

I am a Quixtar IBO, and have been a registered IBO since February of 1992. Because of our Quixtar business, my wife was able to leave the workforce in January of 2000. She is currently a stay-at-home mother of three children, a home school teacher to my two oldest, and my Quixtar business partner. I currently work for a defense contractor named General Dynamics (GDIT.com). I'm writing in response to your proposal *16 CFR Part 437*. The referenced proposal in its current proposed form, would cause great harm to my business in the following ways:

- 1) invade my privacy; and
- 2) make my business appear illegitimate, by virtue of all suggested disclosures of the referenced proposal.

*16 CFR Part 437* paints a picture of my Quixtar business as a dishonest and scheming business. This is, of course, not true, as Quixtar operates on the highest levels of integrity and honesty. Specific points of the proposal and the damage they would cause me follow:

A. The proposal would require that I provide a list of “references” (names, addresses, phone numbers) of 10 IBOs, seven days before the prospect would be allowed to register as an IBO.

This is an invasion of privacy to the IBOs who are not involved with the prospect. I personally don't want somebody who got my name from some other IBO calling my house and asking my wife questions about Quixtar. What if some prospect became rude and indignant on the phone? I don't want my wife or any IBO subjected to that possible situation. Conversely, what if some prospect dropped by on my door step unannounced, and I was cutting the lawn – all sweaty and dirty? Would my appearance be a good representation of the Quixtar business and the person trying to sponsor that individual? No. Also, what if this requirement of references portion of *16 CFR Part 437* ultimately leads to some crime being committed against an IBO because some shady prospect had all of the victim's personal information? Would the FTC not be an accessory to the crime?

In addition, many teams of IBOs provide a weekly business opportunity meeting at a hotel to allow prospects to meet the larger team (not just the referring IBO). This meeting provides *more* than a sufficient chance for prospects to meet and speak with several IBOs before making any decisions about becoming involved in this business. My recommendation and request is that this part of the proposal be deleted.

B. The proposal would require that I provide a list of all lawsuits, arbitrations, and other legal claims for the past 10 years involving Quixtar and its IBOs where the plaintiff alleged fraud, misrepresentation, or unfair trade practices – regardless of whether or not the accusation was true.

The damage caused by this requirement would be immense. Currently, I do not know about all lawsuits and arbitrations against Quixtar, against my employer, General Dynamics, nor about counter suits against the Federal Trade Commission. The point is

that I do not need to know all these things in order to make a personal decision. If I chose to, I could research, but I don't want to know this, and I didn't want to know even back in 1992 when I registered as an Amway distributor. How silly would it be if you had to disclose all arbitration and counter suits against the FTC, before I was able to work there?

If you compare the number of IBOs who have been registered over the years to the number of IBOs who have brought lawsuits and arbitration against Quixtar, the ratio and percentage is inconsequential and irrelevant to my building of my Quixtar business. Presenting prospects with a list of slanderous accusations from a miniscule portion of an *incredibly large* list of IBOs would *severely* undermine my business growth potential. My recommendation and request is that this part of the proposal be deleted.

C. The proposal would require that I make a disclosure for every income that I claim.

The Quixtar sales and marketing plan provides an example of potential income. When presenting the opportunity, I use only the approved example. The disclosure statement of the Quixtar SA4400 document states that "average monthly gross income for 'active' IBOs" already. This is simple, standard, and easily understood by prospects. Therefore, this is the only disclosure I should be required to make.

Furthermore, Quixtar provides publications such as *Achieve* and *The Lamplighter* magazines, which highlight IBOs who have achieved different levels (25% and higher on the compensation scale) of financial success using the Quixtar Sales and Marketing Plan. Any IBOs claiming success at these higher levels would have these publications as backup to their claims. My recommendation and request is that this part of the proposal be deleted.

Thank you for taking the time to read my concerns.

Cordially,

John & Marcv Hilkert