We have been Independent Business Owners (IBO) with Quixtar since its inception in 1999, and we were distributors with Amway from 1987-1999. The monthly income from this business allowed both of us to leave our regular jobs years ahead of time. Without this income we would have had to continue working. Not having to be at a job every day has allowed us to donate time to volunteer and charitable activities, as well as be able to spend quality time with our children and grandchildren.

The Quixtar business, we feel, is really built by helping other people build their businesses. This is achieved by establishing honest relationships with them and working with them. This begins at the time of prospecting and sponsoring. If we are not honest with people then, there would be little chance of building a business relationship with them.

Quixtar has always provided us with complete and accurate information about our business opportunity. We are told the average or median incomes made by IBOs at different levels of achievement. More importantly, we are given the average monthly income made by <u>all</u> active IBOs, and Quixtar requires us to be sure and give this information to all prospects when the business opportunity is explained to them. At the time of registration this is presented in bold and large print in the application to be sure that the prospect knows what is the average monthly income overall. Quixtar wants to be sure that we do not make false statements about earnings. We teach our IBOs to use the income figures that are provided by Quixtar, because we do not know how much others personally make from their individual business.

We also feel that our own personal networking business and our financial record is not public information. We do not discuss our earnings with anyone other than those above us in our line of sponsorship. Neither do we tell people how much we personally make from it. We certainly would not want to have people that we do not know calling us to ask us about our success in the business. Nor would we want IBOs in our downline giving out the names and phone numbers of other IBOs who were not in their own business. New IBOs would have no way of giving out references of people in their own group, and very often the people (sponsors) above them live in other states, etc. Our personal IBOs live in a number of states. In order to give out ten local references, we would all be forced to use references that are not in our own business, and that is just not an acceptable business practice at all. Requiring direct selling businesses like ours to provide standardized but simple income disclosures should be sufficient, especially if these disclosures are FTC-approved.

Having a prospect wait seven days until they can register would be very detrimental to our business. Timing is very important, and simply said, life gets in the way. With the hectic schedules that people have today, it is hard enough to arrange a time convenient with everyone to explain how the business works. Many do not register at the time they see the business, but some do, and the choice is theirs. We explain to them that this is a business and we want them to be sure of their decision.

Even after they register, they have thirty days to notify Quixtar if they want to cancel their registration and get all their money back – without any hassle whatsoever. Many legal contracts when you purchase something only give you three days to change your mind. If they purchase product at the time they register, or even afterwards, they have six months to return it, used or

unused, to get a full refund, and Quixtar pays for the shipping to return it. We don't get that kind of guarantee from many other places. If all direct selling businesses were required to have a good cancellation policy many of the problems could be resolved. This would certainly be a deterrent to the fraudulent schemes that are out there.

If a "business opportunity" is requiring someone to put up a large amount of money then there should be some stiff requirements with serious consequences when the rules are not followed. The bogus opportunities and "get-rich-quick" schemes actually make it harder for us to build our business, but we do not want our business penalized by unfair requirements.

We see no reason why IBOs should disclose past litigation. This information is obtainable easily enough if someone is really interested in knowing it. Lawsuits abound today, often without just cause. They are almost a form of a "get-rich-quick" scheme themselves. A listing of litigations would give the appearance of wrong-doing, and we doubt most people would read through them to see what the outcome was.

We hope that the FTC will come up with a proposal that will help to get rid of the fraudulent and illegal schemes, but not at the expense of honest, hard-working business owners like we are.

Jerry and Jamie Barnette