

Mr. PATMAN. Each one has a foundation, his own foundation.

Mr. HAYES. Correct.

Mr. PATMAN. The headquarters of these four gentlemen is in the same building on Kelsey Road in Barrington, Ill., that houses the headquarters of Sales Analysis Institute Foundation and ABC, is that correct?

Mr. HAYES. Well, I would like a little clarification, Mr. Chairman, on what you mean by headquarters.

Mr. PATMAN. Well, their principal place of business, and that is where the principal place of business of ABC is in the Sales Analysis Institute.

Mr. HAYES. That is correct.

Mr. PATMAN. They are there, aren't they, everyday?

Mr. HAYES. No; not everyday.

Mr. PATMAN. Well, that is their principal place of working. That is where their headquarters are. They go in and out of there, do they not?

Mr. HAYES. They teach there, yes.

Mr. PATMAN. They teach there.

Mr. HAYES. They also teach many other places.

Mr. PATMAN. Yes; but they have seminars there, do they not?

Mr. HAYES. Yes, yes.

Mr. PATMAN. All right. How have these men been compensated for their services to Sales Analysis Institute Foundation, by fees or by salaries?

Mr. HAYES. There is a contract between Sales Analysis Institute Foundation and their foundation.

Mr. PATMAN. And do you pay them by fees or salaries? I assume from what you say, you pay them by fees to each one's foundations, is that correct?

Mr. HAYES. The payment Sales Analysis Institute makes is by contract to their foundation.

Mr. PATMAN. Well, in carrying out the contract, you make payments either by fees or salaries I assume. How do you pay them? How do you pay each one's foundation? Do you pay it by a fee to each one's foundation or by a salary to each one's foundation?

Mr. HAYES. By a fee to each one's foundation.

Mr. PATMAN. By a fee to each one's foundation. The compensation of these four men in the form of fees has been transmitted to their respective foundations by Sales Analysis Institute Foundation, is that correct? It is transmitted to each one's foundation by Sales Analysis?

Mr. HAYES. Yes; that is what the contract calls for.

Mr. PATMAN. All right. Now the contract also calls for ABC, I assume, to make the payment to the Sales Analysis Institute Foundation, in order to make the payment to each foundation.

Mr. HAYES. No.

Mr. PATMAN. That is not correct.

Mr. HAYES. That is not correct.

Mr. PATMAN. In other words, instead of paying salaries to these men, Sales Analysis Institute Foundation has paid fees to their respective foundations. I believe that is what you said.

Mr. HAYES. Correct. In other words, their foundations are private contractors.