

Cassandra Larson
Division Manager, lia sophia

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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 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 products.

I have been a lia sophia advisor for more than two and half years. Originally, I became a advisor in my company because I wanted to earn \$200 in free jewelry. I'll be honest and let you know that I did not believe that I would really make any money at this business. I knew that some people did but erroneously believed that it was those who signed up "first" with the company. I had a perception that many people tried direct sales but failed due to a variety of reasons, but mainly that is was hard to find customers and the cost of business was too much. I not only regained the startup cost of my business in my first show – I quadrupled my investment and earned that \$200 in free product. I also learned that it was not impossible to find customers and hostesses and that the cost of doing my business was very small since I didn't have to carry an inventory. After my first month in my new business, I changed my goals to include quitting my teaching job and focusing on building my business. As a lia sophia advisor, I make more than I do teaching and while there are rewards for guiding high school freshman along the road to adulthood, they are not as great as the rewards I get for having my own business where I control my destiny. I am expecting our first child and will be able to quit my teaching job when the baby arrives only because of the wonderful opportunities that lia sophia has given me. I am thankful every day that the woman who recruited me saw my potential and offered me the chance of a lifetime! The future of my family is dependent on the stability of the direct selling industry.

[State your opposition to the seven-day waiting period] 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. 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 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 and will then need to send in many reports to my company headquarters. I feel that this is unnecessary because lia sophia as a company nor I as an independent advisor make any promises about the expectations with our opportunity. I stress to each new advisor that I visit with that this is a business that they can work as they see fit and that they will get out of it what they put into it. I do share what the potential is – based on actual results from my team. I strive to live an honest life and handle my business in exactly the same manner. It is unnecessary to require everyone to follow mandates that would only apply to a few within the direct selling industry.

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.

Thank you for your time in considering my comments.

Respectfully,

Cassandra Larson
Division Manager, lia sophia