

Gail W. Saunders

July 16, 2006

Dear Sir or Madam:

Because of my concern I am writing this letter about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could significantly reduce my effectiveness as a business leader, and possibly prevent me from continuing as a lia sophia advisor and unit manager. 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 products.

I have been a lia sophia advisor since 1999. Originally, I became an advisor in my company because I believed this was a no-risk opportunity to earn extra income while enjoying meeting new people. The main reason I chose direct selling with lia sophia, was the flexibility it would guarantee. Flexibility has been a main consideration for many of the decisions that I make due to the fact that I have had care-giving responsibilities for my mother for over 10 years. Scheduling my shows, meetings, and personal contacts has been easy due to the fact that I can adjust my schedule accordingly.

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 a maximum of \$149. People make many purchases that cost much more and they do not have to wait seven days. If I were selling handguns or other lethal weapons I would understand the necessity for such a ruling. In reality I sell fashion jewelry, not a violence-producing product. From the business aspect it has been my experience that most of my recruits have been my hostesses. It is so exciting to talk to a hostess before the show to get a feeling for whether she would be interested in joining the business. If the seven-day waiting period is imposed I feel that most, if not all, of the eagerness and momentum would be lost. I know personally that if I had been told that I would have had to wait I would have lost my enthusiasm and had second thoughts about the company and the products I would represent. I would have felt that maybe there was something to hide and that the advisor was not being upfront with me because of past history. I have always built my business with integrity...with lia sophia I knew and still know, without a shadow of doubt, that I have nothing to fear by associating myself with this fine company. I proudly represent the company and its products to my family, friends, and total strangers without worry that something might not be right. I also think this seven-day waiting period is unnecessary because purchasing a starter kit from lia sophia is a no-risk business venture with its 90 percent buy-back plan. In fact, I encourage all potential buyers to see for themselves whether the selling-opportunity is all that we say it can be. I find it very unappealing to add that they would need to wait for seven before signing the agreement. What needless doubt would that create about me or my company?

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It is indeed unfortunate that in today's world anyone can be sued for almost any reason. I believe this proposal is unfair and unrealistic to further punish a company and its individuals when clearly they have done

nothing wrong and been found innocent. I feel that it would be very detrimental to my business and that of the company.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective buyer. I am not opposed to providing references, but I do feel it is unnecessary in this instance. With this ruling I am concerned how my clients will react when they read - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." We are told almost daily to be on the look-out for identity theft and people are very concerned about their privacy. I will need to send the address of the prospective purchaser to lia sophia headquarters and then wait for the list. Because of the reputation of the company and the integrity with which I represent the products and business opportunity, prospective buyers can confidently share their information with me. They depend upon me to be honest and to keep their information safe and private. I find it unnecessary that I would need to provide burden of proof that I and the company which I represent are reputable business operators.

In conclusion I urge you to consider that in my six-plus years of business with lia sophia that I have handled multi-thousands of dollars in cash, checks and credit cards from total strangers. When I first began it amazed me that people I did not know would give me their check with their personal information, much less share their credit card number with me, a total stranger. However, I realized that they were placing their trust in me, just I had placed my trust in them to deal honestly with me. Every day millions of direct-sales people step out in faith just as I do. Every day millions of consumers place their faith in us to provide excellent service and products. Today my clients and I continue to put our trust in each other. I believe this is because they are confident that I have proven myself and my company to be of worthy and acceptable reputation. I would not want the proposed ruling to cause doubt or mistrust which would place an undue burden on my business relationships. Please do not let a few bad instances damage the future of direct selling.

I sincerely appreciate the work that the FTC does to protect consumers, yet I urge you to reconsider placing this undue and unfair burden upon those of us who maintain a legitimate business while extending equitable business practices toward each of our clients and prospective buyers.

Thank you for your time in considering my comments.

Respectfully,

Gail W. Saunders
lia sophia Advisor & Unit Manager