

July 15, 2006

TO WHOM IT MAY CONCERN:

RE: Federal Trade Commission Proposed Regulation Changes

This letter is to address the proposed changes in direct selling regulations. As I agree that the industry could benefit from more positive regulations, I also feel it is important that we do not adversely handcuff an industry that provides the small guy or individual from participating in a business opportunity that could provide a secondary income to increase or support additional buying power or a primary income that can provide financial freedom for many generations. I would ask you to first consider the proposed regulations on a traditional business. If we were looking for a business to purchase which of the proposed rules would apply to the transaction before we could get involved? What is the "return" policy of a traditional business if we buy it and it isn't successful? We are not asking someone to purchase our business but to consider joining our team. It is voluntary as to performance.

As there are no guarantees in life, consider the following situations most people deal with in their lifetime. In real estate people are warned, "Buyers beware". What is the waiting period to purchase a home, a car, or a suit? Our business registration costs less than a medium priced business suit. Once altered and worn, can it be returned? If the business sells inferior suits, will they stay in business? If the suit hangs in the buyer's closet, should we be penalized because it is never worn? If the buyer ignores the cleaning instructions and washes a wool suit, should we be responsible? At what point is the buyer responsible to make their own decision and live with the responsibility of their actions? Just as we do not warranty our educational system, how can we guarantee the success of a business. A student registers for college with a hope and desire to complete a four-year program ultimately to join a career team to financially fund their lifestyle. One student decides to go to class, to study, to become a student of their profession. In the end, even after graduating, is that student guaranteed an opportunity in their field, an income or even a certain level of lifestyle? Is it not true that the student might not make it in their field, even have to go back to school and pursue another career? What are our disclosure regulations for education? After orientation, does a student have a cooling off period, are income claims disclosed, does the college give ten references to other colleges that can provide the same education, do they substantiate incomes of individual students. The parallel is that a student starts college as an opportunity to do something with their life just as an individual joins a business team to change their life. Some of those changes are monetary; some of those changes are experience. Now let's look at another scenario; what about the student that registers for college but chooses not to go to class, not to do their homework, and not to study. Is it the failure to the college? What pressures to perform are placed on the student? If the student chooses to be asked to leave the college due to lack of performance, should the college be asked to use that student as a reference for new students wanting to attend their college? Is the reflection of failure on the college or the student? I know that some might question the correlation of business and education, but I would ask you to consider why we start a business or why we go to school? Ultimately, our goal is to increase our income and lifestyle. Both are an education on different levels. Both have a learning curve in which the "student" will not earn their full potential. Both penalize the "student" that does not apply himself or herself and wants something for nothing. I understand that you are interested in protecting individuals from being taken advantage of. I am just asking, what other areas of business or education carries the same restrictions?

I would like to tell you my background because it illustrates that I have not had every advantage or every disadvantage. Could I be considered average? I grew up in a single parent home with three other siblings; I have three years of college but no degree; I own two other traditional businesses; I have two

children of my own and have been married for over 25 years. Why did I apply myself to the Quixtar business? First, owning a traditional business allowed very little for retirement or residual income; second, I had not been able to put money away for a college education for my children; and I discovered a way to make a difference in other people's lives. My husband and I have helped numerous people with their marriages, families and finances. With the regulations that are proposed, we would not have been able to help these people even get "started" in a business. They would not have been able to start others. Their starting income would not have motivated others to be in business with them (neither would my starting income in my traditional businesses). Many small traditional businesses fail in the first two years, yet we continue to encourage people to take their life savings and invest their money and time into that business. What guarantees and protections are in place for opportunity and hope? Our business is an equal playing field. My business background did not allow me to start at a higher level than the next person. We all start at the same level, we all have the same chance to learn and succeed. This is fair. Please reconsider your restrictions and make them regulations that support growth and accountability on a universal, not individual, level with the opportunity to be equal for all.

It would be my recommendation that the prospect be educated to consider how to choose a credible business and team. It would also benefit the prospect if the Federal Trade Commission had guidelines to check the credibility of the business opportunity and the individual. Especially today with the information age, people need to know how to check credible references not just hearsay. One of the regulations might be to regulate the Internet concerning liable or slander. In our industry, I feel that it is misleading to tell a prospect what the average income is for an IBO. I believe it should be quantified. Figures should be published for the income and number of IBOs that register but do not do anything based on a minimum product flow. Figures should be published for IBOs in their first year with product flow and figures should be published for active IBOs at different levels, including platinums and above. Lumping the success of everyone together is an understatement of the opportunity for those willing to work at a business. Even colleges report their dropout rate, the percent of students that complete their degree and the number of years it takes for the average student to get their degree. Should a college, which is an opportunity to pursue a career, be subjected to the same "opportunity" requirements that are being proposed by the Commission? People should be warned that there are no guarantees, that success takes hard work. All opportunities should not be based on the success of a few (references from a few) but on the business success as a whole for those willing to work. Also, the business opportunity should be based on the company's fulfillment of its promises: to pay bonuses, incentives, provide product, guarantees, etc. This is the true area that needs to be regulated: the quality of the business plan and the performance of the company to stand behind this plan. In the past, this might have been difficult to regulate because we relied on individuals to pay bonus checks and regulate their business. Today with the use of computers, our business can track the demographics of success and failure, and the ability of the corporation to support and perform as they have promised. I hope you consider these suggestions, as I know you value the ability of an individual to be free to pursue their happiness. I hope my husband and I have been an example for you to consider.

Sincerely,

Beverly Sabot, Founders Platinum