

Senator TYDINGS. Right.

Mr. REED. Then about 5 or 6 months later, then the townhouse fronts went up. You follow me?

Senator TYDINGS. Right. In other words, what you are saying, when you first started selling they were selling for \$1,500 or \$2,000?

Mr. REED. Right.

Senator TYDINGS. Toward the end you were selling them for \$3,000 or \$4,000?

Mr. REED. Right; \$3,500 or \$4,500.

Senator TYDINGS. Now, when you went to the customer, particularly toward the end, would you quote a price which you estimated would be the highest price the customer would pay?

Mr. REED. No. You see, I never did this. I can't say that it hasn't been done, but when the price of the job was \$3,500, of course, if the people want a concrete porch, which some houses have a large porch on there, then I would sell the job for \$4,500 with the townhouse front and the concrete porch.

Senator TYDINGS. This is basically the same job you were first selling for around \$1,500 or \$2,000?

Mr. REED. Yes; in the same basic area.

Senator TYDINGS. Are you at all familiar with the actual prices that the subcontractor charges?

Mr. REED. No; I don't know what they would charge for it.

Senator TYDINGS. Would it be a fair statement to say that the mark-up was generally two and a half times what the subcontractor charged?

Mr. REED. Well—

Senator TYDINGS. Two times?

Mr. REED. This is something that I couldn't actually say because, you see, we have a book, so to speak, that they had printed up, with the price already in it, to justify the price, as you would say if I was selling the job to you. I would have it on there, how much the windows, how much they would charge for the windows, you know, and when they finally got down to the end it would be \$3,500. Do you follow me? You know, so for your blueprints and your plans and things of that nature.

Senator TYDINGS. Would you estimate like that on the quoted price of \$3,500 the subcontractor actually charged less than \$1,000?

Mr. REED. I would say the job should cost, to do it correctly, it should cost in the neighborhood of from a thousand to \$1,200.

Senator TYDINGS. All right. Did Monarch ever sell water softeners?

Mr. REED. Not that I know of.

Senator TYDINGS. Do you know of any similar organizations that sold water softeners?

Mr. REED. No. I mean, I have heard of, you know, people talking about water softeners, but I don't know anyone that was selling them.

Senator TYDINGS. What about home intercoms?

Mr. REED. No; they didn't sell those either.

Senator TYDINGS. All right. What sort of legal documents would you have the customers sign for the townhouse front?

Mr. REED. Well, you see, in the beginning, you see, this—the only thing that the salesman would have to do was write a contract and bring it to the office and they handled it from there. They had their own men going out.