

I have been an independent business owner affiliated with Quixtar since 2001 and it has had a bigger positive impact on my business education than the business degree I earned in college. I feel like my quality of life so much better now. I've fallen in love with sharing the business plan with others so that they too can experience the same rewards both financial and personal that I have without spending a small fortune on a traditional franchise (My cost to get involved was under \$50.00 to register for the Quixtar business with an optional product pack less than \$200.00 all refundable). When I sponsor a new person into my business I give them the same information that I was given so they can make an informed choice to determine if Quixtar is for them. I show them what the average income for an IBO is and how the pay structure works after they retail products from the website to their customers. I help them get started and train their new IBOs they bring into the business. I think it's great that you're trying to make it easier for consumers to get the right information about business opportunities and separate the legitimate businesses like Quixtar from the illegal ones.

The 7 Day waiting period will raise my expenses by having to travel twice to each location to register a new person and be very discouraging to someone new to have to wait to get started and register their new prospects as well. It just seems like it wouldn't benefit either party involved. **Instead there should be a fair cancellation policy so no one is at risk and they can get all their money back if they decide the opportunity isn't for them without making it harder for those who want to start right away.**

It would be very unfair to those of us building honest businesses to have to give out our private information as a reference to other IBOs and could put my prospect at the risk of another IBO outside my support group of business builders trying to sponsor my new prospect instead. This approach doesn't seem like it could ever work because of the very nature of direct selling. I do however introduce my prospects to IBOs in my group so they can get as much help and shared experience to answer any questions they may have. **I would eliminate the requirement to provide 10 references.**

The disclosure of past litigation also seems to pose a problem within the industry because if by seller you mean Quixtar or its IBOs it would be a huge burden for us to have to supply lawsuits, arbitrations and legal claims that don't even involve the IBO having to present the information and definitely would not be fair to include cases that were not found to be true. **This could open up legitimate companies to false accusations while dishonest companies would ignore the rule. I would eliminate the requirement to disclose past litigation.**

I also don't think it would work to make required financial records available to be disclosed to the prospects. Let's take that new prospect you're trying to protect and use him or her as an example. In a legitimate business of this nature the IBO will not make any money until they retail to customers and/or sponsor others to do the same, they won't have any income to claim yet and will have a hard time making any because they won't be able to show how the money is made in each example of the business plan without making income claims based on how the percentages for commissions work. **To solve this you could require a simple, standard, easily understood disclosure that includes an average monthly gross income for active participants.**

So in closing I again commend you for trying to separate bogus scams from legitimate business.

I ask that you please consider the ramifications of every decision you make in creating this proposed rule. I agree there should be a standard disclosure that give prospects clear information on income that's simple like "average monthly gross income for active IBOs." and provide a reasonable cancellation policy. I believe the perfect opportunity to model after would be Quixtar since they already have the important information you're trying to include in place for new prospects and you'll see why some of the things in your proposal like having to wait 7 days, providing 10 references, disclosing past litigation for 10 years and a different disclosure for every income claim would only hurt the legitimate businesses in the direct selling industry.

Thank you for your time
Michael Stewart