

7/13/2006

Re: The Proposed Business Opportunity Rule, R511993

To: To Whom It May Concern
From: Cuhendran Nadaraja, Quixtar IBO

Dear Sir/Madam,

I have been a Quixtar Independent Business Owner [IBO} since 1999. Initially when I began in the business prior to 1999 as an Amway distributor, my goal was to get access to high quality products and build the business whenever I get time. Life happens! And due to becoming care givers to our parents and with family duties on top of our job responsibilities, we did not focus on building the business strongly. This is a positive aspect to the business because there is no pressure from the corporation or anyone else to that matter. We are in control. There are opportunities to do some retail as well as receive some Home Based Tax Benefits due to being associated with a direct selling organization. What I like about Quixtar is that we do not need to carry any inventory, no paper work, no shipping and handling and as a totally web based business; it fits perfectly to our busy life schedules.

When I was shown the Business Plan, I remember very well Mr. Sirman showing me a FTC approve business plan and at the end of the presentation he said that that this is a two step process and that he will leave some material with me to review and that he and I meet within a 2-3 day period for a follow-up. I was the one that told him that I would like to get started right away! And that was the best decision I made for a long time.

Things have changed somewhat in our family now. We are still Caregivers to our parents. Our oldest son is going off to college. We need extra income! We can by no means get into a traditional business because it just takes gobs of cash to get started. So this past year we have decided to seriously build the business.

When I sponsor others, I use the FTC approved business plan to show them how they can build the business. I tell them that it is a 2-3-5 year plan and it does require work on a consistent basis and just like in any business venture I cannot guarantee their success. The in other words, it is not a Get Rich Overnight business. I tell them that this is a two step process and at the end of the plan, if they are interested I will leave a prospectus for them to review and that I will get back in touch to do a follow-up meeting within a 2-3 day period. At the follow-up, I usually answer any questions or concerns they may have and usually at this point in time they would either join as an IBO, or just decide to not join at all. The prospect if they decide to join, spend between \$62 and \$225 to register as IBO. The reason for the range is because the IBO is given the option of purchasing a product pack with the registration fee. **This fee is 100% money back- guaranteed up to six months if the IBO is not satisfied with the Quixtar Opportunity.**

MY CONCERNS ABOUT THE PROPOSED RULES:

Even though I know that the FTC has good intentions in proposed rules, I am concerned about them and I would humbly request that you please read the following:

Issue #1:

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

Solution:

Eliminate the waiting period, at least for business opportunities such as Quixtar where a prospect can get his money back if not satisfied.

Issue # 2:

You would be required to give every prospect a list of “references” – names, addresses, and phone numbers of 10 other IBOs in the area – seven days before the prospect registers.

Solution:

Eliminate the requirement to provide 10 references.

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.

Issue #3:

You 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 a plaintiff alleged fraud, misrepresentation, or unfair trade practices – regardless of whether or not the accusation was true.

Solution:

Eliminate the requirement to disclose past litigation.

This requirement would open up Quixtar and other legitimate companies to false accusations. Meanwhile, dishonest companies would simply ignore the rule.

Issue#4:

You would have to make a different disclosure for every income claim.

Solution:

If disclosures are needed, require a simple, standard, easily understood disclosure such as “average monthly gross income for “active” IBOs.”

Issue #5:

You would be required to provide prospects with personal financial documents to back up any income claim.

Solution:

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.

Yours Truly,
Cue Nadaraja