

We have been independent business owners affiliated with Amway/Quixtar for a total of nine years. We have obtained as high as a silver level but average much lower than that on a monthly basis. The income we receive from this part time business venture is commensurate with our effort we put into it. Much like any self-employed business. The benefits we receive from this business relationship are the extra income, the like-mindedness of the Independent Business Owners, and the personal growth experience from the Professional Development associated with our business.

At the time of our registration, plenty of material was given with the option for more in order for us to make an informed decision. There was never an urgency to sign up – just when we decided or if we decided. We had been looking to diversify our income anyway and had looked at a vitamin company but decided this company had more product selection and a history of good products. We have registered others the same way we were registered. Since there is no income associated with signing someone up, it really doesn't matter whether they do or don't. It is their opportunity.

We realized the success of any business endeavor that we start is solely up to our efforts. If our business fails, it will be our fault and not the fault of anyone at Quixtar or involved in the business with us. On a number of business support materials there is a saying “there is no guarantee that this will work for you”. I believe that to be true. We have to remember though that some people are so desperate for income that they see and hear what they want to see and hear and may believe that it is a get rich quick opportunity; however, if they are involved long enough they will realize it does mirror a real “self-employed” type business opportunity with the hard work coming much before any monetary realization.

A typical sign up involves a registration fee of \$100; a publication package of \$20; and an optional product package of between \$60 and \$80. All of this is refundable. Quixtar actually has a 100% guarantee no questions asked on all products sold within the first six months of purchase. I am sure some quit their business without asking for a refund. Some continue to be registered but never buy or show anyone else the compensation plan too. Some just don't want to put that much time and effort into their business.

Since there is no income (to the one registering the new IBO) associated with the initial sign up and there is a 100% refund policy, I would not recommend a seven day wait. I am not even sure when you would start counting as it is such a process anyway. Usually the individual has had numerous days to think about their decision as well as loads of information that they can review.

Providing a list of Independent Business Owners is a violation of privacy for those business owners on the list. I would recommend one name be given in the line of sponsorship that all questions could be directed. If others in the line wish to be contacted, then they can relay those names to the new individual as well but just to lay out ten names in various organizations and structures would not be beneficial to either party. There are negative experiences in every endeavor. For instance, I started my own accounting practice. I haven't made any money in the first six months. I could quit now

and say starting your own accounting practice doesn't work. I can tell all my friends about it and they may not start one based upon my negative experience but that doesn't mean starting an accounting practice isn't a good opportunity for someone and there have been numerous success stories.

I am not necessarily opposed to litigation disclosures by corporations; however, if one corporation is required (that is privately held) then all corporations both private and public should disclose. I am opposed to Independent Business Owners disclosing litigation. I believe that if an Independent Business Owner is involved with litigation as a result of their Quixtar affiliation that Quixtar should be made aware of it and possibly a listing available through the corporation. That way the corporation would know what problems their "agents" were experiencing with legal issues. This way they could possibly enforce their own rules and regulations, penalties and such on their agents.

With regard to the specific earnings, Quixtar currently discloses what the average Independent Business owner makes which isn't very much—\$115 per month. This is based on all IBO's in the United States so includes those that do nothing and those that do quite a bit. This is included on all publications. As far as the compensation plan, typically one plan is shown and expressed as an example knowing full well nothing ever plays out exactly like the plan shown. There is no possible way to disclose all the different ways a business could be built. I believe showing one plan with a disclaimer that there is no guarantee that this will be how your compensation plan will work should be enough. This is also true if I were buying a business. I can look at what the previous owner did but that is no guarantee as to what I will do. This goes along with financial substantiation. With such a small monetary investment to start, there is no reason to disclose actual historical financial results of an IBO's business to a prospective person. If for some reason, they were to be paid directly from the IBO instead of the corporation, then I would say there could be justification to show a financial statement in order for the prospect to be comforted that their sponsor did have the financial capacity to uphold paying them. That is NOT the case with a Quixtar affiliated business owner. The accounting and bonus distribution is all done centrally at the corporate level. Having the corporation disclose financial records (although not publicly traded) may be of some benefit.

Once again, rules and regulations put in place to stop those with fraudulent intent hurts those that are actually doing business ethically. Based on the complaints you have received, I would think monetary penalties directed to those individuals or companies who have scammed the public would be of more interest than penalizing everyone by making it difficult to even do free enterprise. No matter how many laws you put into place, without a penalty system, those who have intent to defraud will continue. Thank you for the opportunity to comment.

Respectfully,

Dana R. Musgrave