

COMMENTS TO FTC
ON PROPOSED
TRADE REGULATION RULE

FROM IBO 2032

I have been the Quixtar/Amway business for twenty four wonderful years. Using the Quixtar business vehicle and our with help from our training organization we were able to retire from “traditional business” in 1988 and have also helped numerous others in our business do the same. There are huge benefits to building your own independent business powered by Quixtar, besides the money. Character, relationships, self image, and developing a positive attitude are a few of the many huge benefits that come from being part of this business.

I applaud the efforts and agree with the “goal” to create better regulations, so legitimate opportunities like the Quixtar business can continue to operate and help others take advantage of this great vehicle, and get rid of some of the scams and fly-by-night outfits. Unfortunately, some of the proposed rules would severely and adversely affect the way we do business. I’ll be more specific later. We have always used and taught our IBO’s to use very specific language when talking to people about the Quixtar business. Phrases like “ I can’t promise you anything” and “ There’s no guarantees” or “You have to treat and work this like a business to get results” have been stressed and we have always made sure to give prospects the Quixtar SA4400 (Independent Business Ownership Plan) and tell them that it is required by the FTC.

Specific Issues:

Seven-day wait:

We have built our business doing either one on one presentations or group meetings often at long distances. This business is built on excitement and people wanting to create additional income. Like most an other business, people make many of their decisions based on emotions, excitement, and impulse. No different than buying that new car or set of golf clubs. A seven-day waiting period would be a huge detriment for many reasons. There is a need to “close” like any other industry, because most people have a hard time making up their mind. The vast majority of our sponsoring was done because they got excited at the potential and decided immediately to get

started. We assure them that we will mentor and train them later. A waiting period also creates undo and unnecessary expenses and time for both parties to get together multiple times, especially if I've flown or traveled to present this plan. My opinion is it would cut sponsoring in half and double my time to build an organization. Most prospects will have forgotten virtually everything you told them if they waited seven days.

References:

We are in an information age, we can supply our prospects with vast resources and data about this business model. Numerous independent web sites and other companies have already done this research and people "that want to check it out" have vast resources of info available to them because Quixtar has been around and checked out and scrutinized for decades. Why require people that don't want or need these references or may have already done their homework to get redundant or unnecessary information. We encourage people and tell them some resources to go to, unlike some other companies. Providing a list of other IBO's creates identity theft issues and prospecting "theft issues. These "other" IBO's may steal or recruit the prospect that you worked for and offered this opportunity to. What would a car salesman think if they had to tell the guy that just took a test drive with them, that before you can purchase, here's a list of other local salesman that want to sell you this car. Absurdity is what that is.

I don't know what "other" companies do, but our greatest asset is to get these people around other IBO's in our teaching system, have them listen to their success stories, come to a meeting, and be taught by people that have already done it. We already give them a list of IBO's within our upline or teaching system. Other local IBO's may themselves be not trustworthy or not build or teach the same way we do. Which offers up confusion to the new prospect, and he may now not get involved with anyone and he's the loser then.

Litigations:

Truly a can of worms. If every company the size of Quixtar in the US had to offer up every bogus litigation case or claim to do business, it would shut down the economy. You can't pick and choose on this one. If every company in the US was required to do the same it may at least be fair. I understand that there are far more lawsuits and cases filed with the Wal-Mart's, Microsoft's, McDonalds of the world. What exactly is a seller? As long as people and lawyers exist, there is always going to be litigation and

claims, especially if the “seller(whatever that is) is very successful. So what’s the point. I understand the purpose is again to expose the frauds and scams, but it has to be done in a way that successful companies like Quixtar, Wal-Mart and Microsoft aren’t hurt in the process. There will always be litigation, does a new prospect need to be overwhelmed with it all. He may just want to make an extra couple of bucks a month and own his own business.

Earnings & Substantiation:

Our organizations has always made sure that any statements about potential earnings (stressing “potential”) have been approved by Quixtar’s Legal dept. We tend to offer more of a estimated range of income based on established parameters . We have learned through the years that actual numbers could overwhelm some prospects and discourage others, based on their own views. We instead help them identify what “THEY” want and work with them to help them get that. Our lifestyle becomes a testimony of the income we have achieved. A key to our business is the dream and or potential. Although someone that just got started has the potential to make a huge amount, and could build a huge business and help thousand of other do the same, based on that initial belief –until it is achieved. Supplying his new sharp prospect with his twenty or two hundred dollar actual today bonus is very detrimental. Hope and the potential yet achieved or received is vital to all businesses. The guy investing in a franchise hopes heal make millions and probably can, would he even invest or start the business if he found out the guy selling it to him only made 25,000 last year? So what, maybe that guy was lazy or didn’t have a system to train him or fresh ideas and enthusiasm. Why is the “Magic of Thinking Big” a best seller. Haven’t heard about a book on the best seller list about “Only do what you can support with substantiation”.

Close :

It’s my opinion that what made our country great was “Free Enterprise”. I see it’s a tough task at hand to try to regulate an industry that is thriving and vital to our economy . Hopefully you can use this and my fellow entrepreneurs input to come up with a viable way to regulate and protect all of us from all the scams and unethical businesses that are out there, without hurting or adding regulations that would adversely affect our business.