

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

From: Essential Bodywear, llc
3280 New Farm Court – Suite 4A
Commerce, MI 48390

Re: Business Opportunity Rule, R511993

Date: July 12, 2006

Dear Sir or Madam,

As President of Essential Bodywear, llc, I am extremely concerned about the proposed New Business Opportunity Rule R511993. This proposal in its present form could cause detriment to my direct sales company, Essential Bodywear, llc. While it is an important responsibility of the FTC to protect the public from “unfair and deceptive acts or practices”, some of the sections in the proposed rule will make it incredibly difficult if not impossible for EBW to continue as a successful business.

Please let me tell you a little about my company. Essential Bodywear, llc (or EBW for short), was founded in May 2003 to offer the service of fitting women in luxurious bodywear such as bras, panties and shapewear in the comfort of their own homes. What began with a \$500 investment by myself and my business partner and CEO Carrie Charlick has turned into a company with almost 200 independent EBW Representatives in 24 states and sales of \$1.5 million in 2005 and an estimate of \$5 million in sales for 2006.

One of the most confusing and burdensome sections of the proposed rule is the seven day waiting period to enroll new EBW Representatives. A new EBW Representative can get started with EBW with a minimal \$99 sales kit investment. Consumers make many purchases such as TV’s cars, etc. that cost much more than their initial investment with EBW and they do not have to wait seven days to complete such a purchase. As an ethical and truthful company who prides itself in participating with the DSA and its Code of Ethics, I find the implication of the seven day wait period to be that we as a company may be trying to perpetuate a fraud against the prospective EBW Representative. In short, this waiting period creates the impression that there might be something wrong with our plan. Such an implication is unjust to those of us direct sales companies who continually strive for excellence and honesty in recruiting practices. Additionally, under this waiting period requirement, EBW has to keep very detailed records when an EBW Representative first makes contact with a prospective purchaser and then we have to

retain these documents for three years. Such administrative costs would be incredibly expensive both in time and cost.

I am also opposed to the elimination of the threshold. Under the proposed rule, EBW's plan would fall under FTC regulatory authority, since the existing \$500 threshold under existing franchise rule will be eliminated and EBW will now have to produce numerous pieces of documented materials in order to comply with the proposed rule.

The proposed rule also calls for the release of ANY information regarding prior litigation and civil or criminal legal actions involving misrepresentation, or unfair or deceptive practices. The proposed rule does not take into account whatsoever if the company was innocent of such charges and litigation. This seems unjust and such a proposed rule would place EBW in an unfair light even if there was no wrongdoing. A fairer proposal would be to include only litigation that is related to the earning opportunity offered to a prospect.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. Essential Bodywear is always happy to provide references but recognizes such information should be available only at the referrer's approval. It seems the very proposal in this section to protect a future prospect, could prove harmful to our current and valued customers who prefer to keep their personal information private. Passing out such information on request could actually leave EBW open to a privacy lawsuit from our customers and would certainly lead to lost customers and bad word of mouth against our reputation as an ethical and responsible company. I consider this part of the proposed rule directly adverse to what we tell our customers everyday – that their personal information is private and will not be shared with others without their expressed consent.

Once again, I would like to reiterate that the FTC is an important entity and I value their commitment to protect consumers. However, I implore you to think deeply about the proposed rule and how it would negatively impact my business and the business of the 200 EBW Representatives who have decided that direct sales is a viable option for them to support themselves and their families. I believe protecting the consumers from unethical business practices could be achieved in a less destructive way to my business.

Thank you for your time and consideration of my direct sales perspective,

Sincerely,

Marcia Negro
President
Essential Bodywear, llc
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