

**From:** Joseph and Angela Molina

**Date:** July 16, 2006

**To:** The Federal Trade Commission

**Subject:** Response Trade Regulation  
Rule on Business Opportunities

My wife and I have been IBO's affiliated with Quixtar since November of 2003. In the next few months we will attain the level of Silver. Our business will then afford us to have my wife home with our 3 year old as a full time mom. This income provides us the ability to have another baby. Our current goal is to reach the Platinum level then Emerald level and Diamond level.

Our independent business allows me the freedom to control my own calendar. Besides the money, we have been able to build excellent relationships with each other, our families, and many of our partners. The most valuable asset is the time it affords us as a family. The personal development we have had is invaluable. Both of our parents, siblings, and close friends have not only mentioned our drastic improvements in personal development but they have bettered their lives by our association.

When we registered as IBO's we were impressed with the integrity of not only the Quixtar Corporation, but the integrity of the support team (mentors). They were very clear that this was a simple business, but success wasn't easy. That it would take focused effort and working together as a team. They made no promises or guarantees other than they would coach and mentor us every step of the way. They provided us with conservative figures about the income potential. This information is published by Quixtar as the average income for particular levels of achievement.

When we register IBO's we interview them to find out if they have a reason (the motivation) to make commitments. Based on their goals and timeframe, we tell them what kind of commitment they will need to make to achieve those goals within that timeframe. We ask them if they are willing to make the commitment. If not, we suggest that they don't register as an IBO. The initial registration with Quixtar is approximately \$145 including the optional product registration pack which most IBO's register with. If they decide to cancel their registration, Quixtar gives a full refund for up to 180 days. I support the FTC's efforts to develop a set of rules that will eliminate bogus business opportunities. Scams can definitely give legitimate business opportunities a "black" eye. However, I'm very concerned about the proposed FTC rules. People are very busy and this is an ever increasing complex world. I don't believe that adding more bureaucracy is a solution to the problem. Quixtar already provides: The SA4400 Independent Business Ownership Plan, The Agreement To Arbitrate, The Business Support Materials Arbitration Agreement (BSMAA), and the 180 day 100% Satisfaction Guarantee. I believe that Quixtar's disclosures would be a good model for the industry to follow. We have few IBO's cancel their IBO number and request refunds and the one's that have, have been satisfied with the cancellation and return policy.

I believe that people need to take personal responsibility for their decisions. More bureaucracy, such as the proposed FTC rules, is not a viable solution to the problems

posed by unethical business practices. I can't imagine going into an interview with a large corporation and them disclosing all of their law suits. And I can't imagine them disclosing the wages of all of the managers and non-exempt employees.

Ninety-five percent of the people that become IBO's, come from the employee or selfemployed sectors of society. They are not entrepreneurs and don't understand the principles of success. New IBO's typically become discouraged initially because they do not understand that business is a numbers game. Even though they are told that it takes delayed gratification and work with little income, before results are achieved, their expectation is that they should make money quickly with little effort (get rich quick, lottery, mentality). I find that some people are looking for a quick fix to problems that they took years to create. When they find that this industry is not a quick fix, they cease to exert any effort then blame the business model for their failure.

I believe that the proposed FTC rules would seriously inhibit the growth of my business and impose unnecessary additional business expenses on me. If the 7 day waiting period were implemented it would take five to ten times longer to build my business team. It would require me to travel to do additional follow through visits just to help the new IBO start up their business. I am located in Northern California and have businesses in Southern California, Hawaii, and Oregon. I see no additional benefit to the prospective IBO.

The requirement to provide 10 references to prospective IBO's infringes on my privacy and the privacy of other IBO's. I don't have the time to take phone calls from potential IBO's, who will be of no financial benefit to me, to answer questions, and neither do other IBO's who are working hard to build their business teams. I don't want my name, address and phone numbers given out to people I don't know. Additionally, there is a risk that the prospective IBO may register with another IBO that was provided as a reference. If I've already invested time in the prospective IBO, this would create an unfair advantage for another IBO. Prospective IBO's have the opportunity to meet the "Team" at follow through meetings, Open Meetings and Business Development Seminars prior to registering as an IBO.

There is already enough "crap" on the internet about lawsuits, etc. Show me a corporation that isn't or hasn't been involved in lawsuits, etc.

The rule about income disclosures is unnecessary. Quixtar already provides statistics on the average incomes for the various achievement levels that can be attained.

The rule requiring providing personal financial documents is a violation of my privacy. Income in this industry depends on personal initiative and responsibility. It has nothing to do with the "length of service" an IBO has. A relatively new IBO is at a great disadvantage with this rule because they don't make very much money to begin with. I believe that the FTC, the DSA, IBOAI and Quixtar can devise a set of rules that are simple, fair and common sense that can both benefit the Independent Business Owners and prospective Business Owners alike, while eliminating crippling bureaucracy. I urge you to seriously consider the inputs from all of the IBO's. In my experience, the majority of people in this industry are trustworthy passionate people with a great sense of integrity and principal. We can't let the minority dictate the rules.

Sincerely,

Joseph and Angela Molina  
Independent Business Owner

