

Mr. HAYES. It cannot sponsor.

Mr. PATMAN. Only members can sponsor?

Mr. HAYES. Right.

Mr. PATMAN. Only members. Have the R. D. Hayes Family Foundation or the Sales Analysis Institute Foundation received any money, other than grants, from ABC?

Mr. HAYES. No.

Mr. PATMAN. What is your connection with the Sales Analysis Institute Foundation? You state they are not members of the ABC.

Mr. HAYES. That is right.

Mr. PATMAN. You say they are not.

Mr. HAYES. They are not members.

Mr. PATMAN. They are not members. When was it established?

Mr. HAYES. I believe May, sometime in—

Mr. PATMAN. May when?

Mr. HAYES. I believe around May 15, 1966.

Mr. PATMAN. 1966, over a year from—

Mr. HAYES. Right.

Mr. PATMAN. Why is it that the two foundations that you control are not members of ABC? Yet you are a trustee of ABC and you are encouraging people to pay \$10,500 to join ABC, but you don't join with the two foundations that you control? Have they ever been members in the past, Mr. Hayes?

Mr. HAYES. No, sir.

Mr. PATMAN. Neither one.

Mr. HAYES. No.

Mr. PATMAN. Yet, you are asking other people to join, pay \$10,500, but you yourself, although one of the three managing trustees of ABC, have kept the two foundations controlled by you individually from joining.

Mr. HAYES. My answer to that, Mr. Chairman, is that it was originally set up this way to avoid any possibility of favoritism.

Mr. PATMAN. Favoritism?

Mr. HAYES. Yes, sir.

Mr. PATMAN. It looks to me as though it is in the reverse. What is the address of the Sales Analysis Institute Foundation?

Mr. HAYES. Box 575, Barrington, Ill.

Mr. PATMAN. What is the purpose of the Sales Analysis Foundation?

Mr. HAYES. An educational organization which has been in business in that field for about 35 years.

Mr. PATMAN. Thirty-five years. Has the Sales Analysis Institute Foundation filed an application for Federal tax exemption?

Mr. HAYES. It has not.

Mr. PATMAN. Why hasn't the Sales Analysis Institute Foundation filed an application for Federal tax exemption?

Mr. HAYES. Under the law, it is our belief that it is not necessary.

Mr. PATMAN. Not necessary for what?

Mr. HAYES. To file an application.

Mr. PATMAN. Do you get tax exemption without it?

Mr. HAYES. We believe so.

Mr. PATMAN. And you have been operating that way for 18 months?

Mr. HAYES. Correct.