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Federal Trade Commission
Office of the Secretary
Room H-135 Annex W
600 Pennsylvania Ave., NW
Washington, DC 20580

(via e-mail attachment)

Re: Proposed rules: Quixtar

Gentlemen/Ladies

I am a CPA, licensed in the State of New Jersey since 1971. My wife and I were introduced to the Amway/Quixstar sales and marketing plan about 15 years ago when a client asked me to "check it out" on his behalf. I was already familiar with it from other clients but I never pursued it. I decided to take another look at the details for this client's benefit. I even read the Judge's ruling in FTC 93 : 618. This time around I joined with him in the development of the business. Shortly thereafter an attorney friend also reviewed the plan and in his "due diligence" contacted the USAG in New Jersey and Michigan and obtained a copy of the Dun & Bradstreet report. He confirmed my decision when he also joined with us. My wife and I became qualified Platinum's in 1992 and we are continuing to grow.

After reading your proposed additions to the rules, I had to step back and ask: **are we losing our perspective over an investment of about \$150.00 ?**

I'm familiar with the procedures and by-laws of Quixtar and I take comfort in this: with Quixtar, the sponsor does not receive a benefit from sponsoring a prospect other than the satisfaction of being able to help someone and share in his future success. In fact the sponsor can easily invest substantial time, energy, and funds (cost of gasoline alone @ \$3.00 per gallon) when introducing someone to the plan.

At a registration fee and related costs of about \$150.00, Quixtar makes little or no profit after: costs to maintain the website, telephone staff, introductory material, etc. just to get someone registered. Therefore, we are encouraged to sponsor only those who have reviewed the materials and who are serious.

I ask, why is there so much anxiety over an investment of about \$150.00 ? Multiples of that amount are lost every hour in Atlantic City and Las Vegas with no promise of a refund! Oh yes, did I mention that Quixtar offers a full refund?

Are the prospects immature children? Are they adults with intelligence so diminished that they cannot make an intelligent decision for themselves? The materials we give prospects are very clear.

What is their risk? Quixtar offers a full refund guarantee. They state it in their materials and I've witnessed the refunds to many people who've "had second thoughts".

As for your proposed rules: A "list of 10 referrals" is a privacy issue and is subject to abuse, such as in identity theft. For example in my accounting office I can not/ will not release the names of my clients without obtaining their permission. Plus, it is obvious most people would provide only friendly names.

A "list of all legal...claims..." The potential for abuse here is frightening. For example in my accounting office I've witnessed false accusations thrown at clients just as leverage to settle financial matters.

Let's put this into perspective:

In June of 2006 a newspaper article reported that almost 200 attorneys in New Jersey were censured, disbarred, suspended, or otherwise slapped for a variety of illegal or unethical activities that included theft, theft by deception, theft by conspiracy, forgery, misuse of trust funds, malpractice and "conduct unbecoming an officer of the court". **Under your theory we should be demanding a list of 10 referrals and a list of all legal...claims against the attorney before hiring him/her to represent us.**

Another newspaper reported that the number of, or names of, physicians in NJ who were accused of malpractice or negligence causing injury to a patient is not made available to the general public. They needed a court order to obtain that information. In the meantime, it is "alleged" that the dangerous physicians are shielded by other members of the medical community (who repair their mistakes) including the members of the regulatory board. In addition, if a physician is "forced" to leave the state, his record does not necessarily go with him to the licensing board of the next state. **Under your theory we should be demanding a list of 10 referrals and a list of all legal... claims against the physician before hiring him to tend to our medical needs. This could be a life or death matter.**

I have had several clients and friends report thousands of dollars in losses due to fraud or errors committed by repair contractors. In many cases the legal authorities can do little more than "slap the wrist" of the contractor while the injured party has to resort to civil actions to recoup the loss, usually obtaining little or no recovery (most contractors hide behind corporations, which they "bankrupt"). **Under your theory we should be demanding a list of 10 referrals and a list of all legal...claims before...etc.**

Investment Counselors, Business Agents, Financial Planners and Mortgage consultants are in the perfect position to steer their clients to investment/loan packages that reward the "counselor" with higher commission rates. Other counselors increase their profits by "churning" the accounts. Others have depleted their client's capital through negligence or by mismanaging the accounts. **Under your theory we should be demanding a list of 10 referrals and a list of all legal...claims before....**

In all of my examples, the general public is placed in a position of high financial, medical, physical and emotional risk due to the intentional or accidental acts of others, most of whom are licensed, regulated, or.... not. In my examples the financial cost to recoup, recover, repair or seek recourse is staggering. **Yet, here the FTC is proposing to demand a list of 10 referrals and a list of all legal actions... to protect an intelligent adult from an investment of about \$150.00** (did I mention that it is fully refundable?). Are we using a sledge hammer to swat at a fly?

As for the other proposed rules:

The seven day wait would be an inconvenience for those who have several people ready to purchase products or register along with them. NJ already has a 3 day rule for most consumer purchases. Quixtar offers a full refund whether it is one day or 180. This would be similar to the FTC telling the owner of a new business establishment that they must wait seven days from receiving the "certificate of occupancy" before they may make their first sale or see their first client.

Income claims that are without merit should not be tolerated. We discuss averages provided by Quixtar as audited and approved. A family's income is personal and confidential. When asked about our personal income, I respond that "we've done quite nicely, thank you...How much you earn will be entirely dependent on your efforts and we will help you".

Frankly, I've found that people have a nasty habit of pointing fingers to hide their fears and inadequacies. They fear what others might think; go into debt just to keep up with the neighbors.

Sincerely,
David M. Lederman