

From: Clif & Bernice Gibson, Independent Business Owners powered by Quixtar.

We have been IBOs for five years and have had a great experience building our business. This is the first opportunity of its kind that we have been involved in. The income has been great, very predictable, and has followed the plan we were presented. Additionally, our business has provided a venue for us to grow and become more financially literate as compared with the time prior to starting our Quixtar driven business. We have always known, and likewise teach, that the Quixtar model is not a get rich quick plan, but requires hard work with no guarantee of success. The registration process is less than \$200.00 and we make a personal guarantee, backed by Quixtar, to fully reimburse any person that registers and decides later that they want to be unregistered. In five years of registering hundreds of IBOs, we have had only one person that exercised that right, and that was due to an extreme circumstance which developed after he registered. His becoming unregistered had nothing to do with the Quixtar opportunity or any misrepresentation in the plan.

We are in support of consumers having enough data to make an informed decision; however, it appears that some of the proposed rules would create an unnecessary burden on Quixtar IBOs instead of stopping other counterfeit business opportunities that operate in a deceptive manner. It would seem to make more sense to bring the rules to an enforceable standard, which parallel the current Quixtar model of informing prospects. Since Quixtar IBOs are currently having success in the areas of concern, the FTC, by following the Quixtar model of informing prospects, would have a set of rules that could be enforceable and monitored for success. To penalize Quixtar IBOs in an attempt to stop deceptive opportunities hurts the entire industry. It is logical to first bring the industry up to the successful Quixtar standards instead of creating rules that currently have no measure of success or enforceability.

Our concerns with regard to the proposed FTC rule are as follows:

1. A 7 day waiting period to register, after receiving disclosures, penalizes Quixtar IBOs who offer a money back guarantee if a new person is not satisfied.

Solution: Eliminate the 7 day waiting period. In lieu of any type of a waiting period the FTC should standardize a money back guarantee clause, which would be an enforceable alternative to any waiting periods. Any “waiting period” rule would be very difficult to monitor or enforce.

2. Providing prospects a list of 10 references with contact information certainly infringes privacy issues for IBOs who may not want to have their information in the hand of a prospect, especially if the prospect is in a different organization than the IBOs used for reference. Such references could also create a situation where prospects are lost to the referenced IBO. Moreover, in a new area there may not be 10 other IBOs available for reference.

Solution: Eliminate the requirement of IBO references. If the FTC requires a reference, that reference should be directed to the contracting corporation, which in our case would be Quixtar. The contracting corporation could employ a panel of people to field reference type questions.

3. Giving prospects a list of lawsuits or other legal claims would create an extremely unfair practice. Frivolous lawsuits in this country are already moving at an epidemic rate

and this scenario would encourage even more. Anyone can be sued, with or without truth, and to be required to reveal a lawsuit to a prospect, which could potentially be founded on an untruth, would be at least unfair. Furthermore, any lawsuit that is unadjudicated will be littered with unfounded statements and conclusions. As far as we know, General Motors, Walmart, McDonalds, etc. are businesses that are not required to unveil legal allegations to consumers who are partnered with them in their commerce models. Therefore, why should we? Additionally, how would IBOs get access to such a list of litigation and who would be required to update the list?

Solution: Eliminate the requirement to disclose past litigation. Litigation is necessary to resolve disputes and if there is a dispute between a prospect and the working IBO or Quixtar, the prospect should not register on his or her own merit.

4. Specific earning disclosures and income potential is something that we currently do as Quixtar IBOs. We handout the SA-4400 and discuss in detail the average monthly gross incomes of active IBOs. To provide more information to a prospect would just be confusing. Besides, the true earning potential is directly proportional to the amount of work and commitment an IBO is willing to put forth and not what someone else has done.

Solution: If disclosures remain a must, then require a simple standardized form similar to what we are currently using in our "average monthly gross income for 'active' IBOs."