

Federal Trade Commission
Title: **Notice of Proposed Rulemaking**
Subject Category: **Business Opportunity Rule**
Rule, R511993
CFR Citation: **16 CFR Part 437**
Published: **April 12, 2006**

July 13, 2006

We have been Independent Business Owners (IBO's) for over 30 years. As registered affiliates first to Amway and then to Quixtar in 1999. Our affiliation with these companies has shown us the qualities of a good business consist of moral, business ethics and operate with rules of conduct. This multi-level opportunity opened a door to own a family business. It was an opportunity to develop an income level, which we were willing to work hard to achieve. There were no guarantees of any earnings, only examples, possibilities and potentials.

This business has been our primary source of income since 1976. During business presentations, we do not mention how much we earn. We do share examples and possibilities with no guarantee of earnings. This business is not a get rich quick scheme. The earning potential is based on a compensation schedule and additional bonuses that can be earned. It has to be developed. Effort must be put forth to see results, as with any other business.

New Independent Business Owners typically spend \$180 to register their Independent Business with Quixtar. This amount varies from state to state due to sales tax. The FTC proposed rule changes would destroy new business growth in our business and have no affect on illegal and fraudulent businesses. A business that is fraudulent and illegal ignores FTC regulations already.

Response to the rule changes are as follows:

1.
 - A. 7 Day Waiting Period §437.2
This proposal puts a prospect in a defensive mode. During this time the prospect may interpret the wait as time to run background checks, like with firearms. It makes people not trust. A true business is first built on trust. It also restrains potential business growth by inhibiting the time with which one can register new prospects and hinders profitability..
 - B. The prospect could be contacted during the seven day wait by a competitor and sold a product and thus change his interest with no waiting time.
 - C. Having seen the business model explained and having to wait seven days to register combined with the wait when shared with friends and family limits the prospects ability to earn income, as well as those the prospect shares the opportunity with. This affects new independent business owners ability to develop their business quickly should they choose.
 - D. Opportunities like Quixtar, where a prospect has a buy-back guarantee to discontinue their affiliation at any time makes the seven day waiting period redundant. Eliminate from the proposal

2. Provide Prospects with 10 Independent Business Owner references §437.3

This would violate one of our codes of ethics. It states:

“The information contained within this section constitutes trade secret, confidential and proprietary business information, which has been developed and is owned exclusively by Quixtar. By viewing these pages, you agree to maintain the information in strictest confidence, and to take all reasonable steps and appropriate measures to safeguard the information and maintain the confidentiality thereof. You agree not to compile, organize, access, create lists of, or otherwise use or disclose the information contained within this section except as authorized by Quixtar.”

Disclosing this information violates confidentiality and provides no protection. Privacy protection is of vital importance. As an IBO, my personal information should not have to be disclosed to a potential prospect, for another IBO, as a requirement to the business opportunity. Eliminate this proposal.

3. §437.3(i) The requirement to provide a list of litigation involving the seller would be unfair business practice. Not all cases filed have merit and not disclosing it violates the proposal itself. This does not protect the prospect. Most companies have had to litigate complaints or lawsuits, whether true or false. Eliminate this proposal.
4. §437.4 Substantiations of Earnings disclosure is relative. Not every business owner has earnings, because the business is based on effort in developing their business. Not every individual is the same and hence, earning potential varies according to the individual. The business presentation is presented using clear examples. Examples are potential earnings, not claims. Actual top bonuses paid out by Quixtar each year are published with no name listed. This proposal needs to be eliminated.
5. The requirement for financial substantiation is personal information and no one else's business. We do not state our personal earnings in the business presentation. The question is what does the prospect want and do they see how they can make money working hard at developing this kind of business. Do they see the potential for themselves? If a prospect needs more information, we send them to our affiliate or online facts published by Quixtar on the actual amounts earned at different levels. Eliminate the proposal.

In conclusion, the proposals made would have a negative affect to multi-level marketing opportunities. The FTC has in place consumer protection and reputable companies abide by these regulations.

James Agard
John & Allison Vacher