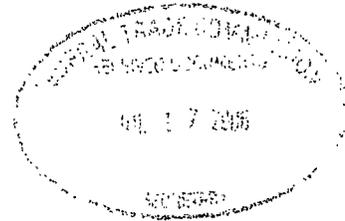


522418-70362



Susan Rusch
Vice President and General Manager

June 15, 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

Dear Sir:

I am Vice President and General Manager of Binney & Smith at Home, LLC (also called "Big Yellow Box"), the direct selling arm of Binney & Smith Inc., world-famous maker of Crayola products. I am writing this letter about your proposed New Business Opportunity Rule R511993, which I believe, in an attempt to stop unscrupulous companies which sell business opportunities, unfairly punishes companies like Binney & Smith with over 100 years of honorable business dealings.

Big Yellow Box sells home craft projects and kits through in-home parties arranged by individual consultants. It has more than 1,200 consultants with annual sales of about \$7 million. It is a start-up by Binney & Smith (commenced in 2002) which builds on Binney & Smith's expertise in and reputation for arts and crafts projects.

The following sets out Big Yellow Box's criticisms of the proposed rule.

1. Seven day waiting period. Big Yellow Box's only start-up charge to consultants is \$199 for the sales kit. This charge is much less than the cost of many consumer items and appliances. There is no obligation on the consultants to buy or pay more. Further, Big Yellow Box has a 90% buyback policy for all products and sales kits purchased by a consultant in any twelve-month period. In light of these protections for the Big Yellow Box consultants, I do not see why a seven-day waiting period needs to be imposed to enroll new consultants. In addition, the cost of creating and maintaining records for three years to show compliance with this rule is an unnecessary cost.

2. Elimination of \$500 threshold. As noted above, the up-front cost of \$199 for a sales kit (coupled with Big Yellow Box's 90% buy-back guarantee) is very small. For years, the FTC

has viewed \$500 as a de minimus amount which does not justify the voluminous documentation required under the existing franchise rule. Now, because of an outlay of \$199 (or \$19.90 net the 90% buyback guarantee), Big Yellow Box would be subject to the full administrative burden of this rule. This is unjustified.

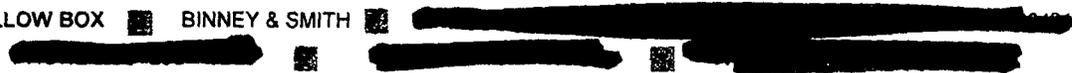
3. References. The proposed rule would require disclosure of at least ten consultants nearest to the prospective consultant. We believe that many of our consultants would object to any of their personal information being provided to prospective consultants whom they do not know and may never meet. In addition, the list of Big Yellow Box's consultants is a closely guarded trade secret in the very competitive direct selling industry. This requirement would open a path for unscrupulous competitors to obtain the names of many of our consultants.

There are many other provisions of this proposed rule which would impose unnecessary and costly requirements on Big Yellow Box. We ask the FTC to exercise some balance in deciding whether the benefits of the rule are worth the truly serious burdens and costs which would be imposed on Big Yellow Box.

Sincerely,

A large, irregular black redaction box covers the signature area, obscuring the name and any handwritten notes or dates.

Sue Rusch
General Manager and Vice President

A long, horizontal black redaction bar covers the footer text, obscuring contact information and other details.