

Karen Ondayko

July 12, 2006

Dear Sir or Madam:

I am writing this letter after hearing about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a "**lia sophia**" Advisor where I intend to build a terrific team; one where women have an opportunity to earn income within a very family-friendly business environment. 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.

This month I began with **lia sophia** as an Advisor. But after a career as a retail executive in corporate America for over 20 years, and as a former business owner for almost a decade, I became an Advisor with **lia sophia** because I felt the products were exceptional and I wanted to create and lead a team of women who do not want the confines of stringent schedules requiring most weekends and many weeknights. The kind of schedules which sacrifice any sense of balance and home life. I thoroughly researched my employment choice of **lia sophia** prior to making my decision. And the future of my career choice 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 Advisors. **Lia sophia's** sales kit only costs \$99. 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, the products, 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. I am proud to be working with **lia sophia** and as such, share my enthusiasm for this opportunity. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about **lia sophia**. Does this mean I will have to ask the name and personal information for anyone and everyone who simply comments about the products I sell? If I visit a retail store selling similar products, I do not have to give my personal information just to admire them, neither will I be grilled for personal info if I simply inquire about employment opportunities. Yet as a former District Manager overseeing operations at 9 retail stores with over 200 employees, I had many commissioned consultants begin in my employ, and then quit after realizing there was indeed "work" to be done. I believe this occurs in most businesses. I also believe the proposed rule will make my business appear illegal or unethical to prospective Advisors who wish to join my team.

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 almost anything. It does not make sense to me that I would have to disclose these lawsuits unless **lia sophia** is found

guilty. Why would this apply to a direct sales company and not the retail shops we frequent in our own neighborhoods?

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. Can this be true? 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. 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. Already in the past year I have received two notices of my personal info being part of (1) a retailer's loss of information through credit card hacking, and (2) the potential loss of info caused by a government employee losing an unsecured laptop with military members private records. Although these two instances were unintentional, I was distressed. If I were told in advance my personal information would be given to others as in the instances listed above, I would not provide info nor join any such organization.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences. It appears some poor practices by some companies are being used to punish an entire industry. And these same concerns can be legitimate in many other industries not subject to the proposed direct sales ruling.

Thank you for your time in considering my comments.

Respectfully,

Karen Ondayko