

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)
Re: Business Opportunity Rule, R511993
600 Pennsylvania Avenue, NW
Washington, DC 20580
RE: Business Opportunity Rule, R511993

July 15, 2006

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form could prevent me from continuing my very successful business as an independent contractor with Lia Sophia Jewelry. While I do understand that the FTC has responsibilities to protect the public from 'unfair or unscrupulous acts or people', there are several sections of the proposed rule that will virtually take away my avenue to pursue my business legally and ethically. That is just wrong.

I have been an advisor with Lia Sophia Jewelry for about a year and a half. I am 53 years old, a retired police officer who is now the main wage earner in my home. My husband, also a retired law enforcement officer retired early for medical reasons. I tried to go back to a 'regular' job, but found due to my age, I could only get very low paying work (after 15 years in law enforcement, I was still not wanted because of my age!). I came across the Lia Sophia Jewelry opportunity and gave it a try. In the very short time I've been with this great company, I have gone from Advisor to Unit Manager to Division Manager. I have nearly 50 women on my team and love showing them 'what is possible' with Lia Sophia. There is no glass ceiling here, no age discrimination and anyone (yes I said anyone) can go as far as they choose in this business. There is nothing in my 'resume' that said I would be great at selling jewelry, but my family is dependent on this income and it would be a travesty for our government to take away this opportunity for women across our country who can't make this type of income in 'regular' jobs.

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 \$149 and they receive approx. \$1000 in jewelry and another \$100+ in supplies. Even if they do not fulfill their end of the application contract and hold the shows we ASK them to, there is no penalty. They get to keep \$1000 worth of jewelry. The only one who loses in this opportunity if the new recruit does not work out is Lia Sophia and the person who brought them on as we spend hours and hours of our own time training these people.

People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This appears to be discrimination against small business owners (that is essentially what we are). Direct offers people the opportunity to own a business of their own, without having to be in business ALL ALONE!! 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 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 (which I do every day) and will then

need to send in many reports to my company headquarters. I will spend all my time on 'busywork' instead of 'real' work.

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 had been found guilty. Otherwise, Lia Sophia and I are put at an unfair disadvantage even though we have done **nothing** wrong. Again, this appears to be discrimination against small businesses.

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 and worse, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. 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. When they buy a car, or get hired somewhere else, their personal info isn't disclosed (or at least it shouldn't be!). Very unfair and unproductive rule.

I appreciate 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. I would be very happy to talk to someone at FTC to help bring about meaningful changes, not just paperwork that will adversely affect millions of hardworking individuals who are contributing to the economic growth of this country!

Thank you for your time in considering my comments.

Respectfully,

Marlene Dreifke