

In regards to the proposed FTC 16 CFR Part 437 Rule Changes, I feel that the intent is honorable but the measures significantly hamper and undermine the potential growth of the business opportunity of Quixtar and provide an undue burden and potentially damaging requirements on the IBO's who are building their businesses.

My wife and I have been Quixtar IBO's for approximately 3.5 years and are on pace to achieve the Founders Platinum level this year. Our next goal is to attain the Emerald level so that I, a current construction account representative, can become a full time operator of my Quixtar business and spend more time with my family. The business structure has been a true blessing for us since we didn't have the time or capital resources needed to start a traditional business. The non financial rewards have been a large part of us staying with the concept even when it was growing as fast as we would like, Mentorship, friendship, strengthened marriage relationships and understanding family commitments have been a great byproduct of associating with the people who have built the business concept before us.

As for our practices in building Quixtar, the business team we are associated with takes great lengths to inform new associates about the time needed, the finances required and commitment expected to reach certain levels of the performance bonus compensation plan. As a matter of fact we stress it's a **performance** bonus, which implies work and effort. We also mention that success is determined by the person, not the concept and that holds true for any endeavor in life whether it pertains to college, work, business ownership or business opportunities. Our typical upfront costs associated with starting a Quixtar business is about \$150 to \$200 (we explain the 100% buy back policy Quixtar has) and we explain that numerous times before anyone registers as an IBO. In addition, we explain the training material associated with our business team but that is voluntary and is the responsibility of the new IBO to inform us when they would like to partake in that education. At present, we have numerous IBO's who have been active for over three months who have attained help from their upline who still are not using the training materials or buying them because it is voluntary. Our philosophy is treat people with professionalism and respect and you'll earn their business as a customer or develop a business friendship that may last a lifetime.

As for specific items pertaining to the proposed FTC 16 CFR Part 437:

1. The requirement of a 7-day waiting period would significantly slow the growth potential of our business. If we were making a profit from selling businesses then I could understand such a rule; however, our relationship is more of a business partnership and no other industry requires such a rule. Out of town business would become more expensive due to increased travel costs for more trips. In addition, such ruling inhibits the new IBO's potential to make money by delaying their efforts by up to one week. We already have a 100% buyback rule which allows the prospect to make the same decision with no impact on their financial resources.

2. The reference list again is a good idea when your selling a business; however, we are dealing with business relationships. We typically meet in a group setting when we show the business plan and thereby allow new prospects to meet and discuss ideas with people who would be on our reference list. Personally, I would not appreciate the idea that any IBO could give my name and personal phone number and other private information to prospect I do not personally know. With today's telemarketing rules and no call lists how can we be expected to give out such information.
3. Litigation lists would be highly disruptive and unfair as a business practice. Litigation lists do not prove wrongdoing only that someone had a dispute. Frivolous and unfounded suits would be considered viable and competition could continuously file unwarranted suits to make such a list damaging to their competition. I wouldn't expect the manager of Wal-Mart or the owner of a McDonalds to provide me with a litigation list of their parent company everytime I tried to do business with them.
4. Income disclosures are handled by the SA4400 document we already provide. That document states the expected incomes based on building the business model properly; therefore, I would say that Quixtar and its IBO's are already complying with such a ruling.
5. As for personal documentation to substantiate personal claims on income. I typically do not answer such questions and refer back to the incomes stated on the SA 4400. However, if asked I do not feel it appropriate for me to open up my personal financial statements to a prospect I have just recently met to prove to them my earnings. This information is private and personal, I don't ask prospective employers to release said information about their financials prior to accepting a job offer or applying for a position. With today's concerns about identity theft how can the government expect business owners to release such information to the general public?

The spirit of the measures the FTC is attempting to install is applaudable. However, we already have certain guidelines that address these issues at hand. More government regulation in the matter, especially in regards to privacy issues, is not the answer. Make sure that the existing guidelines and rules are followed by Quixtar and other business that are similar. Crack down on the illegitimate ones and punish those who are not following the rules. Instituting more regulations isn't the answer, informing the consumer by providing correct and proper information, not internet fodder, misquotes, and outright lies. I hope the FTC can support those of us who are doing it right by not hampering our abilities to perform by enacting such invasive procedures.