

Dear Sir or Sirs,

I've been an Independent Business Owner (IBO) affiliated with Quixtar for about four years. Even though I do not have as much experience as others in this industry, I believe I can still provide a good deal of relevant information on how the FTC's rule changes will affect people in the business.

First off, I would like to say, yes, the main reason to start a business opportunity is to raise money. I feel this business has an additional advantage though. I think that, due to the fact that this business thrives on upline and downline growth, it encourages and almost forces you to be social, to share stories and to laugh with people. I do not feel that many other business opportunities do this.

I understand that the proposed rule changes are designed to make sure people are fully informed, and I applaud that idea. There are many business opportunities out there that do not inform people enough of their practices and requirements. My upline and I do not conduct our businesses this way. As a member of my upline once stated at an open meeting "We go by the rules." In thirty to sixty minutes, we thoroughly explain and map out with diagrams why someone would want to start a business, what it involves, and how much money you can reasonably make. We explain that the average business owner, after 3-5 years of work, makes \$50,000-\$60,000 per year as required by the FTC. We make sure they understand that Quixtar is not a "get rich quick scheme and that you have to put effort into your business to make it work. We also make them aware that, although it is not required, they should invest in training material for their business to succeed (books, CDs, presentation tools, etc.). Before I made a decision to start my business four years ago, the price to start, \$125 approx, and what it covered (membership fee of \$40 approx., trail product box worth approx \$65, and publications for a year worth about \$20) was fully laid out to me.

When most people start a new task, whether it is something like starting a new business or even something small, like making a telephone call, often a lot of effort has to be put in for them to get out of their "comfort zone". Usually when people are shown, or when they go to an open meeting for our business they are cautious because they don't want to start something new and leave that "zone". After a potential prospect has our business thoroughly explained to them they become excited and decided to join in the next few days, or even that very night. The longer the person waits to start their business the higher the chances are that they will slide back into that comfort zone and not take a chance. Most people go out and talk to people in the following days. Even though it is important to let family members know, no one else saw the presentation and has all the information but that one person. Also, most people you run into on a day-to-day basis are negative. In fact, studies say that 90% of the things you see and hear on a daily basis are negative. The FTC proposal to prohibit prospects from registering for until seven days after a disclosure document had been received and the proposal to require IBOs to provide references seven days before a prospect can register allows more time for people to go back into their comfort zone and forget about why they were interested in our business.

Another proposed rule change is to require IBOs to disclose information about personal income. Like I said above, we tell prospects that the average business owner, after 3-5 years of work, makes \$50,000-\$60,000 per year. Also, we explain how having more money from this business has changed our lives and what we do now

because of it. I feel it is important to give a general figure of income potential, but providing specific details of my income I feel will be almost misleading. Most people, when they are shown a new business, try to sum it up by asking questions like “how long have you been doing this”, “how much do you make” and “what kind of a job did you have before”. People don’t understand that many aspects of this business. People see this business from the perspective of an employee. Another words, they see it like “Well, I’m here for X number of years. So, I make X number of dollars per year.” This business doesn’t work that way. It requires a different level of thought, the thought of a business owner. The amount of money you make is mostly determent by how much you put into your business. By providing specific details of my income, a new prospect could become discouraged by not rapidly reaching that amount.

The final topic I would like discuss is about the proposed requirement to provide a list of all litigation involving sellers, key personnel, and representatives. One problem with this rule is that it does not cover what a seller is. A seller in Quixtar may be different then a seller in other business models. Also, as I said before, most people that join this business either do not understand that this business requires a different level of thought, or think it is a “get rich quick scheme”. Some people, after starting business opportunities and failing in them, even say comments like “oh, all Multi Level Markets are the same” and just merge all business opportunities together, whether they “play by the rules” or not. These people often have very negative comments toward Quixtar, even if they’re not warranted. Psychologists say that when ever someone puts a significant amount of effort into something and it fails, whether it is their fault or not they blame the organization or person in charge. If you provided a list of these people, it wouldn’t provide an accurate picture of what our business is to someone.

I do feel that some of the proposed rule changes might help. I think some more thought needs to be put into them though. I think exceptions should be made for companies that “play by the rules” like we do. I feel confident that the FTC will make the right decision and I thank you for your time.

Sincerely,
Stephen Glotzbach