

July 11, 2006

Federal Trade Commission

Title: Notice of Proposed Rulemaking

Subject Category: Business Opportunity Rule

CFR Citation: 16 CFR Part 437

Dear Sir or Madam,

I have been an IBO (Independent Business Owner) within the Quixtar organization for just over 5 years. During that time my wife and I have been successful in achieving some of the goals that we have set for ourselves. The first was to receive a residual income check every month. The second was to learn how to own and operate our own business. The third was to learn how to work together as a team. And the fourth was to use our business to offer hope and help to other families just like ours.

Our next goal is to advance to the Platinum level within Quixtar and begin to take on the responsibilities of leadership within our organization. We have found that we have been able to move closer to our goals and still maintain and improve our lifestyle. Ultimately, we plan to become Diamond business owners with Quixtar.

When we first got started, we were approached about the idea from a business associate/friend that I had known for over 20 years. He explained the business opportunity to us in detail and gave us some information to review. We researched the business, attended some meetings and functions, and thoroughly investigated the idea for over 5 months before deciding to register with Quixtar and become an IBO. During that time we received absolutely no pressure to register and every question we asked was answered and explained. Since then, when we contact prospects and encourage them to become an IBO, we strive to follow the same example that was set for us over 5 years ago.

We inform our prospects that our business is not a "get rich quick" scheme, and that high levels of income can only be achieved over time with hard work. Our business is truly fair because if you do nothing then you will earn nothing, and if you do a lot then you will earn a lot. I believe that our income has been commensurate with our effort. Because there are no guarantees, I have discovered that business ownership is not for everyone. Our experience has confirmed my opinion though that the risk is worth the reward.

I tell our prospects that they should expect to pay about \$400 dollars to properly launch their business. This amount includes their expense to register and receive an IBO number from Quixtar. It also includes a monthly informative publication about their new business that they will receive in the mail. Part of the money they spend is for enough products to qualify them for a bonus check from Quixtar. The balance of the \$400 can be used to get involved in a training program. I tell each and every prospect that every expense that I described above is optional except for the registration fee with Quixtar. I also inform them that the products that they buy when they register are guaranteed and

can be returned for a full refund. I caution them that they should only purchase products that they can use and/or sell. I also tell them that if they change their mind about business ownership within 30 days after registration that they can get all of their money back. We have in fact had one prospect that did just that. She was a person that we went to church with and after we explained our business to her she got excited about the possibilities and decided to register with Quixtar and allow us to be her sponsor. About two weeks later, Dateline News broadcast a negative segment on their show about Quixtar and as a result her mind was changed about owning a business. Within 3 weeks she had received a refund on all of her registration expenses and all of the products that she had purchased.

One of your proposed rules is to require a 7 day waiting period before registration. This rule would have a negative impact on our business and I'll tell you why. This is a people business and my experience is that people want to get involved with people that they know. In January of this year we registered 7 new IBO's that wanted to be on the same team together. If we had waited 7 days to register each new IBO, the momentum and growth of that team would have been jeopardized for no good reason. My experience is that most decisions that are made by people are based on emotion and not on logic. When someone has made the decision to launch their own business, the last thing they want to do is wait 7 days for it to happen. There is absolutely no good reason for anyone to have to wait to launch their own independent business powered by Quixtar because Quixtar has such a generous refund policy. Again, prospects are encouraged to research our offer fully before they decide to register with Quixtar. In the rare event that someone changes their mind, it is very easy for them to receive a refund. A 7 day waiting period would have a negative impact on the Quixtar opportunity.

Your proposed rule to provide a list of local IBO's that could be references for our prospects is also not a good idea. I would not want other IBO's to have access to my prospects before they register because there is a chance that my prospect might end up on their team and not mine. From the other point of view, I would not want other IBO's giving my personal information to their prospects. I would consider that an unfair violation of my privacy. On our team, prospects are encouraged to attend at least one free meeting in the area before they register so that they can get another explanation of the opportunity and also meet other IBO's that are on the team.

The rule to provide a "litigation list" makes absolutely no sense to me. First of all, I am an Independent Business Owner engaged in building a reliable, profitable, and secure business. I am not a lawyer. I do not have personal knowledge about lawsuits that have been filed against Quixtar or any other IBO's. In our country anybody can sue anyone else about virtually anything. I can't think of a bigger waste of my time than trying to inform prospects about lawsuits.

Specific earnings disclosures are also unwarranted. I tell prospects that their income in our business is not dependent on my income. I tell them that their income depends on their effort. I tell them that the size of my check does not help or hurt their earning potential. I go on to tell them that the average earning from an active IBO is currently

being reported as \$115 per month. I tell them how our bonus schedule works and I give them some specific examples of how it could work for them. I also give them a copy of Quixtar's form SA-4400. I do not think that my personal income would or should have any bearing on a prospect's decision to register as a Quixtar IBO. It would be inappropriate for me to provide prospects with proof of my income from Quixtar. The only thing that needs to be proved is that Quixtar's compensation plan works as it is described, and we prove that to the prospect when they receive their first bonus check from their very first order. There are no guarantees in business, but Quixtar and I have gone and continue to go to every effort to make sure that prospects understand fully the earnings potential of their new business.

Respectfully,

Robert Zehm
Quixtar IBO