

Mr. MORTON. If the lawyer sets up a foundation for party A, and then subsequently using the same information sets up a foundation for another client, party B, is he in violation of the terms of your application?

Mr. HAYES. He can practice law, I believe, sir, any time he wants.

Mr. MORTON. Thank you, Mr. Chairman.

Mr. PATMAN. In other words, you would not attempt to refuse him the right to use the same knowledge that he acquires from you with other clients?

Mr. HAYES. I think that is correct; yes, sir.

Mr. MORTON. Mr. Chairman, will you yield?

Mr. PATMAN. Yes.

Mr. MORTON. In that event, then, the terms of this application are really not realistic. If the lawyer, who really is the principal in creating this instrument, uses the information again, it is perfectly OK. Is that correct?

Mr. PATMAN. Does ABC—

Mr. HAYES. Pardon me.

Mr. PATMAN. Answer his question.

Mr. HAYES. The lawyer is not included in the application.

Mr. PATMAN. And he is not obligated as the member is.

Mr. HAYES. Correct.

Mr. PATMAN. Does ABC have any members who are not professional people or independent businessmen, in other words, salaried employees?

Mr. HAYES. We could accept them; yes, sir.

Mr. PATMAN. Do you have any?

Mr. HAYES. I think so, yes.

Mr. PATMAN. Just salaried employees?

Mr. HAYES. Yes.

Mr. PATMAN. What benefits would a salaried employee receive by becoming a member of ABC?

Mr. HAYES. Whatever the law provides for he could profit.

Mr. PATMAN. What inducement could you have?

How big a salary would he have to receive before it would be economically feasible for him to consider membership?

Mr. HAYES. This is a question that I could not answer without complete details of the individual situation.

Mr. PATMAN. The Wall Street Journal of August 28, 1967, states that:

"Salaried individuals also could utilize the ABC concept by assigning future earnings to the foundation and having it vend their services to their employer." Will you explain that?

Mr. HAYES. That is what the Wall Street Journal says. I am not sure I could explain it.

Mr. PATMAN. How many employees does Sales Analysis Institute Foundation have?

Mr. HAYES. Sales Analysis Institute has now, I believe, about eight employees.

Mr. PATMAN. How many of them have foundations?

Mr. HAYES. None.

Mr. PATMAN. How many of these employee foundations are members of ABC? But you state there are none.

Mr. HAYES. That is right.