

Dear Sirs,

I would like to start by saying highly I respect the FTC and what you are trying to do. I have been affiliated with Quixtar for almost 3 years. This is the only business opportunity that I have found that fits within my schedule and budget. Quixtar has more integrity and is more transparent than any company I have ever worked with. Just seeing the companies they are partners with was enough to convince me of their integrity. However, my sponsor made sure I received and read all the information and met with other leaders before I was allowed to make a commitment. I was made aware that this was an opportunity and not a "get-rich-quick" deal. When I present the opportunity, I show it an opportunity to start your own business. You have the ability to develop clients and have the option to expand by franchising to others. I tell them they only get paid from results and not by simply trying as with any other business venture. I let them know there is an education program they can participate in if they wish and what the costs for materials, seminars, etc. will be if they choose to do so. I help them understand I make no money if they don't and that is my incentive to help them grow. It costs about \$60.00 for them to register. I help them understand the tools needed to properly get informed and started and suggest they purchase these tools ASAP by referencing the info I gave them when I was presenting. They typically spend about \$50.00 on them. I let them know there is a sample of core products they can purchase for about \$90.00 that they can use themselves or as samples. This comes out to about \$200.00 total. I also let them know for the \$60 and the \$90; they can call quixtar for a full refund within 6 months. As for the tools, I offer to buy back whatever they bring to me.

ISSUES ADDRESSED

The requirement of a seven-day waiting period: Is there a 7 day waiting period to open any other business? After an overview, a 1 hour presentation, and a follow-up meeting, a decision has been made. We offer a full refund if that decision changes at any point within 6 months. I'm sure you understand that in the business world, waiting after a decision is made is surely death to your ability to compete.

The requirement to provide references: Prior to registration, the prospect is required to meet all of our immediate associates and has the opportunity to ask any and all questions they have. This happens during the 1 hour presentation, also during a "team meeting". When a company hires you for a position, are they required to provide references? This would also give the prospect the opportunity to register with someone else after you did all the work.

The requirement to provide a "litigation list": If I understand correctly, the FTC has the authority to shut down or suspend any business that is shown to be questionable. I'm sure there may be individual that are less than honest in our business as with any other. However, that is not a reflection of the corporation as a whole or of my character and integrity. Most all major businesses have some type of litigation against it. But I also know there are people whose life consists of leeching from the success of others. Are companies required to provide a litigation list when hiring new employees?

The requirement for specific earnings disclosures: We presently provide information for them to take home which clearly explains how the percentages work. I can't see that any additional information could do more than create confusion since most prospects are not financial analysts. With a job, is the employer required to disclose specific earnings of your co-workers?

The requirement for financial substantiation: I didn't need to know if the person showing me was making money. I needed to know if anyone was. If a new IBO is required to show a financial statement, the prospect may miss an opportunity because they can't see that though they're not making money now, that doesn't mean they won't be down the road. This is unfair for the IBO and the prospect. Are colleges required to show a financial substantiation of degreed students prior to enrollment (80% don't utilize their degree within 5 years). Is it made clear to them that their degree does not guarantee them a certain income or even a job?

I appreciate what you are trying to do and am excited this will help eliminate the scams that are out there. I would like to think that your intent is not to tie the hands of legitimate franchises as well.