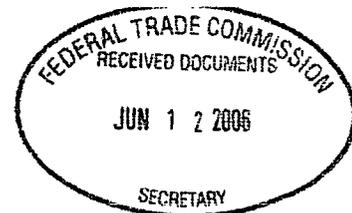


522418-70065



June 2, 2006

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

Dear Sir or Madam:

Signature HomeStyles is a company based in Illinois with annual revenues of approximately \$30 million. We sell high-quality organizational and home décor products through an independent sales force of over 8,000 representatives at home parties. I am writing today to provide comments on the proposed New Business Opportunity Rule R511993.

As a company that offers a business opportunity to women across the United States, we are very concerned that the proposed rule could impact our ability to continue to operate as we have for the past 35 years, providing quality home products and a meaningful income to the families of our representatives. We respect the FTC and the rules that are in place to protect consumers against fraudulent business opportunities and unfair or deceptive trade practices, however, we feel that the proposed new rule has many unintended consequences and that there are less burdensome alternatives available in achieving the same goals.

We are particularly concerned about five sections of the proposed rule:

Elimination of the Threshold: Our Starter Cases cost \$100 and \$175 and as such are currently below the threshold for the existing franchise rule. With the elimination of the threshold, we will need to make major modifications, at additional expense, to the case to include the required materials under the proposed rule.

Seven Day Waiting Period: Our business is conducted at home parties where our representatives both sell product and offer the opportunity to attendees to start their own business. Currently, many of our hostesses and guests will sign an agreement to purchase a Starter Case and begin their own business the night of the party. If new representatives are required to wait seven days after being presented with the opportunity, it could create the impression that something is wrong with our business. It also will require that our current representatives keep detailed records and that the company maintain these records for three years, placing an extreme administrative burden on our representatives and added expense to the company. Because we currently offer a 90% buyback on all materials in the Starter Case for one year following the shipment of the case, we feel that the purchasers of our opportunity are protected should they decide to cancel their agreement with us for any reason. As such, we do not feel that the seven day waiting period is necessary to protect the purchasers of our opportunity.

June 2, 2006

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References: Although we, and our representatives, regularly share references with prospects, we are very concerned that the requirement to provide data about the ten closest purchasers of the business opportunity to prospects will violate the privacy of our representatives, who in this day of identity theft are uncomfortable having their personal information disclosed to strangers without their permission. Additionally, this provision could provide unscrupulous companies, or rogue representatives of legitimate companies, to get access to information about our representatives, and use this information to their benefit. The administrative burden of providing the ten closest purchasers to each prospect will be onerous, as our database of representatives is in constant flux as representatives join, leave, or move. The mere fact that new representatives would need to agree to the release of their personal information to future prospects under this provision may prevent prospects with privacy concerns to enter into our business opportunity.

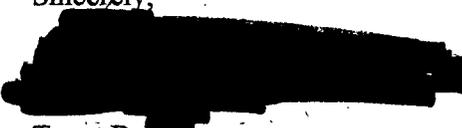
Earnings Claims: We feel that the approach that the rule is proposing for companies to gather and report earnings claims will be ineffective in preventing the fraud that is targeted by the rule. Those with fraudulent business opportunities will not provide accurate data. On the other hand, ethical companies, such as Signature HomeStyles, will find it difficult to interpret and meet some of the proposed requirements.

Disclosure of Litigation: Although Signature HomeStyles has not ever been a party of any litigation or civil or criminal legal actions involving misrepresentation, or unfair or deceptive practices, we feel strongly that the requirement to release any information about this type of action is of little value unless our company was found guilty. The broad language of this provision means that we would need to disclose actions totally unrelated to the business opportunity. It would be more appropriate for the rule to cover only the disclosure of legal actions related to the business opportunity offered to the prospect, and then only if the company was found guilty.

Signature HomeStyles, its employees, and its representatives truly support the FTC in its quest to protect consumers from fraudulent business opportunities and from unfair and deceptive practices, however we are deeply concerned that the proposed new rule has the potential of adversely affecting our business to the extent that we may not be able to continue to operate as we have for the past 35 years. We believe that there are alternatives that would prove less burdensome to legitimate direct-selling companies, but will achieve the goal of protecting the consumer.

Thank you for considering our comments regarding the Business Opportunity Rule.

Sincerely,


Tracy Burton
Executive Vice President
Sales and Marketing