

Mr. REED. Oh, yes. They would have, you know, 60 payments.

Senator TYDINGS. Did you tell them that they were signing a mortgage for their home?

Mr. REED. I told them they were signing a note and deed of trust against the property.

Senator TYDINGS. You never told them they were signing a mortgage against their home. And if they defaulted, the house could be taken away from them?

Mr. REED. Yes; I have always told people this, any time that I have gotten a note and deed of trust. I just say it just like basically it boils down to this: If you don't pay this they can take your house.

Senator TYDINGS. You would tell them that?

Mr. REED. And, you know, don't sign it, you know, if you don't intend to pay.

Senator TYDINGS. Now, did you take a notary with you when you had these deeds of trust signed?

Mr. REED. Well, this is what I do now, but I used to take the people to the notary. But, this was inconvenient for the customers, you see, a lot of times. But now I always take the notary to the house with me. I set up appointments, you see.

Senator TYDINGS. Where are you employed now, Mr. Reed?

Mr. REED. I am operating a home improvement company of my own, R. & W. Construction.

Senator TYDINGS. Do you do basically the same type of work that you did before; that is, you sell the job and subcontract it out?

Mr. REED. Well, subcontracting, yes. Because none of the fellows that, you know, do the work that I sell, they are not on a salary or anything, if that is what you mean.

Senator TYDINGS. Did Monarch ever do any actual home improvement work themselves? Did you ever know of any Monarch people actually doing the construction work, or putting on the front?

Mr. REED. Well—

Senator TYDINGS. You indicated that you thought they subcontracted most of it out?

Mr. REED. Yeah. Well, I know they had what we call installments. This fellow, Lovejoy, used to do the installing. He was working for Monarch and he was putting up a lot of the fronts for us.

Senator TYDINGS. They did have one man that was actually doing the work?

Mr. REED. He had one or two installers, but then after the business started coming in so fast, of course, they had to subcontract some of it.

Senator TYDINGS. Now, let's go back to the sales pitch for the training course that they gave you at Monarch. Did they ever tell any things to say to confuse the customer when they were signing, so that they wouldn't actually know what they were signing? Did they give you any sales pitch of this sort?

Mr. REED. No. Well, I have never heard them say this to anyone. They have never said it to me. Now, where a person would be saying that they were confused when they were signing the papers, you know, that would be a pretty difficult question for me to answer because I have never heard them say it, and they have never told it to me.