

I wish to start this comment by thanking all of you who are working so hard trying to find answers to the problems that plague business caused by a few unscrupulous practitioners.

I am an independent business owner (IBO) associated with Quixtar.com. Although I have been associated with them for many years it has only been recently that I have begun to actively pursue the business. Quixtar has been very diligent in its requirements of fair treatment and disclosure for all IBO's and prospective IBO's and require the same actions of me when I register new members into the business. Although your present efforts seem rooted in the same desire for integrity, I am concerned that your present recommendations would, in part, be very detrimental to the entire industry. My concerns are:

7-Day waiting period – I understand the concept of providing a “cooling off” period to help protect those entering the business. This ruling will significantly increase my costs of doing business and places the government as arbiter of who can benefit from starting a business and when. Might I suggest that the waiting period be waived for those companies that, like Quixtar and its IBO's, provide a 100% money back guarantee? That way the prospective new business owner can start immediately but is still protected, costs are held down, and the government can be viewed as aiding the citizens of the country not controlling them.

References – On the surface this is a good business concept and prospects do meet members of my team and other teams. However, in this type of business the names I would be forced to furnish are either directly on my business team (and therefore biased by definition for the purposes of this regulation) or are my direct competitors. This requirement is tantamount to asking me to provide someone with a list of people that can usurp my business. It is analogous to requiring that President Bush list the Democrat party as character witnesses. It is like asking Nordstrom's to advertise Sears. It also violates my privacy and safety to have some other IBO give out my name address and telephone number to someone I have never met for the purposes of their personal gain. Perhaps the FTC could instead accelerate its education of the public on the differences between legitimate businesses such as Quixtar and those that would be considered suspect based on their practices.

Providing a “litigation list” – There are over 1 million IBO's affiliated with Quixtar in the U.S. alone. The ability to provide a list such as regulation requires is unworkable. Nor does the regulation provide any distinction for merit of the case. The end result is the creation of a “guilty by accusation” list. I understand that the FTC wants to provide transparency but perhaps there is a better method. I doubt that even the FTC or the SEC has such a list available.

Financial disclosures – Since IBO's are individual much of this provision would force them to provide their personal financial statements. This is a blatant violation of privacy. In addition, each IBO is in business for themselves and such financial statements would vary widely and may be misleading. In Quixtar we provide audited numbers based on the average “active” IBO's income which provides a quantifiable standard from which to measure.

Thank you for this opportunity to comment and I wish you the best in the difficult endeavor to protect us yet ensure the continuation of good business practices.