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**Independent Business Owners – Quixtar**

**July 6, 2006**

**FTC**

**RE: Business Opportunity Rule, R511993**

We have been Independent business Owners, first with Amway and then with Quixtar since 1989. We are both professionals in the health care field. When we were introduced to this business model, there was no mentioning of promised incomes. We realized that our success depended on ourselves and our ability to follow a duplicatable system. We built our business part time and achieved a comfortable, secondary income within 3-4 years.

We realized early on that in order for us to generate an income, we had to be willing to do things that the majority of people getting involved did not want to do – we actually had to look at this business as a job. Sadly, most people getting involved never do anything and then blame their failure on either the corporation or whoever got them involved. The lack of failing to take personal responsibility for one's failure is seen in all walks of life and is not specific for this industry.

Our business has provided us with:

- A monthly income
- Quality products to a fair price with 100% money-back guarantee
- Saving time by ordering consumables on-line
- Association with other like-minded people with positive, forward looking attitudes.

Before we registered with Amway/Quixtar, we received printed material explaining how income was generated. This was all produced by the Amway/Quixtar Corporation. We were pleased to notice that no promises were given about getting-rich-quick. There was also a 30 day money back for the registration cost if we decided not to go on.

When we subsequently expanded our business by teaching others to do what we had done, we used to same material/information we had been given.

We were also surprised by the low initial cost of starting this business. It was pointed out that there would be optional, educational expenses later on. But we were used to ongoing expenses running our regular businesses in the health care field.

Overall, we have been extremely pleased with our association with Amway/Quixtar.

**SPECIFIC ISSUES IN THE PROPOSAL WE HAVE OBJECTIONS TO:**

We can understand why the FTC wants to regulate this industry based on other stories we have heard and experienced during the years we have been involved. On the other hand we can also

see this as a governmental intrusion in the free enterprise system. This can in turn set precedence for a multitude of other businesses.

In particular, we will mention these specific issues:

### **The requirement of a 7 day waiting period.**

This will most likely have negative effect for someone who wants to develop momentum building this business model. Many individuals building this type of business often travel great distances to meet with a prospect. A waiting period of 7 days will in most cases be cost prohibitive for building this type of business outside the local community

**Solution:** Have a 30 day money back guarantee of registration fee.

### **The requirement to provide references.**

Initially, this requirement tells more about a lack of understanding of this kind of business than anything else! This also violates the basic privacy and confidentiality of the Quixtar business. Inherent in this type of business, new prospects will get to meet and know people in their upline **within the line of sponsorship.**

An example of this requirement in the traditional world would be for a patient seeking dental care to be required by the dentist to go and talk to x other dentists before he can provide dental care to that patient.

A requirement for local references also prohibits business expansion into areas where there is not an established business.

**Solution:** Scrap this stupid requirement.

### **The requirement to provide a “litigation list”**

**This borders on absurdity!** If we were to present prospects with “litigation lists” then every doctor, lawyer, CPA, plumber, contractor, etc. should also be required to provide a list of all suits filed against that person in the past 10 years to all prospective new customers.

**Solution:** Scrap it!

### **The requirement for financial substantiation.**

Quixtar requires Independent Business Owners that prospects receive given earnings potential prior to registration. In fact, when registering a new IBO on the phone, Quixtar specifically asks if the prospect has been given the SA-4400 form that outlines the earning potential and gives the bare facts about incomes.

**Solution:** Require all other companies doing this type of business to adopt rules and regulations similar to those used by the Quixtar Corporation.