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VIA E-MAIL

Donald S. Clark  
Secretary  
Federal Trade Commission  
Room H-135 (Annex W)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

RE: Quixtar Inc. Comments to the Federal Trade Commission in response to the Revised Business Opportunity Rule, R511993

Dear Mr. Clark:

Quixtar supports the Federal Trade Commission's (FTC) decision to exempt multilevel marketing (MLM) from the Proposed Business Opportunity Rule, instead continuing to use Section 5 – a flexible and effective weapon – against MLMs that engage in deceptive or unfair practices.

The Commission made clear in its comments that it believes there is a significant concern that some pyramid schemes masquerade as legitimate MLMs but realized that the Proposed Rule was overbroad and would have severely impacted legitimate MLM companies without sufficient gains in consumer protections. Unfortunately, the Commission also stated that comments provided on the Proposed Rule weren't sufficient in how to tailor a proper rule that would reduce consumer harm.

We strongly support the FTC's efforts to protect consumers and prospective purchasers of business opportunities from pyramid schemes and other deceptive practices. As such, we would like to continue to work with the FTC in developing rules that strengthen the FTC's ability to catch nefarious actors. One area in particular that the FTC raises as a problem but is unsure how to address is the area of earnings claims. While the FTC was unsure if a rule could be drafted in this area based on the complexities of each company's compensation plan structure, we believe that a fair and workable earnings claims rule can be achieved for business opportunities – and is in fact necessary if a company's sales force is making claims – to ensure consumers have all the information they need prior to making decisions. We are currently working within the industry to develop a best practices proposal on earnings claims which we hope the Commission will find helpful as you move to address this problem.

As way of clarification it should be noted that Quixtar is part of the Altacor Inc. family of companies – which includes Amway – and will be converting back to the Amway name in the coming months.

Lastly, as a member of the Direct Selling Association (DSA) we hope you give serious consideration to the clarifying comments and suggestions submitted to the FTC by the DSA.

Once again, we applaud the FTC's decision to exempt MLMs from this overbroad rule and look forward to working with the FTC to further strengthen consumer protections and the ability of the FTC to enforce those protections.

Richard N. Holwill  
Vice President – Public Policy