

I am an Independent Business Owner (IBO) affiliated with Quixtar. I've been in business for about 4 years now, and this business has helped me to create steady, extra income on a monthly basis. In addition to monetary benefits, I have found the Quixtar business and my business development association, the World Wide Group, to be valuable in my personal development – these organizations are filled with people of the highest integrity and genuinely care about providing the support needed for people like me to succeed.

When I originally registered as a business owner, my sponsors were very open and honest, and they answered all of my questions to the best of their ability. My sponsors were new to the business themselves, so they didn't always have all the answers, but they were able to direct me to people who did (our line of sponsorship), or they were able to reassure me that I would be able to find out information as I needed it – I didn't need to know every detail about how to service a client halfway across the country in order to start my business! Over the past four years, I have found that my sponsors, my line of sponsorship, and the World Wide Group have never been untruthful. I have worked hard to make sure that I am able to provide my business prospects and clients with the same kind of honesty, and I also work hard to keep myself educated about the business and the industry, so that I am able to answer questions. I also emphasize that, although I can't promise results, I can promise that I will always be available and willing to help my prospects. My prospects know that I am not looking to "get someone in", but rather, I am looking for people to build a long-term business relationship with. I am also very upfront about what it will cost to start a business, and provide prospects with a worksheet with the required and suggested charges broken down – totaling only about \$150. About half of this is suggested (NOT required) product purchases, which is refundable if they decide to return products in saleable condition.

The proposed requirement of a seven-day waiting period is, in my opinion, unnecessary and even harmful to IBOs in building their businesses. I was not rushed into making a decision – my investigation took several weeks – and I personally have never registered a prospect in less than seven days. Prospects should always feel that they have enough time to make an informed decision. So in my experience, this rule is unnecessary. I do have downline, however, who have wanted to register less than seven days after first seeing the business and marketing plan. These IBOs should not be hindered or prevented from starting their business if they feel they have enough information to do so. There are some instances in which requiring a waiting period would imbue financial difficulty on either the Sponsor or the prospect – for example, if the Sponsor were from a different city or state, and the prospect wanted to be registered, it would not make sense for the prospect to be required to wait. The opportunity might be missed completely. Another instance is that quite often, a prospect will already have prospects interested in starting a business before the first prospect is even registered as an IBO. In this case, the second prospects should not be held back from starting their business. I have had this kind of sponsorship occur several times in my downline group. Preventing a new IBO from registering IBOs themselves will make it more difficult for the new IBO to become profitable quickly, and small amounts of quick success make it more likely an IBO will succeed in greater degree in the long term.

The requirement to provide references, again, seems unnecessary to me. In the World Wide Group, one of the most basic principles taught to IBOs is to introduce prospects to the Line of Sponsorship as quickly as possible, either at large meetings in public places, or at small meetings in someone's home, or even just over coffee one-on-one. This ensures that there is always at least one person that the new prospect feels comfortable with and can relate to. If there were a requirement that a list of references were provided, my prospect might decide to register with one of the references instead of me! This would be contrary to the spirit of the Quixtar business, and would give unfair advantage to some IBOs over others. On the other hand, if it were required that I was on a list of references, this would be a violation of my privacy. I guard my information closely, and even have an unlisted telephone number for specific personal reasons. To have my information disclosed to prospects that I have not met or personally qualified leaves me at risk – as a single female IBO, I would not want the general public knowing that I live alone – and this would be blatantly obvious by listing my name and address on a list of references available to anyone who is a prospect, or who might be posing as a prospect for insidious reasons. Most prospects are good people, but there will always be a very small number who are trying to obtain information for devious reasons.

The proposed requirement to provide a litigation list to prospects would provide undue burden on IBOs. I believe that a prospect should have access to this information. If the prospect were to contact Quixtar and specifically ask for *judgments against the company* – not all litigation - that would be acceptable. But for an average IBO, it would be nearly impossible to keep an accurate, current list of litigation. It would also unfairly represent the corporation, because of the fact that the filing of a lawsuit does not need to have any basis in reality – anyone can file suit at any time for any reason, frivolous or substantive. To provide a prospect a list of all such litigation would be exposing the prospect to many unfair accusations and would actually unfairly bias the prospect against Quixtar.

The proposed requirements for specific earnings disclosures seems to me to be redundant. Quixtar IBOs are already required to provide Federal Trade Commission-reviewed documents (I use World Wide Group's Business Overview along with Quixtar's SA-4400) to prospects – this seems to be in order, and should be applied industry-wide. However, the proposed rule for financial substantiation seems to be a violation of privacy. Again, most prospects are good people, but there will be some who will have ulterior motives. To distribute personal information such as income statements to the general public would be a violation of privacy and even a personal risk. Because of the requirement for specific earnings disclosures already applied to Quixtar, the positive effect would be redundant, and the negative effect would expose IBOs to unnecessary risk.

To summarize, I think that the fact that the FTC is trying to protect prospects is good. I believe that Quixtar has been an upstanding corporation, and operates on the basis that they do whatever is best for the newest IBO. Some of the proposed rules are good, and should be applied industry-wide, not just to Quixtar. However, many of the proposed rules will have unintended consequences that will hurt IBOs more than it will protect prospects. Prospects should always feel that they have the time and information they

need to make an informed decision. But this should not come at the expense of those IBOs who are already succeeding in their own businesses. I believe that those IBOs who succeed are those who treat prospects fairly and honestly.