

I am an Independent Business Owner associated with Quixtar.com since 2001. My IBO #. In 2004, I was able to achieve a significant level of business called "Platinum" level. I am rigorously pursuing my business towards reaching the level of "Emerald" in 2006-07. I have been building this as a part time venture along with my full time job as a manager in a private company. I love this business as it has very low start up cost, provides an opportunity to create significant additional income without disturbing my full time job and gives a great opportunity to achieve my financial goals while at the same time gives me the choice to use some of the best quality products at extremely competitive prices.

When I joined this business, I was clearly explained the ins and outs of the business opportunity by my sponsor. It was abundantly made clear to me that this was not a get rich quick scheme and I have also been mentored to inform this vital factor to all the new IBOs that I registered in my organization. While registering the new IBOs, we make it abundantly clear that it takes hard work, consistency, persistency and sincere dedication to succeed in this business and that this is definitely not a "GET RICH QUICK SCHEME". It requires a very small investment of about \$150 to get started in this business which includes the cost of the introductory product kit as well as registration fee. Every bit of this money is refundable if the new IBO decides to quit within 3 months after registration (without even having to return the product kit). The web site has all the information and no information is hidden from anyone.

I have gone through the proposed rule, and wish to voice my response on some issues that I perceive as would affect my business, as follows:

**1. Prospects would have to wait seven days after receiving disclosures before they could register**

This would have been reasonable where the decision of the IBOs, once taken, would have been binding. However, in Quixtar, the IBOs have the option to quit anytime during the initial 3 months after registering if they are not satisfied. Therefore, this rule should not be made applicable to Quixtar.

**2. We should give every prospect a list of "references" – the names, addresses, and phone numbers of 10 other IBOs in the area – seven days before the prospect registers.**

This requirement would infringe on the privacy of every IBO whose name, address, and phone number was provided to prospects. It would also penalize the sponsor, who would be required to give his prospect contact information for 10 other IBOs, any of whom might be happy to register the prospect themselves. This is rather unthinkable. Besides, after

registration, the new IBOs can check with anyone and have access to all the information also and if they find anything wrong, they always have the option to quit within 90 days. Therefore, requirement of giving 10 references of existing IBOs should be eliminated.

**3. We would have to give every prospect a list of all lawsuits, arbitrations, and other legal claims for the past 10 years involving Quixtar and its IBOs where the plaintiff alleged fraud, misrepresentation, or unfair trade practices – regardless of whether or not the accusation was true.**

This is really very ridiculous. Every company worth its salt will have some legal issues and claims. We are doing this business during our spare time and this sort of requirement would make this business a big project. This should be left to individuals to do their independent research and gather any information they can before taking a decision. Among other problems, this requirement would open up Quixtar and other legitimate companies to false accusations. Meanwhile, dishonest companies would simply ignore the rule. Therefore, the requirement to disclose past litigations should be eliminated.

**4. We should make a different disclosure for every income claim.**

If at all a disclosure is needed, a simple, easily understood disclosure such as “average monthly gross income for active IBOs” should suffice. This is already displayed very prominently in Quixtar website as well as printed in IBO business plan.

**5. We would be required to provide prospects with personal financial documents to back up ("substantiate") any income claim.**

IBOs should possess substantiation for any claim but should not be required to disclose it except when required by the FTC and similar state agencies in an agency investigation.

We strongly believe that there are less burdensome ways to accomplish the genuine goals that FTC intends to accomplish than the manner set forth in the proposed FTC rule. Since the above rule could adversely hurt the genuine businesses such as Quixtar, which is a global business opportunity, FTC should keep the above facts in consideration before implementing the new rules.