

To the FTC,

I have been working as a Quixtar IBO for nearly 7 years and I want to express my concern about the proposed FTC rules targeting network marketing businesses. I operate my business with the highest level of integrity and honesty, and I cannot understand why the FTC is proposing rules that will only hamper my ability to conduct business. The proposed rule should focus on rip-off schemes like on infomercials. Your proposal is off the mark, and actually contains some elements that have potential to cripple burdens me without benefiting prospects.

I agree that we should have reasonable and responsible rules to give prospects. Transparency and honesty at the act of prospecting serve as a solid foundation for your business. I cringe at people who give the impression that making large incomes requires no significant work. These, unlike Quixtar, are NOT genuine business opportunities.

Directly because of our Quixtar business income, my wife has been able to stay at home, available to help our daughter with her son, who was born with a brain tumor, and only has limited sight. We have been able to give more money annually, because, as Christians, we tithe, and the larger the income, the more we can tithe. Our next goal is for me to leave my day job and have more time to do something infinitely more important with my life, benefiting more people. I do not believe that I was created to sit at a desk all day! Our Quixtar business fits our lifestyle well; we work it when we can.

When we registered our business, we had more information than we needed, and our sponsor would not let us register until we had all questions answered. In fact, we were somewhat overwhelmed with the amount of detail provided, including the approved profit model, examples of products, and audio (CD) information made by experts who have done what the business plan shows. When explaining the business plan in person, I tell people is that this is not a "get rich quick" scheme, and that they will have to work hard for the income; I tell them that if they want a guarantee of success or fast riches, then they should look for another business.

But registration does not cost as much as a big franchise, and the cost is typically about \$130-150 for the registration fee and product pack, which is optional, but recommended so that they are familiar with the products, as an owner should be. With the money back guarantee, they get a full refund within the first 180 days, which those infomercials can't match. Only excellent, reputable opportunities backed by a solid organization with financial stability can offer such a refund.

Our goal is to help people get a fast start, so a 7-day waiting period, besides being unnecessary (we give people ample time to research and evaluate our business), would drastically hamper this quick start. A quick start leads to quicker success. Waiting 7 days would put people in a limbo state, and would mean that the sponsoring business owner would have business information materials unable to be re-used for other prospects during that time. Events for new business owners are scheduled quickly to take immediate advantage of the excitement that the new person feels, now that they are

beginning to move toward a more profitable future, and a waiting period would cancel out that excitement. A series of 7-day waiting periods would also stretch out the signing up of other prospects and greatly lengthen the time until profitability. Imagine 7 or 8 people in a row having to wait that time; nearly two months of delay would occur and profitability would suffer.

There is also a proposal to require providing a list of local business owners for prospects to contact before they decide to register. The fact is they meet --- live and in person --- dozens of such people at our weekly opportunity meetings. They are free to question those people about virtually anything. They can ask them specific questions about how they fit in the business around their lifestyles, how much money they are making, how much help they are getting, how much time they spend, etc. I have had new business owners tell me that it is those conversations that convinced them that we were a solid, legitimate business. If I were required to provide such a list of people I do not even know, (1) my prospect would be free to contact them at any time, which is a serious invasion of their privacy with no return on their time spent responding, (2) the business owners on that list have no idea who I am, what help I would provide my prospects that they may have not received, (3) that person may give them faulty information with no penalty for doing so, even if it hurt my business, and/or (4) there a definite risk that my prospect might register with one of the references instead of you. That would be very unfair, and a good example of my government deliberately harming my business. I know MY team and we're solid individuals. We work well together and do a good job in our businesses.

Conversely, having other business owners give my name, address, and phone number to their prospects is a big violation of my privacy. I also doubt that government personnel would be comfortable with my having access to THEIR name, address, and phone numbers for my prospects to call at any time and ask people about my business. I doubt that you'd want to get a call over dinner with your family about my business several nights in a row. Neither would I.

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The requirement to provide a "Litigation List" borders on insanity. It's easy to sue someone in business nowadays, and most lawsuits are frivolous (cases with no merit) and have nothing to do with 99% of the people working in the business. Keeping such a list current would also require us all to be attorneys, and that is a waste of time. Since your proposal does not truly define what a "seller" is, would you require us AND Quixtar lawsuits to be listed? How would the average small business owner get accurate and current information?

Concerning specific earnings disclosures, we already give all prospects the average monthly income information provided by Quixtar. During the presentation of the business, we also use the approved profit model and show the exact numbers approved by Quixtar, which, in fact, are very conservative, and actually below corporate historical averages. I cannot what else I could provide.

For my prospects, I tell them approximately how much my most recent 1099 shows me making, and I compare that to my full time job income. Then I compare the hours I put in each to create each income. I could not be more forthcoming with that amount of detail. I also tell them approximately how much monthly income I make, although it varies up to 10% each month. I also tell them how much my annual bonus is and describe in detail what it takes to gain that bonus. I tell them how that income replaced my wife's income, and also allows us to enjoy a better lifestyle. But being forced to produce documents is very inappropriate. I cannot imagine this requirement being imposed on ANY business in America, so why pick on ours?

In short, being open and honest with prospects is a great idea. The fact is we already do this with prospects. We do not need more regulation. Put your chains on the slimy fly-by-night get-rich-quick snake oil sellers. There are plenty to pursue. Let us good guys continue to do what we do so well.

Very truly yours,

Robert W. Fritz