

July 17, 2006

Sharon Houston

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, it could prevent me from continuing as a lia sophia jewelry fashion advisor. I believe that some of the sections in the Rule R511993 will make it very difficult for me to continue selling our jewelry at home-based parties.

I have been a lia sophia advisor for one year. My goal is to move up the direct-selling ladder and provide a better living for myself. This is not a part-time hobby for me. I am a single parent and my family is supported through my direct selling business. The future of my family is dependent on the stability of the direct selling industry.

One of the most confusing sections of the proposed rule is the seven-day waiting period to enroll new advisors. Right now, our 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 or the compensation plan. I also think this seven-day waiting period is unnecessary, because lia sophia already has a 100% buyback policy for all products including a sales kit that is returned within one year. Under this waiting period requirement, the paperwork involved is very time-consuming and, again, confusing, almost impossible to track from the first conversation. Potential leads sometimes do not come aboard for many months. It is a long process, in some cases, before a potential lead is finally qualified as an advisor.

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. I am selling fashion JEWELRY here, not giving medical advice, not selling defective items such as automobiles. Our jewelry does not pose a risk to anyone to warrant a lawsuit. Why make it mandatory for me to even bring up the infamous word "lawsuit" when it is absolutely unnecessary?

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. Would you like to attend a home-based party knowing that your personal information would be thrown out to various strangers just because you are in the same zip code? This section of the rule, alone, would be the death of my business.

I am trying to build my business through obtaining more recruits to become advisors. I think the following sentence required by the proposed rule will prevent many people from wanting to sign up as an advisor - "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 someone they have never met.

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.

Thank you for your time in considering my comments.

Respectfully,

Sharon Houston
lia sophia advisor