



Federal Trade Commission/Office of the Secretary
Room H-135 (Annex W)
600 Pennsylvania Avenue, NW
Washington DC 20580

To Whom it May Concern:

I am writing this letter in response to the proposed Business Opportunity Rule, R511993. As a family with three generations of Independent Business Owners, affiliated with Amway Corporation and Quixtar, Inc. for over 50 years, our experience and long-term perspective on the Direct Sales industry is paralleled by few others. This enduring relationship between the Dutt family, our team of Independent Business Owners (IBOs), and Quixtar, Inc. has flourished, enabling us to help countless others achieve their personal and financial goals.

We recognize the Direct Selling industry represents a vast assortment of organizations and companies which follow varied business practices. As such, we fully support reasonable and responsible rules to help manage the expectations of prospects, and protect against fraudulent activity. However, there are some aspects of the aforementioned proposed rule which concern us greatly as they would unnecessarily and unfairly inhibit our business, without benefiting prospective business owners whatsoever.

1. Requirement of a 7-day waiting period

When starting a new venture, often the most inspired and productive time for the new business owner is the first days following their commitment to develop their own independent business. As such, a required waiting period would prevent the new IBO from capitalizing on this momentum, possibly reducing their potential and most definitely slowing their progress. This, in turn, would inhibit the growth potential of all IBOs with whom they may be affiliated.

We feel this rule is an unnecessary protection, as all IBOs receive complete disclosures as provided by Quixtar's approved SA4400 prior to registration. Additionally, Quixtar, Inc. offers a 30-day money-back guarantee on all products. Also, our family has personally offered a full cost-of-registration refund *immediately* to any IBOs who "change their mind" within the first 30 days, and recouped these costs ourselves from Quixtar, Inc. as available.

2. The Requirement to Provide References

The consequences and impact on this aspect of the rule for any IBO affiliated with Quixtar, Inc. are obvious. An IBO who has made the investment of time and effort in sharing the opportunity with a qualified prospect could easily find themselves empty-handed should the prospect register with one of these references instead of the IBO who made the initial contact. Additionally, requiring all IBOs to share their personal contact information at random is inherently detrimental to their personal privacy.

It should also be taken into account that in many cases, the prospect has the opportunity to meet with other IBOs who are part of the team of business owners affiliated with their contact prior to

registration. This often occurs on a local level in an IBOs home or small office, where the compensation plan is being shared in a group setting.

3. Requirement to provide a “Litigation List”

Beyond the obvious impact on personal privacy of all IBOs, it is important that the FTC recognize that each Independent Business Owner is precisely that: *independent*. As such, alleged unscrupulous activity on the part of one IBO *does not* necessarily reflect the actions or intentions of all other IBOs. The Dutt family has prided itself on our honesty and integrity as we’ve grown and developed our business. Any regulation requiring us to bring litigation to light, particularly when it has no bearing or reflection on our personal activities, is wholly inappropriate.

4. Requirement for Specific Income Disclosures

All prospective IBOs are specifically shown an SA4400 disclosure, as approved by Quixtar, Inc. This disclosure includes an Average Monthly Gross Income for all IBOs affiliated with Quixtar, Inc. Prospects are also provided with a copy of this document prior to registration. As per Quixtar’s current regulations, no income examples may be shared with prospects without prior stringent content review, ensuring reasonable and realistic examples are provided. As such, requiring separate disclosures would not only potentially confuse and complicate the sharing of the compensation plan, but would place an unnecessary burden upon IBOs and Quixtar to calculate this information for every example.

5. Requirement for Financial Substantiation

While the Dutt Family is pleased to share our success with prospects and IBOs with whom we have contact, requiring this of all IBOs is contrary to their personal privacy. On the occasion that we personally choose to share this information, we do so in the form of a copy of our actual check (s) from Quixtar, Inc. It is important to also note that success as a Quixtar IBO is entirely optional, and is determined not by the legitimacy or effectiveness of our business plan (which is already well proven), but by the determination of the individual IBO. Therefore, the potential of the individual IBO is not determined by the income of another IBO, but by their own efforts.

We sincerely appreciate your concern and attention to these matters, as we all work together to ensure the future success of the Direct Sales industry, while ensuring the integrity and honesty necessary to protect the public from illegitimate or deceitful participants.

Sincerely,

Jody Dutt
President

Jason F. Dutt
Vice President

Jere W. Dutt, III
Vice President