

Julie Lyles  
Advisor, *lia sophia*

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Dear Sir or Madam:

I am writing with concern regarding the proposed Business Opportunity Rule R511993 (herein mentioned throughout as “The Rule” or “Rule”). This Rule, as I understand it, could put up huge roadblocks for me and could possibly prevent me from continuing in my present job as an Advisor with *lia sophia*. I understand that part of the FTC’s responsibilities is to protect the public from “unfair and deceptive acts or practices,” and I applaud that, 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 only been an Advisor with *lia sophia* for a few months and I certainly have no plans to quit now, but this proposed Rule has the potential to put a HUGE bump in the road for me on my path to management. Originally, I became an Advisor in my company because I fell in love with the product, found the company to be exceptional and I wanted to be able to earn extra income while still being able to stay home with my children. This company was a “win-win” situation for me. I have achieved many goals just in the few months I’ve been with *lia sophia*, and I couldn’t be happier. The next goal I have set for myself is to move into a Management position. However, this proposed Rule has the potential to seriously hamper my efforts in that endeavor.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new Advisors. *lia sophia* sales kits only costs \$99.00 (that cost will be increased to \$149 beginning August 1<sup>st</sup>, BUT the company will also be expanding the amount of items/supplies in the kit). 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. I also think this seven-day waiting period is unnecessary, because *lia sophia* (like a large number of other direct sales companies) 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. This creates a large burden on all parties involved and runs the risk of increasing product prices as well as prices for business supplies...both of which I find completely unnecessary! I believe that you are all well versed in the frustration and complexity of “red tape”, are you not?

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices, regardless of the fact that the company was found innocent! In this day and age, people sue over everything and anything just to make a quick buck. It’s ridiculous! It doesn’t make any sense to me that I would have to disclose these lawsuits unless *lia sophia* is found guilty. Otherwise, my company and I are put at an unfair advantage even though we have done absolutely NOTHING wrong! I’m sure

you've heard the phrase, "Perception is Reality". How does this section of the Rule help our potential recruits perceive our company as trustworthy? It just puts a shroud of doubt and deceit over a company...many of which do not deserve it. Why let a few rotten apples spoil the whole bunch? Why should innocent companies have to pay for the wrong-doings of others? Where is that fair?

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. And in this day and age, most people balk at giving out too much personal information. 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 know that I am.

As I mentioned above, I applaud 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,

Julie Lyles  
lia sophia Advisor