

Daisy Blue
Naturals

Jena L.R. Thompson
Daisy Blue Naturals, LLC

522418-70351

June 1, 2006

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



Dear Sir or Madam:

I am writing this letter on behalf of my company, Daisy Blue Naturals. I am concerned about the proposed New Business Opportunity Rule R511993. In its present form, it could severely hurt my business, and our consultants businesses. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," but some of the sections in the proposed rule will make it very difficult for my business to continue.

Daisy Blue Naturals was founded in 2001. We sell natural skin care and home care products. We have nearly 1,000 independent consultants with approximately 1 million dollars in sales annually. We are making a difference in the lives of many of our consultants, who have found our business opportunity affordable, rewarding, and fair.

One of the most confusing sections of the proposed rule is the seven day waiting period to enroll new Independent Consultants. Our sales kits range from \$49 - \$150. Why is it that we can purchase other items without a 7 day waiting period? What would happen if the FTC decided that we should have a 7 day waiting period before buying an appliance, clothing, or even a car? Hence, this waiting period creates the impression that there might be something wrong with the plan. It is important to mention that Daisy Blue Naturals has a 90% buyback policy for all products including sales kits purchased by a salesperson within the last twelve months, making this 7 day waiting period unnecessary. I feel that under this waiting period requirement, Daisy Blue Naturals will need to keep very detailed records when an Independent Consultant first makes contact with a prospective new customer, and will then have to retain these documents for three years. The related administrative costs will be very expensive, not to mention that fact that we would lose many consultants who do not want to be burdened with extra paperwork.

I am also concerned about the proposed rule calling for the release of any information regarding prior litigation, and civil or criminal legal actions involving misrepresentation, or unfair or deceptive practices. According to this proposed rule, it will not matter if our company was found innocent. I am certain you are aware that in today's age, anyone or any company can be sued for almost anything! I am certain that this proposed rule would hurt Daisy Blue Naturals. Should every litigation be exposed to our consultants? The reason our business is successful is because we handle all of the 'business' situations that arise. It is in our Consultants best interest to not be burdened with such situations; let them work their business without the headache OF the business!

Another part of the proposed rule that I disagree with is requiring our consultants to gather information regarding earning claims and demographics. I am extremely concerned that this approach will be ineffective in preventing the targeted business opportunity fraud. The fraudulent businesses that hurt our Industry will continue to do so, by not providing accurate data. Of course, Daisy Blue Naturals would try to faithfully comply, but we would have difficulty, if not an impossible challenge, of interpreting and meeting some of the proposed requirements.

Lastly, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. My company is glad to provide references, but in these days of identity theft, we are very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Ironically, the requirement to provide references may result in privacy lawsuits, which under the proposed rule, we would have to report. Also, giving out this information without any controls on how it could be used will very likely and unfairly benefit our competitors. What appalled me the most is the following sentence, "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." At Daisy Blue Naturals, we pride ourselves on not giving out this information without prior approval from the individual. Consumers are very concerned about their privacy and identity theft and so are we from a privacy litigation standpoint. Individuals will be reluctant to share their personal information with individuals they may have never met.

Daisy Blue Naturals appreciates the work of the FTC to protect consumers, but we believe this proposed new rule has many unintended consequences, which may destroy our business. We also believe that there are less burdensome alternatives available in achieving the consumer protection goals stated in the proposed rule.

Finally, I would like to offer highlights of the following points:

1. Seven day waiting period. Not only is this cumbersome, expensive, and painful for us as a company, it will hurt our consultants business, which in turn will hurt the end users of our products.
2. Release of Litigation Information. This point is unfair, and puts an extra burden on our consultants trying to build their business.
3. Earning claims. First, it is time consuming and difficult to gather the required data. Second, I am certain that the fraudulent companies will provide inaccurate data, while ethical companies such as ours, will provide correct data.
4. Disclosure of References. We as a company believe this to be an unethical business practice. In addition, it has the potential for identity theft, which in turn may open us up to privacy lawsuits.

Thank you for your time in considering our comments.

Sincerely,

Jena L.R. Thompson
CEO, Daisy Blue Naturals

