

TO: Federal Trade Commission

FROM: Joseph & Anne Lai

DATE: July 17, 2006

RE: Response to FTC's proposed "Trade Regulation Rule on Business Opportunities"

PERSONAL EXPERIENCE

We are currently Quixtar IBOs at the Platinum level of success. In our experience of being prospected for this business opportunity in 1995 (Amway), we felt that we were given more than adequate information to make a decision considering that it only cost a nearly-negligible amount of about \$160 to get started and we were told that we could get our money back (We have had numerous people sign up in the business and later changed their mind and received a full refund with no problem – all that needs to be done is a signed letter sent by fax or mail to Quixtar Corporation).

Building this business has provided enough additional income for Anne to continue to be a stay-at-home mom to our two sons. We fully expect our business to expand and grow in the future, so that I can completely replace Joe's six-digit income as a computer consultant.

When we present the business plan to prospects, we always specify that it is not a "get rich quick" plan and that we do work hard to make our income. If we present it as otherwise, the prospect who signs up under such false pretenses will find out and then quit and we will have lost his trust in us and our credibility.

In our experience, to fully understand this business opportunity requires a change in mindset and a feeling for the consistency of core values of the team, which was provided by going to team meetings and associating with key mentors. No rules, waiting period, or legislation could have provided such 'soft' data.

RE: Requirement for a Seven-Day Waiting Period

A waiting period is not necessary to since Quixtar already has money back policy. However it would hinder those who want to start right away and start building their business. In our experience, the people that want to start this opportunity usually want to get started right away. A seven-day waiting period would be multiplied by the number of people in the chain of IBOs and would have a significant impact on the growth of our business.

RE: Requirement to Provide References

We believe that personal contact information is private and should be kept as such. The prospect has many opportunities to meet and talk to IBOs face-to-face in the area at various local business meetings. Moreover, providing references to the prospective IBO doesn't ensure any protection from unethical business behavior, because a business owner (IBO) would provide a list of pre-arranged positive references.

RE: Requirement to Provide "Litigation List"

Our system of law is that the accused is *innocent* until proven guilty - providing all litigation where the plaintiff alleged fraud, misrepresentation, or unfair trade practices – regardless of whether or not the accusation was true, as meaningful information suggests that the plaintiff is guilty before it has been proven. People may have a mindset of a guilty verdict of a pending lawsuit even if the lawsuit may prove to be unfounded or prove to have an innocent verdict.

RE: Requirement for Specific Earnings Disclosure

The SA4400, which has been approved by the FTC, outlines the business plan. We show only this business plan to prospects, as required by the FTC.

RE: Requirement for Financial Substantiation

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