

FTC Proposed Rules for Business Opportunities

My wife and I have been involved in this business compensation plan since 1971, part-time for 2 years and then full-time ever since. We and all current Quixtar independent business owners (IBO's) and those who were formerly Amway distributors, such as ourselves, all began our businesses on the same level playing field as thoughtfully and carefully established at the origin of the business opportunity in 1959. We appreciate and support the effort to protect opportunity seekers from scams and "get-rich schemes".

Seven Day Waiting Period

A seven day waiting period would be most discouraging for any new people and also have a detrimental effect on anyone attempting to increase their business organization to move more merchandise and create a profitable business. In fact, a waiting period of any duration up to 6 months with our business opportunity is a moot point as we offer a 100% money back guarantee for 180 days. Perhaps a money back guarantee would be a better rule to impose on all companies offering a business opportunity.

Requirement to Provide References

This requirement is unrealistic as we do not necessarily always have local IBO's in every area to give as references. Furthermore, it would be an unfair imposition on and a violation of the privacy of any IBO's whose contact information may be given to prospects. As a relatively successful IBO, I can only imagine the number of inquiries that our office and family would be forced to deal with and for which we would receive no benefit! Prospects from all over North America have the opportunity to contact any number of existing IBO's in the respective organizations of the IBO offering them the business opportunity. Our current business mode of operation offers prospects the opportunity to meet and ask questions of IBO's at all levels in the business at the "open" business overviews they are invited to attend. Additionally, we work as truly independent IBO's within our affiliated teams and what may be accurate comments on one team's success is not necessarily true of another team even if they are in the same geographical area.

Litigation List

Such a list could be helpful to a prospect if the list was specifically designating any cases where the specific IBO offering the opportunity has been found guilty (not simply charged). To include all cases involving other organizations and Quixtar (which would undoubtedly be included) would not be a fair representation of an IBO who operates his business with honesty and integrity! That would be like making a doctor disclose the bad information on all others in his profession to his new patients!

Requirement for Specific Earnings Disclosure

We currently give every new prospect a corporate published document (SA-4400) which shows the "Average Monthly Gross Income for "Active" IBO's". In fact, all IBO's are required to give the SA-4400 to each prospect. In my opinion, it would be more valuable for all companies to publish verifiable audited statements of the highest, lowest, and average bonuses paid to each level of business (without their names). To require a disclosure for each and every income example would be so restrictive as to impair the opportunity of sharing the opportunity in a free enterprise environment.

Requirement for Financial Substantiation

This requirement totally violates the principle of privacy and just as in any real business opportunity, I would not have been able to persuade any prospects to join my team when I was not making much money in the start-up months whereas today I would have an unfair advantage showing my income statements. See suggestion under "Requirement for Specific Earnings Disclosure".

Conclusion

In a free enterprise environment each prospect has the opportunity for their own "due diligence" and should not be protected by the government from cradle to grave, especially when it comes to making a decision with no more risk than a couple hundred dollars!

7/16/2006