

To whom it may concern,

I have been a Quixtar Independent Business Owner since 1999 and would like to express my concern about the proposed FTC rules governing business opportunities. While none would benefit from a reduction in fraudulent businesses and “scams” those of us who own and operate legitimate businesses stand to be injured by the current proposal.

While I have evaluated many “opportunities” in the past, one of the things that drew me toward the Quixtar model was that it was not posed as a “get rich quick” scheme, but rather as a business, albeit non-traditional, that would reward me in direct proportion to the results I was able to generate. While evaluating this business model, I was introduced to several business owners who had succeeded (as well as many who were not yet successful) at meetings and seminars I was invited to attend. This was very effective in addressing my questions about “who really made it” and “what are my chances” in a balanced and professional atmosphere. Today, I employ much the same method in addressing potential business owners’ questions during that decision making process. While I earn a very small income from my Quixtar business, I am able to introduce them to people who are able to earn modest incomes, some who count this business as their primary source of income and some who have quite lucrative businesses. I can show them that the results they will achieve will be directly related to their performance.

Being regulated to provide references in the way currently proposed would have a much less balanced view and would most certainly infringe on the privacy and schedule of those who were called upon to be references. Personally, if I were asked to be a reference, I should be glad to do so – but the business team that is working with potential business owner has the financial incentive to provide the potential IBO with accurate and fair representation, whereas I would not. Therefore, I would be much less likely to spend the time and care necessary – the time that I was given and the time that business owners (and potential business owners) on my team receive.

In much the same way that the proposed requirement to provide references would be unduly burdensome (and invasive of our privacy) the specific earning disclosure would also be inappropriate – and to a certain extent, misleading. One of the things that drew me to a Quixtar business was the fairness of the model; I would be compensated as an independent contractor in step commissions (much like any sales organization) based on the aggregate volume that my business generated. I could choose to expend a small effort for a small reward to meet immediate goals or I could choose to invest more and receive greater reward – the choice was up to me. In much the same way, people that I work with have the same choice. Despite the fact that my earnings from my Quixtar business are small, theirs could be quite large – the choice is theirs. Not only would forced income disclosure be sharing what I consider to be personal information, it would be somewhat misleading to the prospective business owner.

My income from my business is a result of the work I've done and the choices I've made; as is the income of any business owner. The fact that I haven't capitalized on the potential income could mislead potential business owners to think that the potential isn't there. How much money a person earns is, for whatever reason, a touchy subject – I don't know how much my co-workers earn and they don't know how much I earn. One can certainly guess from the car I drive and the neighborhood I live in, but the numbers just aren't discussed in polite conversation (unless you're with the IRS or my accountant). During my presentation of the compensation plan (just as when it was shared with me) I point out at several places what the "average" income is for certain levels of recognition as well as how a business should be structured to reach that level of recognition. This method presents a much more balanced perspective to business owners while still respecting the privacy of existing business owners.

Action is definitely warranted to reduce the number of fraudulent business opportunities in the market, and none stand to benefit from this more than those of us with legitimate business opportunities. This action should protect those of us doing business ethically as well as those evaluating the opportunities – without sacrificing anyone's privacy or becoming unduly burdensome.

Thank you for the opportunity to comment,
Joe E. Tobias, PMP