

Subject: Proposed FTC Regulation on Business Opportunities

July 3, 2006

To Whom It May Concern:

My wife Amy and I have been Quixtar Independent Business Owners for six years. We make twice as much as the average household income in our area with our Quixtar Business. I still have my job but Amy has been able to stay home and help raise our seven children. With the cost of living increasing so rapidly we really don't know how we could even get by without our Quixtar income. Not only have we been blessed with this extra income opportunity but we have also been blessed with the business education system that has been made available to us. Our family is much better off because of our association with Quixtar.

In regard to the proposed regulations by the FTC, I agree with the overall goal the FTC is trying to accomplish and would like to see the public being better protected from fraudulent "get rich quick schemes", charlatans trying to skirt their way around the regulations against "pyramid schemes", those who try to build their businesses with exorbitant start up purchases/fees, and those who get paid for simply registering someone. Although these goals are important I believe the proposed regulation as it is written now misses the mark in some key areas.

1) The proposed requirement to wait seven days to register: Although it is unusual for Amy and I to register someone the first night we visit with them, I still believe that in our free country the government should not be putting such restrictions on its people. If I or any citizen wants to start into business they should not be told, "You need to think about it longer than you have. Then if you still want to we'll LET you." **When I sold door to door in college, people weren't restricted from buying for seven days so they could make sure they really wanted to do it.** However, they were allowed three days, I think, to cancel and get all their money back. This would be a reasonable consumer protection. **Simply ensure the consumer's right to change their mind within a certain period of time.** I've had three or four people do that since I've been with Quixtar and the company refunded their registration with out any problem (and it was longer than seven days too).

2) The proposed requirement to provide references is extremely problematic. In the real world what would end up happening is that I'd be leading my prospects to my local competitors (within the Quixtar Business model) before they were registered. WOW! Not good! From Amy & my prospective we would not want our names, address or numbers being given out to people. This seems a clear problem. **I also don't want to be helping my competitors out by "talking their prospects into it". Can you imagine the problems I could create for my competitors if they'd let me talk to their prospects before they got registered?!** Seems like major infringement issues to me. If people on my team want their new prospects to talk with me or anyone in their "up line" they can and do give out my name and number. We also have local Business Conferences each month where they get around all the local business owners and are taught how to build a successful business.

3) The proposed requirement to disclose all litigation has several problems. All I'd like to say is that it seems **the larger a company gets the greater the number of litigations.** This is true with all industries. So, the more stable and successful a company is, the more litigation disclosures, thus **creating the false impression of instability or impropriety.** The companies you and all of us would like to see shut down wouldn't, many times, be big enough or around long enough to show much of this and yet would be the most dangerous to consumers. I think it **best to require Better Business Bureau links/info, or Dunn & Bradstreet ratings, etc.,** which Quixtar already does.

4) The proposed requirement to provide my financial records or records of my earnings seems to be breaching some privacy issues. I don't have any problem with revealing how much money I make now, because I make good money. What about the new business owners? They haven't been in long enough. What about someone who didn't put any significant effort into the business and yet has been registered for a while? **Is the FTC going to come up with some ratio of effort to income? That would only be fair and reasonable disclosure.** In most every Direct Selling business, **my results are NO reflection of what your results can be.** You may do much better or much worse. **If someone shows you their great income statement, it may lead you to think you will get the same results. This is absolutely misleading. However, IT IS JUST AS MISLEADING if my income statement is low after any period of time. Results in our industry have a direct bearing on effort, not time involved or the product or the company.** Quixtar is already following good income disclosure rules. Other companies should be required to do the same and nothing more. It seems more than reasonable for Business Owners in the field to simply be required to show the average income of the average IBO at each level. No income disclosure will ever be any more "fair" than that.

Respectfully, Eric & Amy Rayburn Sapphire IBO Quixtar.com