

Mr. HAYES. This covers as I stated the operation of the seminar or the entities themselves. If after seeing this seminar, this educational member desires to proceed further, he can go in either one or two directions. One is to be sponsored in the junior membership, in which case his attorney is given the know-how to set up his affairs in a not-for-profit corporation under State charter, if he is qualified. The additional membership fee on that is \$4,200 in addition to the \$1,050. If then he desires to go on to full membership, which includes providing his attorney with the knowledge of how to set up the common law or ownership trust or constitutional trust as it is sometimes called, the additional fee for that is \$5,250. If you add these up for the full membership overall, it comes out \$10,500.

Mr. PATMAN. All right. Now one of the benefits of a senior membership in ABC is that the senior member can sponsor applicants for membership; is that correct?

Mr. HAYES. That is correct, sir.

Mr. PATMAN. Are senior members of ABC the only ones who can sponsor other members?

Mr. HAYES. No. The junior member may sponsor other junior members or other senior members.

Mr. PATMAN. At the present time, how many senior members does ABC have?

Mr. HAYES. That I cannot reveal, Mr. Chairman, as trustee.

Mr. PATMAN. As chairman of the committee, I direct you to answer the question.

Mr. HAYES. I am sorry, sir; I can't do it.

Mr. PATMAN. If an ABC member convinces another person to join ABC, the former's foundation receives a grant out of the fees paid by the new member; is that correct?

Mr. HAYES. He can receive a grant at the discretion of the trustees.

Mr. PATMAN. How much is that grant?

Mr. HAYES. This again would be at the discretion of the trustees.

Mr. PATMAN. But never over how much?

Mr. HAYES. There again that is discretionary with the trustees.

Mr. PATMAN. If an ABC member convinces another person to join ABC, the former also receives part of the fees paid by any members attracted by the second member; is that correct?

Mr. HAYES. No; this is not correct.

Mr. PATMAN. In effect, one might say that ABC uses a commission system to attract members, is that true?

Mr. HAYES. No; this is not true.

Mr. PATMAN. At the time a person applies for membership in ABC, he is known as an ABC applicant; is that correct?

Mr. HAYES. At the time he applies.

Mr. PATMAN. Yes; for membership.

Mr. HAYES. I would say that would be a fair statement.

Mr. PATMAN. At the time that a person applies for membership in ABC, does he pay a membership fee at that time; in other words, with his application?

Mr. HAYES. Yes.

Mr. PATMAN. How much is it?

Mr. HAYES. This depends on the class of membership.

Mr. PATMAN. That is the \$1,050 seminar and so forth.