser to Stampin Up! headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent most 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, and about being targets of aggressive marketers. They will be reluctant to share their personal information with individuals they may have never met. Also, it could easily allow people who are competitors to steal confidential downline information, or enable others to market products or services to them on the basis of their being connected with direct selling, without their having requested such communications. Would you want your personal information out there in many individuals' hands? I think not.

You've heard my concerns about the proposed business opportunity rule, now please allow me to tell you a bit about myself and my family. I have been a demonstrator for Stampin' Up! for more than 9 years. Originally, I became a demonstrator because I like stamping and wanted to add a small amount to our family budget without the need for getting an outside job and requiring daycare services (I have three children, currently at ages 13, 12, and 9). At this time, my family relies on my income for the vast majority of our living expenses, and the strength and growth of my own business has allowed my husband the opportunity to voluntarily quit his job and start his own business. Without my Stampin' Up! business, none of the above would have been possible. I have met hundreds of people over the course of my Stampin' Up! career and count many of them to be close friends. One of my direct downline (who I have personally recruited into Stampin' Up!) meets monthly with a group of ladies solely to make thank-you cards for the local chapter of a suicide prevention organization. Why? Because when her two nephews took their own lives, she provided thank-you cards to her brother and sister-in-law so they wouldn't have to think of that aspect, and their

response was amazing. To think that some rubber stamps, inks, and cardstock could make people feel so comforted...yet it does.

My story is not all that unique. As an independent demonstrator, I don't promise get-rich-quick situations. I don't promise a 100% success rate. I do promise a great product, second-to-none customer service (from myself and Stampin' Up!), and personal accomplishments. I also promise a great opportunity that can be very beneficial with some good old hard work.

I appreciate the work of the FTC to protect consumers, but I believe this proposed new rule has many unintended consequences and that there are less burdensome alternatives available in achieving its goals. The FTC may understand many of the problems and abuses that may exist from time to time in the industry, as in many other industries, but it has clearly not gone to the effort to understand how our small independent direct selling businesses really work, and especially to understand how fragile they are. A complicated federal law, with a whole new set of legal requirements, may make it impossible for many of us to continue.

Thank you for your time in considering my comments.

Sincerely,

Tara Bazata