

Tracey M. Parent  
Your name  
Lia sophia Jewelry

July 17, 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, it could prevent me from continuing as a lia sophia jewelry Fashion Advisor. 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 jewelry.

I have been a lia sophia jewelry Fashion Advisor for two years as of August. Originally, I became a Fashion Advisor in my company because I feel the jewelry is exceptional, their guarantee policy is exceptional and the owners are sincere. Also, I wanted to earn some additional income so I was not constantly in debt. I am a single parent working two jobs and am supporting my family through my direct selling business. This opportunity has enabled me to keep my two children in a Catholic school and keep a roof over their head. It has helped me financially and from losing my only home. The future of my family 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 Fashion Advisors. Lia sophia's sales kit only costs \$149.00. 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. We ask our new advisors to use the excellence beginning program, if after 15 weeks, they don't like selling, they can keep their kits, jewelry they received and their earnings. I also feel that a proposed seven day waiting period between receiving the disclosures and enrollment would likely cause a potential recruit to lose their enthusiasm for joining lia sophia. The costs of complying with the requirements would increase expenses to lia sophia which may be passed on through the selling price of goods or services we offer.

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. Otherwise, lia sophia and I are put at an unfair advantage even though lia sophia has done **nothing** wrong.

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. 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 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. In fact, the very nature of this ruling is evidence that the FTC does not truly understand that the vast majority of advisors conduct business ethically and honestly every day and that such a ruling threatens the livelihood of these individuals. Is it right that the more than 13 million independent contractors be wrongfully penalized because a very few people have caused the FTC to look negatively at our profession? No!

Thank you for your time in considering my comments and giving me the opportunity to vent.

Respectfully,

Tracey M. Parent  
lia sophia Jewelry  
Unit Manager

/tp