## ELECTRONIC service dealer

THE BUSINESS JOURNAL FOR THE PROFESSIONAL ELECTRONIC DEALER ..... MARCH, 1968

#### features

10 THE STATUS OF LICENSING IN THE UNITED STATES A national committee of NEA reviews the status of licensing of television service dealers in the United States today. Exams its problems, successes and failures. An article that should be saved for use by any organization interested in the possibility of a license program.

13 HOW TO MEASURE YOUR TAX LIABILITY WHEN BUYING OR SELLING A BUSINESS by Ralph H. Butz. The difference between good will and payment for not competing for a certain length of time could mean thousands of dollars to both the buyer and seller according to this article by ESD contributing editor.

#### 17 CALIFORNIA SECTION

A review of the recent activities of the CSEA Board of Directors is a major part of this month's California section. President Wilkins also reviews the programs of those using the red banner service and the importance of slogans.

#### 25 IOWA SECTION

William Witt and Lysle Shanafelt will keynote the Iowa Convention in Waterloo in May. Ed Vilimek reviews the past two years and Jim Yordy asks whether or not we are taking our youth serious. Convention program rounds out the section.

#### 29 KANSAS SECTION

President Hermreck reviews the past year and invites everyone to attend annual KEA convention next month. Milham goes over recent board meeting.

#### departments

- 6 LETTERS
- 7 EDITORIAL
- 9 NATIONAL NEWS AND VIEWS
- 15 ESD STATE NEWS ROUND-UP

# the company that brought you the famous Color Spectrum Antennas **now brings you a complete line of VHF & 82 channel MAT V equipment**

## **Over 200 items including:**

- Preamplifiers
- Amplifiers
- Passive Networks
- Wall Taps
- Test Equipment
- MATV Heavy Duty Antennas

Finco will work with you to plan your MATV installations *at no charge*. Send for FINCO's 45-page illustrated catalog and layout information forms.

Mail this coupon today





Send FREE 45-page illustrated catalog of MATV Equipment and FINCO layout information forms.				
Name				
Company				
Address				
City	State	Zip		



THE OFFICIAL PUBLICATION OF THE NATIONAL ELECTRONIC ASSOCIATIONS

DONALD J. MARTIN Editor & Publisher

FRANK BURNS Business Manager

MORRIE OVERSTREET Art Director

RALPH BUTZ Contributing Editor

HORACE BAKER Advertising Representative

#### NEA OFFICERS & DIRECTORS

JOHN BETZ, Waterloo, Iowa President

ART VAN SICKLIN, Conn. Vice President, 1st Region

M. D. TEDROW, No. Carolina Vice President, 2nd Region

REX RAY, Indiana Vice President, 3rd Region

CLEMENT RAFFAUF, Kentucky Vice President, 4th Region

CHARLES ENYEAR, Nebraska Vice President, 5th Region

WILFORD CARDEN, Kansas Vice President, 6th Region

EMMETT MEFFORD, California Vice President, 8th Region

JAMES CLACK, Kentucky *Secretary* 

HOMER DAVIDSON, Iowa *Treasurer* 

## ELECTRONIC service dealer

THE BUSINESS JOURNAL FOR THE PROFESSIONAL ELECTRONIC DEALER ..... APRIL, 1968

#### EDITORIAL CONSULTANTS

SAM SPINO, Editor of the TELSA NEWS of Connecticut; OSCAR ZAFT, Editor of the HOOSIER TEST PROBE of Indiana; PETE FABBRI, Editor of the TSA NEWS of Michigan; JOHN P. GRAHAM, Editor of the ARTSD NEWS of Columbus, Ohio; Editor of the CINTI TESA NEWS of Cincinnati, Ohio; Editor of the KETA NEWS of Kentucky; ART CLA-UGH, Editor of the TAS OHIO NEWS, and JOHN HEMEK of Minnesota.

#### ADVERTISING OFFICES

Electronic Service Dealer 13543 So. Hawthorne Blvd. Hawthorne, California 90250 (213) 675-8070

#### EDITORIAL DEADLINES

All regional section editorial material must be in the hands of the regional editors on or before the 15th of the month proceeding publication. Advertising in these sections have a similar deadline.

All editorial material must be in the hands of the Publisher no later than the 20th of the month proceeding publication. Any material received after deadlines will be held for future issues unless space permits its use in current issue.

#### ADVERTISING INFORMATION

Complete advertising rates, mechanical-requirements and circulation information can be obtained by writing the publication offices. Special insert rates and use of publication mailing list for direct mail advertising information can also be obtained by writing the publication offices.

ELECTRONIC SERVICE DEALER, the Business Journal for the Professional Electronic Dealer, is published monthly by Associated Publications, 13543 So. Hawthorne Blvd., Hawthorne, California 90250. Subscription rate is \$5 per year or \$7.50 for two years. Application to mail at controlled circulation rates is pending at Los Angeles, California.

Volume 7, Number 12 All rights reserved. No part of this periodical may be reproduced without the consent of Associated Publications.

### letters

#### Dear Don:

Something must be done about the "Stolen Set Racket" in the L.A. area.

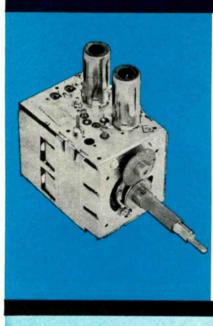
A dealer with a large volume of sales of new sets is not noticeably plagued with this loss in sales but the small volume dealers, as myself, is violently disturbed.

I estimate that the volume of stolen set distribution in this area has doubled in the last three years and this involves color sets and portable black and white mainly. I am so aggravated by these words from my prospective customers, "well I want a color set but I don't know what to do... I was offered a good deal but it's a hot set."

I will give my time and energy to correct this evil if there is some way in which it can be done. Can you help us, Don? All of us in the industry appreciate the tremendous gain you have advanced to us.

> Steel's Radio-TV Venice, Calif.

## **TUNER REPAIRS**



**\$975** 

## FOR COMPLETE OVERHAUL

Includes ALL parts (except tubes) ALL labor on ALL makes

24-HOUR SERVICE with FULL YEAR WARRANTY

Sarkes Tarzian, Inc., largest manufacturer of TV and FM tuners, maintains two completelyequipped Service Centers to serve YOU. Both centers are staffed by well-trained technicians in this specialized field and are assisted by engineering personnel to assure you of FAST, DEPENDABLE service.

Tarzian-made tuners-identified by this stamping-received one day will be repaired and shipped out the next. A little more time may be required on other makes. Every channel is checked and re-aligned per manufacturer's specifications, not just the channels which might exist in any given area.

which might exist in any given area. You get a 12-month guarantee against defective workmanship and parts failure due to normal usuage. Cost to you is only \$9.50 and \$15 for UV combinations, including all labor and parts except tubes. No additional costs. No hidden charges. All tuners repaired on approved, open accounts. You pay shipping. Replacements on tuners beyond practical repair are available at low cost.

When inquiring about service on other than Tarzian-made tuners, always send TV make, chassis and Model number. Check with your local distributor for Sarkes Tarzian replacement tuners, parts, or repair service. Or, use this address for fast factory repair service.



MANUFACTURERS OF TUNERS...SEMICONDUCTORS...AIR TRIMMERS...FM RADIOS AM-FM RADIOS...AUDIO TAPE...BROADCAST EQUIPMENT Ed Note: I believe the only way it can be done is through national legislation that would require the stamping of the model and serial number in the chassis of each set. If this information was published nationally when a set was stolen we could trace the sale and, if the consumer knew this, it would cut down the market for such sets and make it unprofitable to steal.

#### Dear Mr. Martin:

Congratulations to you and to the NEA on the new Electronic Service Dealer magazine. It is a credit to you and to the members of NEA. JFD, as you know, has always been an ardent supporter of all things beneficial to the professional electronics dealer. Therefore, we are delighted to have the back cover of your first issue. We are eagerly looking forward to your future editions.

> William Clancy, V.P.-Sales JFD

#### Dear Don:

I found your latest salary survey very interesting in that the average pay for bench men is \$3.72 an hour and outside men, \$3.38 an hour. By contrast, a recent advertisement by the county listed unskilled common laborers at \$4.00 per hour and electricians at \$6.00 per hour with double time for overtime and a five day week. It seems to me that we should let these men fix the television sets.

By the same token, I feel there should be some sort of union. If the consumer realized that the color TV service technician was paid \$7.50 per hour with 3 weeks paid vacation and other fringe benefits they would expect to pay \$15.00 for a home service call.

Ed Note: The dew is on the pumpkin ... Sacramento dealers just signed a union contract calling for a minimum of \$4.17 per hour plus fringe benefits totaling another \$.57. Could be that the time is fast approaching and we will need a strong bargaining representative.

## editorial



#### DONALD J. MARTIN, Editor/Publisher

electronics whether in the field of electricity, radar or what have you. The basic raw material is there... along with a good share of government subsidy.

**EIA has one thing going for it** that neither of the two national dealer associations, who attempted apprenticeship training programs had... and that is big business behind it. EIA, through its consumer show, put up a budget of some \$80,000 for a training program. The Federal Government took a look at the names of the committee people, along with the firm's they represented, and will quickly come up with the funds to do the training job for the major captive service manufacturers.

Needless to say it is slick one, if it can be pulled off, and I have no reason to believe that it won't or that it hasn't already been done. Obviously, the initial program has gotten off the ground but I cannot see EIA paying the freight for the same program in all of the cities now planned ... it has got to be a federal program. The \$100.000 given to NEA for its OJT program is only peanuts compared to the figures talked about at the EIA meeting in Los Angeles a few months ago. The report to the committee at that meeting indicated a federal grant of hundreds of thousands of dollars.

It also seems strange to me that neither of the two national dealer associations have been asked to participate on the committee of EIA regarding training. According to one source, the feud between NEA and NATESA is the reason why no service industry people have been appointed to this group. It sounds to me like a very convenient excuse for keeping the service industry in the dark regarding this training program.

**EIA can go through** all of the motions of working with the service industry but the only real way they can prove that this is not a captive service—federally financed program to provide additional 90 day wonders for the major manufacturers dealing in the service business, is to name one or two representatives to the executive committee of EIA's service division.

If, for some reason, the so-called feud between the national service organizations is the true reason, then why not consider the appointment of a third person that could represent the service industry. I could suggest several people that could possibly fill this gap in communications. For example, Forest Belt might be an ideal choice or, for that matter, M. L. Finneburgh of the Finney Company or Sel Kramer of Jerrold Electronics are well versed in the dealer field. Finneburgh is probably better known than any other person in the industry and knows the problems of the independent service dealer. Sel Kremer, Jerrold Sales Manager, is a former television service technician and could ably represent this segment of the industry.

If there is a true will there is a true way to include the independent service dealer in the EIA overall training program.

The recently announced Electronic Industries Associaton "Project Transition" seems to be an honest approach to solving the shortage of trained electronic service technicians. The idea of training returning servicemen in home electronics could be a major step in the right direction. I am sure that no one will be critical of the program when you take it at face value.

However, there is some concern that this may be a program designed only for the factory service organization. After all, aren't representatives of all of the major captive service groups heading this particular committee of EIA?

In one group of people the question was raised as to whether or not this isn't just another RCA 90day wonder program. Everyone knows that the service arm of the industrial giant is turning out "technicians" at a record clip and these men are only qualified to make minor adjustments, replace tubes, or pull a chassis. One thing about training returning servicemen, they at least have some knowledge of

### **NEA** president's report



#### by JOHN BETZ

The second issue of the "Electronic Service Dealer" is a fine looking magazine. Congratulations should go to Don Martin for editing and publishing this outstanding magazine. All of those that I have talked with have remarked about the quality of the publication. It is gratifying to note that it seems to be receiving the support of the national manufacturers as well as the distributors in the states that have state sections in the magazine.

The announcement by Admiral of a three-year warranty on color picture tubes is the latest in the ever increasing trend toward extended warranties. I cannot argue with any manufacturer that places a longer warranty on his merchandise where the increase in quality and reliability indicates that such an extended warranty is feasible. However, with a failure rate of about 10% on rectangular picture tubes during the first year and an abnormally high percentage of failures during the second year and no figures available to judge third year performance it seems to me that this move by Admiral is unwise at this time.

A short time ago in a bulletin to NEA members, I stressed the fact that there was a chance for a fair and legitimate profit to be made in color picture tube replacement and that if we were not careful that others outside the service industry would move in to kill or take away this profit potential.

Moves such as the three-year warranty and articles such as a recent one in *Home Furnishings Daily*  about the huge profits that service was making from the color picture tube replacement market seem to be aimed at this very thing. The *Home Furnishings Daily* article merely quoted "An Industry Spokesman" and left the identity of this gutless and unnamed individual to the imagination.

At the February Board of Directors' meeting in Pennsauken, New Jersey, Mr. Dick Tennell of EIA put forth the fact that one major manufacturer of color TV placed their cost of warranties at less than  $50\phi$  a set. How does this compare with your cost of warranting the quality merchandise on the market today?

A film is being prepared by Vocational Films of Park Ridge, Illinois entitled "So You Want to be an Electronic Technician." This is aimed at high school students and covers the field of electronic servicing. The film is in the laboratory stage and should be available for distribution in April. I hope to have a copy for showing at the May Board of Directors' meeting in Lincoln, Nebraska. It should be available for high school counselors before June graduation.

The recent article in *TV Guide*, "The TV Serviceman Talks Back" was excellent. To see the other side of the story published in something other than the trade press was refreshing indeed. *Readers Digest* is also working on an article concerning the electronic service industry.

After a flurry of reports and investigations about radiation from color TV sets it now appears that the problem is not as acute as was first indicated. From the viewers standpoint there is very little to be concerned about. From the standpoint of the service technician working with these sets day in and day out it may be a little different story. Some standard precautions may be necessary to assure that the service people are adequately protected. NEA is planning on issuing a new Public Relations pamphlet to be left in the home that spells out the facts on TV radiation.

Plans are moving ahead for the NEA Convention in August in Pasadena. Emmett Mefford is now working on this and things are shaping up to make this a gala affair. We are planning a couple of extra days in California to give our members time to visit such places as Disneyland, the movie studios, Mt. Wilson, etc. Golf tourneys, bowling tourneys, swimming and many other things are being set up. We are having some of the teenagers work together to decide what they would like set up for them to do. Babysitters will be arranged to take care of the younger ones and we even plan on some time for conducting the business of the association. All in all, it is shaping up to be an ideal chance for members and non-members to combine a vacation with the convention and to give the entire family the opportunity for a good time. We are even working with an airline to make air transportation more readily available. This should be the greatest NEA Convention ever.

### national...news & views

#### Texas Management Institute A Winner

The Texas Electronic Association held its annual Management Institute last month in the resort Lost Valley Dude Ranch in Bandera, Texas. Over 50 members of TEA signed up for the three-day work session at \$100 per person and came away much wiser in the ways of business management.

The four-day event featured Richard Cox, Manager of dealer education for Whirlpool, Forest Belt, Author, Editor and Consultant, Miles Sterling, a pricing specialist from Garden Grove, California, Ed Cundiff, Head of the Department of Marketing for the University of Texas and Francis Flynn, Head of Distributive Education for the University of Texas at Austin.

The four-day management course was business-oriented and featured morning, afternoon and evening sessions. As if this wasn't enough, in between sessions the students were assigned special teams to discuss and list suggestions on topics designed by the faculty on everyday management problems. The winning team received trophies and all students received their certificate of course completion.

#### **Burglers Provide Unfair Competition**

It is hard to believe but the average television retailer has been experiencing more and more unfair competition from the stolen set operator. One dealer complained that he cannot compete with this type of competition and has been consistently undersold by those selling stolen merchandise.

There is only one way to deter this type of operation and that is with a federal regulation that would make it mandatory for the manufacturer to metal stamp the make, serial number and model number into the chassis much like the auto industry does with new cars. This, in itself, will not stop the burglaries but it will act as a deterrent to the consumer who will pay for something even though he knows it is "hot."

The system would also act as a national guide to recovering and returning lost merchandise. As it is now, the manufacturers simply mark the chassis with a rubber stamp and many times they will simply update a set by changing the model number. In California, for example, it is a state regulation to mark the customer's invoice with the description of the set serviced, including make and serial number or model number. Oftentimes it is impossible to find this information on the set and especially in an older receiver that may have been worked on before.

#### CSEA Facing Stiff Fight To Save Agency

The California State Electronics Association seems to be facing a stiff fight in order to save the effectiveness of the California Bureau of Electronic Repair Dealer Registration.

The Association has been represented at every major hearing regardinig the Bureau and feels that the overwhelming evidence favors the continuation of the BEDR in its present form. However, with government economy in vogue throughout the State, it remains to be seen whether or not the Bureau will survive the budget cuts.

It has always been doubtful that the Bureau could be eliminated through major legislation but a big cut in the annual budget could leave it without any teeth.

#### X-Radiation Reported Small But Dealers Could Receive Major Eye Injury

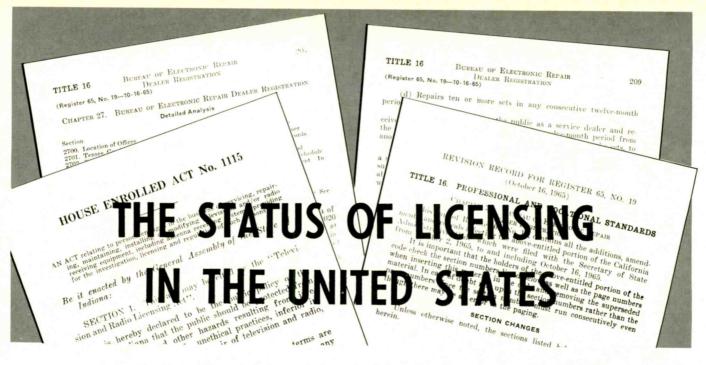
The latest government report indicated that the radiation from color television sets to the average consumer is very small. Of the some 1100 sets checked in the Washington D.C. area only about 70 actually emitted radiation over the 0.5 recognized safe level. All of the sets were correctable with the changing of the high voltage, a tube or a combination of the two. The report also indicated that the manufacturers could solve the problem.

As for the service dealer, the latest reports we have in our office is that there is a danger from radiation to the men working on the bench. One source indicated that an uncovered chassis could actually cause severe eye damage in a matter of one hour.

Another thing to think about is that the manufacturer releases all liability when the set leaves the factory and any future radiation emitting from a set could mean that the service dealer, who did any repair work, would be liable. We can visualize future law suits directed at service dealers in regards to radiation so you had better make sure any set leaving your shop does not emit radiation.

#### **EIA To Train Returning Servicemen**

"Project Transition" is the name given by EIA to its program of training returning servicemen in television servicing. The program got underway last month with a specially-designed curriculum under which the trainees started working on actual television receivers on the first day. The men are being taught to recognize, isolate, and diagnose problems of increasing complexity as the course progresses. Eventually, the student, while relatively ignorant of the theory of electricity and circuitry, will be able to spot and deal with the most frequent troubles afflicting a television receiver. The trainees are beginning at the Great Lakes Naval Training Center near Chicago with other operations planned for New Jersey, Texas, Virginia, North Carolina, California, Kentucky and Indiana.



During the last NEA Board of Directors meeting held in New Jersey, a special licensing committee conducted a panel discussion on this subject. The following material is a resume of much of the information that came out of the meeting and we felt would be of major interest to the industry as a whole.

We would suggest that this article be taken out of the magazine and submitted to governmental offices and staffs whenever the subject of state or local license comes up in your area.

The article may also be reprinted without permission by any and all interested organizations or individuals.

California requires service dealers to register with the state "Bureau of Electronic Repair Dealers." Also dealers are required to give repair estimates, to show reg. number, and give clear evidence of exact type of picture tubes installed. Bureau makes spot checks to determine evidence of fraud, and investigates all complaints. Registrations may be revoked with determinations of fraud by the bureau or other state agency or court. (This gives the registration the same effect as a "license." Original legislation was promoted by the California State Electronics Association (NEA affiliate) and the state bureau and CSEA work together towards its best implementation (in effect since July 1 1964).

Connecticutt requires all technicians to take a written test for either black-and-white Television servicing, or Color and Black-and-White Television servicing. The dealer is not licensed. The term "Certified Electronic Technician" is given to licensed techs. Association (TELSA NEA affiliate) sponsored and obtained passage in 1965. Law implemented in 1967. Association sponsored schooling to upgrade the nearly 50% failure rate upon initiation (80% Color test failures, 20% B and W).

Indiana's law goes into effect March 31, 1968. Requires testing of those who service Television or radio receiving equipment, including antenna receiving systems. Provides for investigation, licensing and regulation. Added was a separate category for Auto Radio repairmen. Provides for apprentices, requires small lapel badge. Does not license dealers. Grants those with 2 or more years experience before passage of the legislation a license, without testing. Penalties provide for removal of license and/ or \$500 per day fines for fraudulent actions, charges, or advertising. Law was sponsored by the Indiana Electronic Service Association (NEA affiliate), and has IESA

members on the 5 man "Board of Television-Radio Examiners."

Louisiana had the first state legislation. Since 1959. Originally licensed Service Dealers and technicians in large metropolitan parrishes (countys) and later was extended to the state. Was promoted by the Louisiana State Television Assn.

Massachusetts passed a law in 1963 to license Radio and Television technicians and establishing a board of registration. Had "grandfather" clause for those already in business. Does not license dealers. Calls licensees "Master Technicians," provides for Apprentices who work under the supervision of Masters. Original testing found 60% passing. Promoted by the Electronic Technicians Guild of Mass., who now works closely with the state board.

The proposed New Jersey, and the proposed Kentucky legislation are patterned after the Indiana and Connecticut laws. New York has several bills submitted, with no clear choice given by the state dealers and technicians groups. Some of the bills seem to be written with practically no regard to the views of the service dealers or techs. Such clouding of the issue also seems to indicate either little support from the trade, or a hurriedly passed bill which could be harmful to the techs or dealers, rather than tending to upgrade the technician as is done in other state's bills.

### Methods used to promote legislation

With so few states having had laws for regulation of electronic repair, most groups have designed their own proposed bill. Usually a law firm, which has had experience in the state legislature is hired by the state's t.v. association to write a bill. Sometimes the association leaders then redesign it to fit the trade peculiarities. It then will be sent out into the state to get samplings of the dealers and tech's reactions and to get approval. Meetings may be held to hash out problem areas.

The state's association legislative committee will distribute copies of the legislation to potential legislators both before and after elections. An elected official in each house of the legislature must be involved with the need for the bill and made the bill's legislative sponsor. Sometimes a professional lobbiest will be hired by the assn. to mother the bill through the many perils which face any new law attempt. The bill's backers also attempt to find out which of the house or senate members are unfamiliar with the law, or are not aware of its need. Usually an association member is needed during the state legislative sessions to assure that rumors, wild ideas as to the bill's intent, or other "default" happenings do not kill the attempt. Sometimes mass public support is required and work by the association's members in all parts of the state is required. It is

CONCLUSIONS: STATES WITH LEGISLATION: California Connecticutt Indiana Louisiana Massachusetts Pending laws or Present Efforts: Illinois Kansas Kentucky Maryland New Jersey New Mexico New York Pennsylvania

not felt that any TV licensing bill can be purchased by paying off legislators or others of influence. Petitions have been found to do some good on initial attempts, but are really of little help after the bill has been submitted a time or two. Individual efforts by the dealers and technicians is necessary, and the lobbiest must be constantly directed, also.

#### COSTS OF OBTAINING A LAW

Some states have spent as little as a few hundred dollars for printing, etc. in successful legislative attempts. Cities have passed ordinances with no costs to the dealer/ tech assns. Officials of IESA (Indiana) calculate the successful 1967 attempt involved approximately \$6000.00, made up of lobbiest fee, printing, travel, and phone bills. Four other previous attempts which failed cost similar amounts each time, with all the funds coming from voluntary contributions collected by the associations, with the idea of a better future for the profession in mind. Tagging the free time of individuals at some reasonable figure would possibly put a \$50,000 price tag on total legislative efforts over 10 years (such as in Indiana).

Present publicity being showered on the public concerning TV Fraud, and the need for competent technician service, to assure radiation safety is considered to make chances for additional laws success much better than in the past. Also, previously passed laws in neighbor states give additional credence to new attempts and the need for the law to regulate TV Repair.

Cities with Legislation:
Buffalo, N.Y.
Detroit, Mich.
Kansas City, Mo.
Madison, Wisc.
St. Paul, Minn.
Previous efforts towards legislatin:
Missouri, (failed)
Michigan, (failed)
Ohio, (failed)
lowa, (failed)
Arkansas, (failed)
Florida, (failed)
Des Moines city, (failed)
Waterloo city, (failed)
Akron, Ohio, (repealed after 2 years)
Columbus, Ohio, (failed)

#### **OPPOSITIONS TO LICENSING:**

The greatest opposition to the laws passage is the normal backwardness of any legislature to add more regulations and increase governmental control. Also, in the past, but not very prevalent today, is the opposition from the dealers or technicians themselves. Not all the opposition from the trade has been from the shady dealers and incompetents. Some have had the natural opposition to more controls, some are more opposed to the personalities who might be involved in administrating the laws, and others are merely worried about the yearly fees, which range from \$10.00 to \$40.00. Parts Distributors have taken active open strides to defeat some bills in session. In other cases, the distributors have donated to the license funds of the associations. It was reported that in one of the country's largest cities, the local International Brotherhood of Electrical Workers worked to defeat a bill. In some areas the local Better Business Bureaus supported the legislation, and in others (Indiana and Ohio for two instances), the BBBs worked to defeat.

#### Results of Legislation:

Usually association membership increases for a period of time.

Testing gives a true evaluation of the technician's abilities and competency.

Bait Advertising is reduced greatly.

The need for an Apprenticeship program is immediately noted, which leads towards a more solid foundation for the service industry.

Legislation tends to make a professional trade out of the business, rather than a hodgepodge.

Upgrading of training programs and more interest in training becomes evident. An example is TEL-SA of Connecticut aiding the state's school system in setting up 17 tech schools, with TELSA going out and getting the instructors for 5 nights a week training (all this within one month) so that 1700 techs could reach the level of the Connecticut exams.

## HOW TO MEASURE YOUR TAX LIABILITY WHEN BUYING OR SELLING A BUSINESS

by RALPH H. BUTZ

This is an outstanding article that reviews the latest in Treasury Department rulings regarding the sale and transfer of a business. Material includes the transfer of real property, inventory, good will, etc. A must reading for anyone interested in the possible sales of his business.

Whether you buy or sell a going business, specifically a sole proprietorship, the transaction is not the simple acquisition or sale of a single asset (the business). There are a number of tangible and intangible assets that comprise a going business.

The manner in which these various component assets are segregated may affect the tax liability for both buyer and seller under present Treasury regulations. Improper listing of various assets may make a difference in the tax bill that is the aftermath of the transaction.

Certain assets may be subject to annual deductions for depreciation or amortization. Other assets may be neither depreciable nor amortizable. In order to compute depreciation or amortization deductions, or to compute gain or loss, it is necessary to determine the basis of each component of the business.

The Treasury Department rules that it is necessary to determine whether gain or loss on the sale of an asset is capital gain or loss, ordinary gain or loss, and to establish the status it is necessary to classify the assets as:

(1) Capital assets.

(2) Real property and depreciable property held for more than six months. (3) Other property — stockin-trade, inventory, or property used in the business and held for six months or less.

Accounts and notes receivable acquired in the ordinary course of business for services or for sale of stock-in-trade are not capital assets, and are classified in category (3).

Installment notes and accounts receivable resulting from stock-intrade are classified in category (3). Any gain will be difference between the basis of the obligation and the amount realized, and such gain is ordinary income.

Buildings, machinery, furniture and fixtures used in the trade or business do not come within the classification of capital assets and should be listed in category (2) if held more than 6 months, and in category (3) if held less than six months.

Merchandise inventories are not capital assets and belong in category (3).

Land and leaseholds used in the trade or business are not capital assets. If held over 6 months they belong in category (2), and if held 6 months or less, in category (3).

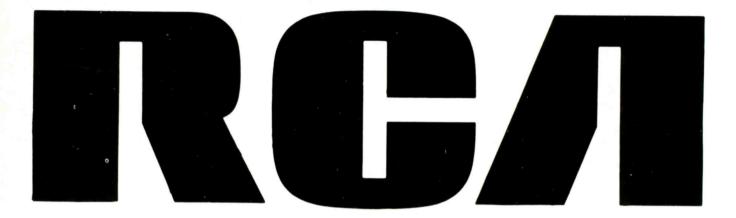
Goodwill and covenants not to compete. Goodwill is a capital asset belonging in category (1), and a covenant not to compete may belong in category (3). This phase of the transaction may be misunderstood and may be the cause of controversy because of tax in:plications.

In some transactions a part of the total purchase price for a going concern is for a covenant not to compete, an agreement which prohibits the seller from competing with the buyer. In other cases a specific amount is designated as payment for good will, or it may be for both goodwill and a covenant not to compete.

According to Treasury rules, goodwill is an intangible asset of a business and is not subject to depreciation or amortization. A covenant not to compete is an agreement between buyer and seller that the seller will not compete for a specified period of time, or within a specific area, or a combination of both.

When the agreement lists a specific payment for a covenant not to compete, and the covenant is for a fixed number of years, the amount paid for the covenant is deductible as a business expense proportionately over the life of the covenant.

Brown (the seller) signs an agreement not to compete with Jones (the buyer) for a period of 5 years, in consideration of which Brown accepts \$6,000. Jones may deduct this payment as business expense at the rate of \$1,200 a year for 5 years. (Continued Page 22)



# **GENUINE REPLACEMENT PARTS**





San Francisco: 33 Gough Street, MA 1-3400 Fresno: 2930 Butler Avenue, 268-8411 No. Sacramento: 330 Commerce Circle, 922-5885

## RCAVICTOR

DISTRIBUTING CORP.

Los Angeles: 6051 Telegraph Road, 723-6661 San Fernando Valley, 781-6501 Pasadena and Burbank, 246-8373 San Gabriel Valley, 443-6907

Long Beach, Downey, 639-6950 Inglewood, Redondo, 675-4401 Orange County, (714) 521-6700 Whittier, Alhambra, 728-7295

RCA VICTOR DISTRIBUTING CORP. San Diego: 820 West "F" Street, 234-6316

### ESD...state by state news round-up



AT THE MARCH 6th MEETING OF ITTA of Indiana the group held a license registration program. In the top left picture, Leon Howland, President of ITTA explains the mechanics of applying for Indiana's new TV license law that went into effect on March 31st. In the top right picture we show technicians hard at work filling out the forms while in the lower left is Indiana State Board of TV Service Examiners executive secretary Harold Calvert verifying tax forms for "Obie" of Bauder Electric. At the bottom right is one Muenier Radio Supply secretary acting as a notary public for the applications.

#### INDIANA

The Indiana Electronic Service Association will hold their regular board meeting early this month and will discuss the possibility of including the Indiana Test Probe as part of the national Electronic Service Dealer. The recommendation to become affiliated with ESD was made in a special communication from President Ed Carroll and could become effective with the next issue. IESA has also approved a new Health and Welfare Trust Fund program for its members including Group Life Insurance, Accidental Death, and major medical.

#### OHIO

Bill Smith has just been elected as President of the ARTSD of Columbus, Ohio and will be installed at a special dinner on April 27th at Stouffers University Inn. The entertainment for the evening will be provided by well known entertainer Bill Roberts. Others elected to office included Bob Groff as V.P., Don Blazer as Recording Secretary, Lou Swoboda as Corresponding Secretary and Ed Brownfield as Treasurer.

Frank Shannon reported that the special transistor class for members got underway on March 1st with a limit of 24 people. The class meets every Friday for 2 hours. The group is also planning another special training course designed to prepare members for the NEA certification examination.

In Cincinnati, Milt Kevreson of Uptown Radio Co. has written Senator Magnuson regarding warranty services. In his letter he states that many dealers feel that manufacturers have abused the service industry by refusing to explain fully the extent of their warranty on new products. He pointed out how the manufacturer can warrant a five cent part for five years and become a hero while the service dealer who puts that part in must become a bum for the charge he places on the labor. This is an excellent letter and should be reprinted completely within the near future.

#### NEW YORK

TSA of Albany, Nw York participated in the recent Cerebral Palsy telethon by providing television monitors for the Telethon staff and workers. This year the group also provided an antenna system necessary to operate twenty sets and stood by to provide any last minute service to the system. The Telethon produced a record \$207,599 and a special letter of appreciation was received from the Executive Secretary Bob Martin.

#### NEBRASKA

The newly-reorganized Nebraska Electronic Service Association has just begun the publishing of their NESA News. The new monthly is well done and contains a great deal of good information for the members. Officers of the new group include Cap Enyeart as President, Les Sabalka as V.P., Garry Zager as Sec/Treasurer and Rodger Brehm as Executive Director. Board members include Don Barmore, Cloyd Steeves, John Sperry and Rodger Brehm. The association recently welcomed some 27 new members to the fold it looks as if this 10-year-old organization is really on the move.

#### WASHINGTON

Jim Humphrey, well known throughout the nation for his association work, passed away in early February from a heart attack. Jim had been very active in NEA and was working an a national survey of warranty charges for the national association. He was also a past president of the Washington State Council and an extremely well liked individual of great integrity.

The spring conference of the Washington State Electronics Council is scheduled for April 27 and 28 at the Ballerina Motel in Kennewick, Washington. The Tri-City group will host the event. Other news involving organization was the appointment of Jim Willey as Secretary-Treasurer replacing Jim Humphreys and Eugene Oakley as a member of the Board of Directors.

#### IOWA

The TSA of Iowa will hold their annual convention on May 3-5 in Waterloo, Iowa. Anyone wishing to attend should contact the convention chairman, Clark Pohl, for full details. It was also reported that a long time member of the group, Henry Gulliver, passed away recently. Now...an exceptional opportunity for CSEA members to save money on Workmen's Compensation Insurance

## The CSEA Group Workmen's Compensation Plan

TV sales and service dealers who are members of the state association may now purchase their Workmen's Compensation Insurance on a group basis. Republic Indemnity, an innovator in this field, has designed and is offering the special group plan.

There are many advantages including specialized safety engineering service, performed by people who know your business . . . superior claim service . . . and most important the opportunity to **lower your insurance costs** through participation in group dividends.

Last year Republic Indemnity paid an average of **21% in dividends** to policyholder members of other groups. You may not have received dividends from your present insurance company because of your relatively small premiums. **But now you can participate** . . . and start saving.

Any CSEA member who pays \$150 or more per year in Workmen's Compensation premiums is eligible. Or if you're not a member now, you can become an affiliate subscriber for \$10 and participate fully in this exceptional opportunity. Any licensed insurance agent or broker can place your business with Republic Indemnity.

Don't wait—learn all about the CSEA Group Workmen's Compensation Insurance Plan today.

### REPUBLIC INDEMNITY COMPANY OF AMERICA

Specialists in Group Workmen's Compensation Insurance

Los Angeles: 1220 N. Highland Avenue, 462-7411 San Francisco: 9 First Street, 397-6433

#### CALIFORNIA

The annual state convention of the California State Electronics Association will be held at the Hacienda Hotel in Fresno, California on May 30-June 3. Reservations can be made by writing the executive director, Ralph Johonnot, in Hawthorne, California.

#### CONNECTICUT

The TELSA sponsored apprenticeship program became a reality recently as 16 men and a young woman completed their intensive sixteen-week course of school ing and now will complete another 16weeks of on the job training with the eventual graduation as full pledged technicians. Fred Haddad is the new President of TELSA and has set an ambitious program for 1968. Other officers include Saul Brown as 1st V.P., George Dukas as 2nd V.P., George Pelzer as Recording Secretary, Robert Collins as Corresponding Secretary, Reinhold Rotzal as Treasurer, Sam Spino as TELSA News editor and Mario Ferri as TELSA News Business Manager.

#### MISSOURI

The Electronic Specialists and Technicians Union of Greater St. Louis held their second annual dance on February 24 with great success. The association is growing at a record clip with five new members signed up the first month of operation under the field representation of Vince Lutz. At the group's last regular meeting, representatives of Motorola outlined the latest in solid state chassis. The organization is also planning to give its members the NEA certification examination within the very near future. Those interested should contact Mr. Lutz.

#### MICHIGAN

TSA of Michigan heard Mr. Ray Franks and attorney with the law firm that represents the group, outline the role trade associations have played in the development of the image and financial security of the legal profession. He noted that a trade association, unlike a union, not only gains strength through unity but never loses their individual identification. President Bob Lewis adjourned the meeting early last month so that 13 members could take the NEA certification examination. TSA News editor Pete Fabbri also outlined the "new breed of professionals" as he forecasted a year of upheaval and the place of the electronic service dealer.

#### NEW JERSEY

The Tri-State Council of TV Service Association will hold its annual Tele-Rama on June 14-17, 1968 at the Shelburne Hotel in Pennsauken, New Jersey. Reservations can be made by writing directly to the Council at 4616 Westfield Ave. in Pennsauken.



## ELECTRONIC service dealer

### CALIFORNIA SECTION

CSEA Board of Directors

#### CSEA Editorial Advisory Board and Officers

President HUGH W. WILKINS Vice President LARRY SCHMITT Secretary OAKLEY DEXTER Treasurer VIRGIL GAITHER Immediate Past President PAUL E. FORT, JR.

#### **Board of Directors**

Zone A AL FOX Zone B LEE HOY LARRY SCHMITT OAKLEY DEXTER Zone C BOB COBB Zone D MEL HAURY Zone E ROY GRYBOWSKI Zone F EVERETT PERSHING VIRGIL GAITHER HUGH WILKINS Zone G PAUL E. FORT, JR.

#### **Board of Delegates**

Chairman JIM BALLARD Vice-Chairman MONTE HUCKLE Secretary AL COX Legal Advisor C. C. MONTGOMERY CALIFORNIA STATE ELECTRONICS ASSOCIATION, INC. RALPH JOHONNOT Executive Director

13543 S. Hawthorne Blvd. Hawthorne, California 90250 (213) 644-4636 The CSEA Board of Directors met last month in San Francisco to discuss major matters of the Association. Of particular interest was the report by the new insurance team under the direction of Bob Ryan. The new CSEA Workmen's Compensation has received a warm reception and the other major insurance programs are increasing monthly.

Meeting Report

Other reports included Legislation, Convention, Membership, Radiation, Dues, Red Banner Service, Court Cases, Alignment Club, Transfer of the Ventura Chapter and a review of the IC System for collections.

Under Legislation was the report that each member of the BERDR advisory Board have been given a specific assignment and the naming of Byron Peterson as President of the Board.

The Fresno Convention was discussed a great length and every chapter president was given the assignment of turning out the members.

Under membership, a new program of special pins for length of membership was discussed and approved.

The Association is particularly

alarmed over the possibility of radiation damage to service people and are working on a test instrument that will detect radiation in a shop.

The Red Carpet Service put into effect last year will be changed to Red Banner Service following a settlement with Maytag over the use of Red Carpet.

The Association will also undertake a program designed to collect all information regarding court cases involving the service dealer. The Board is anxious to have as much information as possible on all types of legal cases in order to prove the abuse suffered by the industry in most civil cases. Case summaries should be sent directly to the State office where they will be compiled, reviewed and made available to all interested parties.

Other action by the Board included the admitting of the Alignment Club as an affiliation of CSEA. This is the new group that has formed with membership limited to those technicians who can perform alignment work. The group will accumulate information and it will be disbursed through CSEA. The IC collection program was also discussed with everyone reporting good results from the system.



### How To Choose Management Personnel

In a booming economy new jobs are being created and the demand for supervisory personnel is becoming more acute every day. The natural and fair way to fill these positions is to reward a good worker with promotion to management under the assumption that since he was successful on his particular job, he should be able to oversee and guide others as well.

MINI-MANAGEMENT

So far this theory sounds good; but we find in actual practice something strange happens and in far too many instances the net result is that the organization gets a poor manager and loses a good worker. In most cases the problem is purely psychological and top management can recognize and cure the situation by working with the newly promoted manager to change his image of himself and his relationship to the job.

Since man is basically an aggressive animal and started on earth by using his hands to dig, tear, build and even kill, there is naturally a sense of satisfaction when he is doing something which requires manual dexterity. Building, assembling, typing, writing, all give a sense of accomplishment; but take this man and put him at a desk and tell him to just use his brain and to direct others by remote control, he becomes frustrated. He goes home at night with a feeling that he has not accomplished anything all day long. He forgets that his spoken words are now his tools and that things were accomplished, however intangible it may seem to him.

The give-away signs of this type of manager are easily recognized when a problem arises at the job level. Instead of consulting with his subordinates and giving them a chance to work out the problem and use their initiative, he jumps right in with sleeves rolled up and does the job himself. He goes home that night tired but happy for the first time in many a day.

#### by JOEL GREENBERG

This is where top management should recognize the problem and step in to re-educate this man. showing him that the farther he climbs the ladder of management, the less he should know about the actual vocational job from whence he came. Trying to load the problems and work responsibilities of his subordinates upon his own shoulders inhibits their performance and makes his own value to the organization decrease in the same proportion. Management must realize that all too many people have the title of manager; but really do not want the job.

Managers must make decisions as to whether they really want to manage and then proceed to the next most important step. That step being to get rid of the attitude "When the good Lord made me, he threw away the mold—No one else can do the job, I have to be here."

A simple formula to measure how good you are as a manager is the degree of ease with which you can leave your business and go fishing or just take a few days of vacation. If you do go away but have to be constantly on the phone or are thinking only of what is happening back at the office, you really have not yet arrived as a manager. The definition of management is getting things done through other people. What then, is a good manager? A good manager plans, organizes, co-ordinates, motivates and controls. A poor manager makes day to day decisions, trys to do all the work himself and kills any initiative his subordinates may have.

It is management's responsibility to provide the proper training for the new manager and to give him the true picture of his relationship to his firm. Only then can he perform to the satisfaction of management, his subordinates and most important of all—to himself.

### **CSEA** president's report



#### by HUGH WILKINS

#### Will Wishing Make It So?

A temporary departure into fantasy-land can sometimes be a pleasant and relaxing experience while it lasts. Children tend to carry its happy, fairy-tale charisma over into real life for considerable periods of time. However, the mature and objective adult comes into focus with life as it is as soon as the play ends and the lights come on.

"Madison Avenue" is a pastmaster at substituting fantasy for reality. The exotic slogans which its striped-panted geniuses dream up for merchandising purposes are sometimes so ridiculously inapplicable to the products which they are pushing as to evoke mocking parodies by those who are wellacquainted with real quality and real merit. To these latter, neither costly advertising nor wishing it were so is going to make a silk purse out of a sow's ear. Regardless of Snow White's assurances to the contrary so charmingly given in her sweet and lilting voice in Walt Disney's famous fantasy, wishing will not make it so when we are dealing with real life. To produce genuine quality, whether it be in a product or in a service takes real dedication and lots of hard work. Which brings me to the subject of my article.

CSEA has recently embarked upon a public relations program under the slogan, "Red Carpet Service." This wording is in the process of being changed out of deference to the wishes of an appliance manufacturing firm having a servicing system using the same title. However, whatever words may be finally decided upon, I am very much concerned over the possibility that they may remain just that: words rather than a title of a system that has specific procedures and objectives that can be understood and appreciated by your average householder.

Certainly, CSEA shops have a right to boast about the forthright and objective action they have repeatedly taken to help protect the householder from fraud. CSEA's pioneering support of the BERDR Law inhibiting fraud in the home electronic servicing industry in California is evidence of an enlightened concern for the consumer's interests. I recall that a bill to enact into law a very similar measure affecting the automotive repair industry was vigorously (and successfully) opposed by a powerful, wellheeled segment of that industry. By contrast with our people, these interests either considered their industry to be above suspicion, or they just didn't care about the damage that a very shady minority was doing to the image of the whole or, perhaps they operate under the theory that it should always be "open season" on the poor, benighted car-owner.

When compared with the stubborn, medieval - minded "powers that be" in the automotive repair industry, CSEA shops certainly have every right in the world to operate under the slogan: "You're Safer to Call a Shop That Works to Protect You From Fraud," because it's backed up with substance. However, when we begin to use words to describe a service, or to imply that there is something special about our service, we had better have a well-defined system behind the words. Otherwise, we are falling into the evil ways of some of our Madison Ave. hawkers who are all ballyhoo and no substance.

I get around quite a bit among my colleagues in the industry and find that most of them are anxious to perform their service in the home in such a manner as will assure the best performance of a particular instrument. However, I have also been very frankly shocked by the description by some shopowners of their service procedures in the home. For instance, they will tell me that if they average more than 15 or 20 minutes in the home on television service calls, including color television, they consider themselves incompetent. Now, recalls or follow-up calls on new sets might fall in that category. But any competent technician who thinks he can do justice in 15 or 20 minutes to a color tv set which has not been serviced for several months is close to being a hit-and-run operator. Even assuming that you get the set going by replacing an obvious tube or two, the second anode voltage should be checked and adjusted as needed, color purity should be checked and restored if necessary, the focus is likely to be off, convergence is almost certain to need adjustment. Then there is the matter of checking critical tubes affecting performance, after which grey scale tracking should be checked, AGC and color killer adjusted, etc. A good man is lucky if he can get in and out of the house in less than 60 minutes and still get good color performance.

"But that kind of service will cost the customer more money," you say. So it will, so it will. Nobody works for nothing these days, nor should he. However, this is where my suggestion of a spelledout system of service comes into play. Competent technicians among us submit suggestions as to what should be included in a thorough procedure to obtain top performance within the limitations of a home service call. The procedures agreed upon are included in a system and this is given a name such as, RED BANNER SERVICE. Now, the customer is given a choice: If the operation of the set can be restored in the house, he can elect to pay the service charge (plus parts) and let the technician be on his way, or he can elect to have the full RED BANNER SER-VICE procedure for which he will pay for additional time consumed, plus parts. Perhaps a flat rate based on average experience could be charged for the latter, plus parts. In either event, the customer would be made aware that there is a difference in cost between just getting a set into operation and giving it the "top performance" treatment. Of course, the latter course would be pushed in public relations and advertising.

Since in the servicing industries, competence is as much a part of the "substance" behind a slogan or title as the system of service which it names, it is my opinion that every shop which subscribes to CSEA's RED BANNER SERVICE plan should have one or more technicians on its staff who have passed the Certified Electronic Technician test. Bigger shops should have more such technicians than the smaller ones.

I suspect that you will soon be receiving a questionnaire asking what procedures you believe should be followed in obtaining top performance of various instruments of the home electronic entertainment variety, both in the home and in the shop, what service charges should be made in each instance, and whether or not you would be interested in becoming party to such a plan, including its promotional aspects.

To sum up my thesis: I do not believe that self-serving slogans which merely express our own opinions of ourselves are really very effective in inspiring public confidence that we will give the consumer his money's worth. I do believe that spelling out the choices to the customer (the quick and cheap versus the more thorough costly) will attract patronage provided the latter is operated under appropriate rules and administered by an organization capable of demonstrating its identification with the consumer's interests. This is a role which CSEA can fulfill on behalf of all participants. Finally, such a bona fide system is a "natural" for convincing promotional activity to stimulate desirable new business.

### **CSEA** news wire



RALPH JOHONNOT, CSEA Executive Director

\*\*\* ALIGNMENT CLUB A formal request was granted the "Alignment Club" as an affiliate membership in C.S.E.A. The purpose to work with our Association to deceminate technical information and demonstrations to the membership. The approval being accepted by the State Board of Director on March 24th, 1968. \*\*\* MARIN \*\*\*

Ralph Le Hoy has been appointed Chapter Executive to care for all chapter meetings, notices and publicity. Ralph is going to be a busy man since Zone B Council also has hired him as Zone Executive Secretary. Need any more hats, Ralph?

\*\*\* SANTA CLARA \*\*\* Jim Ballard reports over 300 letters being sent to dealers in Santa Clara area requesting them to join the chapter and really work together as a team. Also installation dance and dinner, April 27th at Dianah's Shack, Palo Alto - All Invited...

\*\*\* SRTT SAN FERNANDO VALLEY \*\*\* March 19th marked the chapter meeting and return of "The Iron Monster" (first hand built color set in nation 1953) BUT unfortunately it had developed "eletro-gremlins" and blew all the circuit breakers prior to the meeting. However Irv Tjomsulant reviewed the history of its creation and all in attendance enjoyed the memories. Ralph Johonnot, CSEA Executive Director was the guest speaker on "Facts of The Times and Problems In The Industry."

\*\*\* ALAMEDA \*\*\* Miles Sterling and yours truly spoke before the Alameda television dealers on March 27th. An extremely interested group were in attendance. Problems in the area have spearheaded a drive for new members or possibly a new chapter.

\*\*\* FRESNO \*\*\* At the Board of Directors meeting in San Francisco, March 24th, State President Hugh Wilkins appointed Bob Cobb, of K G T.V. as State Director. Lack of elections were responsible for this action. \*\*\* LOS ANGELES \*\*\*

Chapter spearheads new monthly meetings on the fourth Thursday. New meeting place Calif. Federal Savings and Loan Building, 5670 Wilshire. Time 8:00 P.M. "The Alignment Club" will be their guest on April 25th. Sounds very interesting. Non members why don't you drop in.

\*\*\* PASADENA \*\*\* Ralph Johonnot installed the new officers of the Pasadena Chapter on March 16th at the Brookside Country Club. New officers: Dan Kealey President - ANDREWS ELECTRONICS

....YOUR ONE-STOP INDEPENDENT DISTRIBUTOR FOR ....

RСЛ

ORIGINAL EQUIPMENT SERVICE PARTS & ACCESSORIES

"Serving The San Fernando Valley and Vicinity"

**ANDREWS** ELECTRONICS

1500 W. BURBANK BLVD. BURBANK, CALIF. TH 5-3536 ST 1-3120 VI 9-6014

APRIL, 1968

Bill Schirdling, Vice President - Ben Leff, Secretary -Bob Kealey, Treasurer - Bill Lawler, Delegate. My, what a swinging board...

\*\*\* POMONA \*\*\* Seven members of the Pomona Chapter took the CET examination. Three passed. Congratulations men, that's not a bad average.

\*\*\* ZONE F \*\*\* Zone election of officers was finalized. Results: Harry Midkiff, Chairman - Ray Murphy, Vice Chairman -Bill Lawler, Secretary an "Money Bags" Scarborough, Treasurer. Also Zone F officers discussed participation in the NEA convention in August both by lending a helping hand and by financial support. \*\*\* SONOMA \*\*\*

\*\*\* SONOMA \*\*\* Election completed. Howard Derbro, President - Vern Hassett, 1st Vice President - Bill Woods, 2nd Vice President - John Hubert, 3rd Vice President - Bud White, Corresponding Secretary - Claud Schwarz, Recording Secretary - Ed Zyduek, Treasurer - Dave Strebel, Director of Committees - Dick Thomas, Auditor and Vern Hassett, Zone B Delegate. A fine slate for '68 Go-Go-Go.

\*\*\* SACRAMENTO \*\*\* Joe Rodrigues has been appointed Apprenticeship Chairman and Sacramento is moving well on a new apprenticeship program. Also the Sacramento Chapter will be participating in the California exposition August 26th thru September 10th.

\*\*\* SPECIAL NOTE \*\*\* A statewide Apprenticeship Standards meeting will be held in San Francisco at the Jack Tarr Hotel May 15th, 16th and 17th. Write E. Mefford - 16820 Foothill Blvd., Fontana, California for delegates credentials if you wish to attend.

\*\*\* SAN DIEGO CHAPTERS 13 and 18 \*\*\* Chapters #13 and #18 held their yearly joint installation dinner on March 9th at the Wagon Wheel in Santee. Hugh Wilkins, State President installed the officers and was guest speaker. Over 42 members were in attendance.

\*\*\* BURBANK/GLENDAL \*\*\* Mr. Allen Wills of Sues, Young & Brown Inc. (Zenith) presented a program on servicing and service problems on March 7th. Over 35 dealers were present. Next chapter meeting to be devoted to Certification examinations.

\*\*\* SAN MATEO \*\*\* May llth has been selected for the chapter's annual installation and dinner dance in Redwood City. Contact Larry Schmitt for tickets. BBB brochure was well accepted and many orders received.

\*\*\* VENTURA \*\*\* Members of the Ventura Chapter requested that their chapter be transferred into Zone E (Santa Barbara) because of geography and mutual interest. State Board meeting March 24th approved request.

\*\*\* CONVENTION MAY 30th thru JUNE 2nd \*\*\* Plans for our State Convention progressing well. Guest speakers and programs shaping up. Your cooperation by making your reservations through the state office will assure a well rounded four days of fun, relaxing and information relating to your business and industry.

\*\*\* X RAY RADIATION \*\*\* Your Association is taking definate action as to how this may effect you, the technician. Enough has been said about the public. News on this should appear next month.

### **CHANNEL MASTER**

DISTRIBUTED IN CALIFORNIA BY:



#### ASSOCIATED RADIO DIST. 1583 Howard St.

San Francisco, HE 1-0212

Palo Alto: DA 3-3173 San Mateo: FI 5-3575 Vallejo: MI 3-4531

### HURLEY ELECTRONICS

2101 N. Fairview, Santa Ana, 638-7220 IN Inglewood: 679-2276 Ontario: YU 6-6538 San Bernardino: TU 5-0721 Long Beach: HE 6-8268 Oxnard: HU 3-0133 Oceanside: SA 2-7694

### KIESUB CORP.

311 W. Pacific Coast Hwy. Long Beach 591-1335 & SP 5-1428

Anaheim: KI 7-3527 & 865-0688 Bakersfield: FA 7-5535 Oxnard: HU 3-9541 San Bernardino: TU 5-6807 Van Nuys: ST 1-3930

### MILLER'S ELECTRONICS

530 East 8th Street (94606) Oakland, 834-9185

Santa Rosa, 542-5423 2076 Armory Drive (95401) Walnut Creek, 934-3000 1263 Arroyo Way (94596) San Rafael, 453-1130 134 Jacoby Street (94901) Hayward, 537-5833 21726 Meekland Avenue (94541) San Jose, 295-6818 522 So. Bascom Ave. (95128)

### NORCAL ELECTRONICS

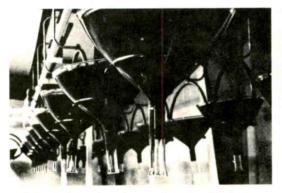
1115 "R" Street Sacramento, 442-9041

# CHANNEL MASTER OPTI-CHROME

### RARE EARTH PHOSPHOR COLOR PICTURE TUBES

### ALL NEW from the country's most modern Color tube plant • NEW GLASS • NEW SCREEN NEW GUN • RARE EARTH PHOSPHOR

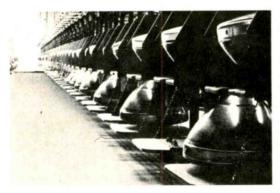
Unfortunately the needs for the replacement market have come second with every CRT manufacturer...except Channel Master.



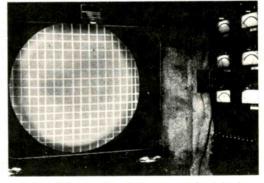
Before glass funnels are joined with their screen panels and shadow masks, they receive an interior coating of dag to insure perfect electrical conductivity. Every tube (color or black & white) that Channel Master manufactures is built for you -- the service dealer.



After each phosphor is applied, the screen panel is microscopically checked for dot size, position, thickness and uniformity.



To serve the needs of the replacement market, Channel Master color tubes of every size and shape can be mass produced simultaneously.



Before it leaves the plant, every color tube is individually checked for convergence to make certain it matches the superb performance potential of modern color television sets.



And remember: for the economy minded, Channel Master offers a complete line of highest quality sulfide color replacement tubes.

#### HOW TO MEASURE YOUR TAX LIABILITY WHEN BUYING OR SELLING A BUSINESS

If no portion of the purchase price represents an amount paid for a covenant not to compete, but the purchase contract requires the buyer to make periodic payments in return for such a covenant, the buyer may deduct such payments as a business expense. The buyer

e noon iei	ABVERIISING
HUNDREDS OF WORKING	HEALTH PLAN OFFERED
USED LATE MODEL THIN LINE—PORTABLES Low shipping costs anywhere TV brokers WE 1-6622 4920 W. Pico, L.A. 19, California	SAVE more than 40 % on your Hospital- ization Plan. Call J. Wartels—Insur- ance Counselor to Electric League. JACK M. WARTELS CR 8-0543 TR 8-0161
SITUATION WANTED Wish to purchase, profit share, or partnersh in Television Sales & Service business with gross of \$200,000 or more. Am present selling my interest in such business. Fami man in my 30's with proven management an technical ability. C.E.T. Certified, and F.C. Licensed. Minimum Base \$12,000. If you an looking for that one in a thousand, I'm you man. Write: Box 624, Hutchinson, Kansas.	TELEVISION & RADIO TOWERS, TRI-PODS & MASTS Shipped throughout the United States—Write for brochure and price list. UNIVERSAL PRODUCTS ENG. CO. 3443 East Olympic Bivd. Los Angeles, Calif. 90023 (213) 262-2653
	NAL MANAGER WANTED
turer as their Regional Manager in so Salary based on experience. Car furni insurance, profit sharing program.	shed. All expenses paid. Excellent fringe benefits , paid vacations. anager, The Finney Company, 34 West Interstate
Application National Electronic Associations Kansas Electronic Association	For Membership California State Electronic Association Iowa Television Service Association
13543 5	Hawthorne Blvd.
	ne, Calif. 90250
FIRM NAME	Owner's Name
	State Resale Permit No.
	p CodeState Refistration No
Phone Number	
Single OwnershipPar	tnershipCorporation
If partnership or corporation, name part	
Number of years in Radio and/or T.V. bu	usinessNumber of years at present location Number of years past location
Nearest office of Better Business Bureau Name of Bank	
Name of Suppliers	Branch Address City

CLASSIFIED ADVERTISING

must be able to establish that the amount paid was for a covenant not to compete and was not, in effect, merely an arrangement to pay for goodwill.

If a covenant accompanies the transfer of goodwill and it has the function of assuring the buyer of the beneficial goodwill he acquires, the covenant becomes nonseverable and its cost is considered as a capital asset which, like goodwill, is not subject to depreciation or amortization, and may not be charged to business expense.

Gordon and Smith were business competitors in the same town for a number of years. Gordon was successful but Smith was not, so Smith came to Gordon and offered to sell his business, inventory, equipment and goodwill for \$25,000. Gordon decided that the goodwill was of little or no value, but he was willing to pay something for a covenant not to compete in the same town for a period of two years. After completing an inventory of Smith's business, Gordon agreed to the following:

- \$10,000 for inventory of merchandise
- 12,000 for equipment and machines.
- 3,000 for covenant not to compete.

Gordon decided that he could depreciate the used equipment over a period of 6 years, and could also deduct \$1,500 each year for two years, the amount paid for the covenant, as a business expense.

If Gordon had agreed to pay \$3,000 for goodwill and a covenant not to compete, the goodwill and the covenant would have been nonseverable. He would not have been permitted to deduct the amount as a business expense. It would have been listed as an intangible capital asset, neither deductible, depreciable nor amortizable.

The \$3,000 was ordinary income to Smith and taxable as such, but he was able to prove a long-term loss of \$4,000 on inventory and \$2,800 loss on equipment and machines.



## ELECTRONIC service dealer

### IOWA BEACON

ED VILIMEK, President

CLARK POHL, Vice President Perry, Iowa

REX RAY, Secretary Washington, Iowa

VIC UKER, Treasurer Clarion, Iowa

#### BOARD OF DIRECTORS

WAYNE HUTCHINS, Central City B. R. MOON, Des Moines DEAN OBRECHT, Ames KEITH WALLRICH, Keota MERLE STRAHORN, Hampton RAY SCHOOLER, Iowa Falls CLARK POHL, Perry GLEN DICKEY, Mt. Vernon Wm. ROGGOW, Storm Lake

#### CLARK POHL Section Editor

Witt and Shanafelt Highlight Annual Iowa Convention

Waterloo, Iowa — William Witt, manager of Product Sales for the Distributor Sales Division of the Electronic Tube Department, will keynote the 1968 Iowa Television Service Association's Convention in Waterloo, Iowa.

Witt has been with General Electric since 1959 and was named as manager of product sales in 1965. His background is in marketing for both the semiconductor and tube divisions and was district sales manager for the tube department in Los Angeles until his promotion in 1965.

Joining Witt on the three day convention program is Lysle Shanafelt, manager of sales coordination for the Distributor Sales Division of RCA's Electronic Components Division in Harrison, New Jersey.

Shanafelt is well known to all Iowa members as well as those associated in most of the television service organizations throughout the nation. A regular top speaker at the annual National Electronic Associations convention, Shanafelt's opinions are widely respected and he is a welcome addition to the Iowa confab.

The convention program itself will get underway on May 3rd immediately following the opening Buffet dinner with a special board meeting and a hospitality visitation sponsored by Iowa's top distributors.

On Saturday morning the convention will be opened by President Ed Vilimek followed by the Keynote speech by William Witt of General Electric. A regular business session will follow including the election of officers. Vilimek will be completing two years as President of the Iowa TSA.

On Saturday evening the annual banquet will be held featuring the new officers and Mr. Shanafelt's presentation. On Sunday there will be another special business session and the formal adjournment of the convention.

The ladies haven't been forgot-



L. O. Shanafelt RCA Corporation

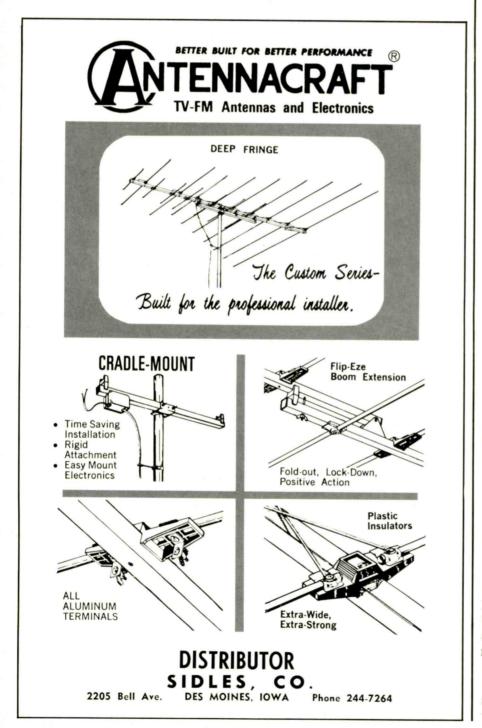
ten in the three day event with special programs designed to keep them busy and entertained.

On Friday evening the gals will be treated to the stage play "1,000 Clowns," following the Buffet and on Saturday they will enjoy a hair styling demonstration by Mrs. Jack Betz followed by shopping in Waterloo.

A special tribute to Jack Betz for his two years of outstanding leadership to NEA will also highlight the convention.



ED VILIMEK, outgoing President of TSA of lowa is shown here with NEA National President Jack Betz advertising last year's NEA convention in Des Moines. Vilimek completes two years as President of TSA.



### IOWA PRESIDENT'S MESSAGE by ED VILIMEK

Thinking of a new leader, in looking back lots have happened here in Iowa. As associations have had their trouble in keeping members, Iowa has held quite firm, stressing the fact we must all make more money if we are to stay, and we are staying aren't we? Last year a great Convention in Waterloo. We gave NEA our Jack Betz on a loan. We hosted the 3rd Annual Convention for NEA and it was a great success thanks to you. We have had no crisis to bolster our ranks. Business has been carried on as usual mostly through the State Board.

We tried the school route, found it most difficult here in Des Moines, but met with good success in Waterloo. A lot of Apprentices registered, some ten still working with the program. You who did not participate received nothing, but believe me those that did, benefited in more ways than one.

I am a little distrubed in the use of our Library, Marv Zeigman is willing to get the material to you, ask for it, it will help your meetings.

Ellsworth Jr. College is doing a great job in preparing some Electronists. Glen Dickey is very happy with his job and wishes you would please get in touch with him if you have summer employment for his students.

Iowa State University has done a great job throughout the State in training our people and bolstering the Industry with more qualified personnel.

It has been a wonderful two years and I am glad I had the opportunity to serve you, you and you. We started many things, one the paid secretary but were not able to put into effect. You see the new and colorful decals, we didn't make it on every TV station in color, but let's keep trying, they still need us and we need them, we're down but not licked.

### TO ATTRACT YOUNG MEN YOU MUST BE READY FOR CHANGE

#### by JIM YORDY

Beside the fact that a lot of us are inclined to be a little bit laxy and are also rather poor businessmen, which already covers a lot of territory, we have the problem of age and the changing times that many of us can't or won't do anything about.

For example it's no secret that there aren't too many young men coming into our field and in some instances when asked why they don't, they give a definite pattern for an answer. It goes something like this after it is unscrambled.

"Most of you fellows today are of the old school and since you made your money (if any) the old way you have gotten yourself in a rut. You refuse to realize that times have changed and also methods of doing things. When something new in your field comes on the Horizon you have to think about it so long with no action taken, that, by the time you get around to it, it is old hat and the opoprtunity is Gone. You can tell by looking at your T.V. Service industry that it has taken you 20 (twenty) years to get where you are, and just where are vou?"

"We can't afford to spend 20 years of our lives just breaking even or maybe a little better. We believe that it's high time for new and better methods and sometimes this involves experimenting and even sometimes plunging a little and since you got your money the hard way you aren't about to risk any of it on things that might put you on easy street, even if it does look good."

"With our ideas and your experience this industry could be good for us all but our ideas are rejected

(Continued Next Page)

IOWA STATE CONVENTION

of the

### IOWA TELEVISION SERVICE ASSOCIATION

May 3, 4, & 5th, 1968

Waterloo, Iowa

#### **REGISTRATION, FRIDAY, MAY 3**

4:00-6:00 Registration—lobby

6:00-7:00 Buffet-Finney Antenna Co.

7:30-9:00 Board of Directors meeting

9:00-12:00 Hospitality and get acquainted sponsored by Distributors

#### SATURDAY, MAY 4

7:45-8:45 Breakfast Sponsored by RCA 8:00-9:30 Registration

9:00-9:30 Convention opens-Welcome Pres. Vilimek

9:30-10:30 Keynote Speaker, William Witt, G.E. Co.

10:30-10:45 Coffee break-Winegard Antenna Co.

10:45-12:00 Business Meeting

12:00-1:30 Lunch by Sylvania

1:30-2:45 Business meeting continued

2:45-3:00 Coffee break, Winegard Co.

3:00-5:00 Business meeting and election of officers

- 6:00-7:00 Cocktails by G.E.
- 7:00-9:00 Banquet-Speaker Lysle O. Shanafelt, RCA Awards-Installation of officers
- 9:00-12:00 Entertainment and dance

#### SUNDAY, MAY 5

8:00-9:00 Breakfast

9:15-11:00 Old business-New board of directors meeting

#### LADIES AGENDA, MAY 3

4:00-6:00 Registration-lobby

6:00-7:00 Buffet with men

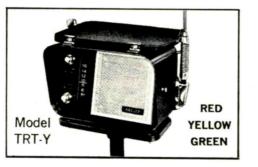
7:15-9:30 Play "1000 Clowns" recreation center. Meet in lobby 7:15 9:30-12:00 Hospitality-Get acquainted party-By Distributors

#### SATURDAY, MAY 4

8:00-9:00 Breakfast with men 9:00-12:00 Hair Styling Demonstration-at motel 12:00-1:30 Lunch with men 1:30-5:00 Free time-Shopping, etc. 6:00-7:00 Cocktails at motel 7:00-9:00 Banquet awards-Speaker Lysle O. Shanafelt 9:00-12:00 Entertainment and dance SUNDAY, MAY 5

9:00-10:00 Breakfast 10:00-11:00 Checkout-Convention ends

### RANGER TRACTOR RADIOS



#### SPECIFICATIONS

BANDS — 535 — 1610 KC VOLTAGE — 6/12 VOLTS POLARITY — POSITIVE/NEGATIVE GROUND PEAK AUDIO — 6 VOLTS 11 WATTS 12 VOLTS 38-40 WATTS SENSITIVITY — 6 or 12 VOLTS 2-10 MV BATTERY DRAIN — 6 VOLTS — 1.5 AMPS 12 VOLTS — 2.1 AMPS COMPONENTS — 7 TRANSISTORS — 2 DIODES SPEAKER — HEAVY DUTY CERAMIC — 6" ROUND WATERPROOF CONE

#### GIFFORD-BROWN, INC.

1400 WALNUT ST. P.O. Box 1531

**DES MOINES, IOWA 50307** 

WELCOME TSA MEMB	ERS		
JUST OFF THE PRESS ENTERTAINMENT SEMICONDUCTOR ALMANAC	50 BIG PAGES		
GET YOURS FREE— MAIL COUPON TODAY!			
RADIO TRADE SUPPLY CO. 1013-17 HIGH STREET DES MOINES, IOWA 50310 RUSH MY FREE COPY OF "GE SEMI GUIDE"			
DEALER			
ADDRESS			
CITYZIP CODE			

#### ATTRACT YOUTH

(Continued)

without even given a fair chance. Under these conditions you are driving us away instead of taking advantage of what you send us to school to learn. We as the younger generation feel we can do better somewhere else if we can't bring the T.V. Service Industry up to the level it belongs and actually feel we are a part of it. We feel we can do a better job of promoting sales and, with your help, as good or better job as technicians but we want things to move instead of being sat on for from one to six months. AS IT STANDS now we feel you have failed and when you get ready to admit it we will be more than happy to help bail you out. This failure we speak of is not just in the T.V. Industry alone but all industries and business. This may explain some of the rebellion on dress and styles, etc. We don't even want to look like vou."

"We feel you have a choice of either working with us to make things better or waiting until we do it by ourselves and since we outnumber you it won't be long until we will do it our way anyhow... You could help us now and we could all benefit by using your experience along with our ingenuity. As yet we have seen but a very small move on your part to cooperate."

"We thank you for your 20 years experience, but if you aren't going to use it or attempt to let us use it then your Service Industry will just have to go to pot. We think it is now and will continue doing just that unless you get with it. ALL WE ASK IS A MODERN CHANCE."

In talking with these young people and looking at *our* situation they have convinced me that they are right in most cases and they make me feel a little inadequate and very old. In some cases even a little ashamed of myself.

WHAT DO YOU THINK?



## ELECTRONIC service dealer

### KANSAS KEA NOTES

#### PRESIDENT

Robert Hermreck

TREASURER Emmett Hughes

1ST VICE PRESIDENT Lloyd Milham

**2ND VICE PRESIDENTS** David Smitherman R. A. Swan Kenneth Marcy

SERGEANT-AT-ARMS Stanley Gresham

SECRETARY AND NATIONAL DIRECTOR Wilford Carden

MEMBERSHIP Lauren Matson

### **KEA President's Message**

#### by ROBERT HERMRECK

First of all, don't forget the change in convention dates. The plans now call for May 10, 11 and 12th at the Holiday Midtown in Wichita, and it should be one of the finest we have ever held.

Talking about the Convention, it also means that we are ending our term of office and I sincerely feel we have accomplished a great deal. Of major importance is the new "Consumer Guide" to pricing. This new booklet outlines many of the average charges being made on television service and it should be used by every dealer in the State, as a promotional tool, in dealing with their customers. If this booklet could be placed in the hands of every customer in Kansas, it would go a long way in explaining the charges made for typical repair work. These booklets will be made available to members within the next two or three weeks and they should be ordered at the convention.

We are also asking our members and guests to make their reservations early so that we can get a good count on the number who will be attending. Needless to say, we are hoping to top last year's attendance and many feel we can do it. I would also like to take this opportunity to thank Lloyd Milham for conducting our last Board meeting in Wichita. I was very sorry to have had to miss the meeting but understand he did a great job as usual.

A special congratulations to our new members of KEA and NEA. I am sure that they will find membership as rewarding as I have over the years. Not only will they profit from membership in KEA and NEA but will make lifelong friends. Hope to see you all at the convention on May 10, 11 and 12th in Wichita.

KEA CONVENTION NOTICE Time—May 10th, 11th & 12th, 1968 Place—Holiday Inn (downtown) Wichita, Kansas Events—May 10th, 5:00 p.m. Picnic 8:00 p.m., Board Meeting May 11th—Seminars Business Meeting Election of Officers Banquet and Dance May 12th—Business Meeting Members and Non-Members Invited

### **KEA BOARD REPORT**

### PITTSBURG RADIO SUPPLY

2125 BROADWAY Phone: AD 1-2150 PITTSBURG, Kansas

initia bene, numbus

Serving the Four State Area Since 1927

DISTRIBUTOR OF FINCO ANTENNAS

### ACME RADIO SUPPLY, INC.

TOPEKA, KANSAS 66601 135 KANSAS AVENUE

MANHATTAN, KANSAS SOUTH HIGHWAY 177

Wholesale Distributors For CHANNEL MASTER & RCA KEA Board of Directors met March 3rd, 1968 at the Crestview Bowl, Wichita, Kansas. Reports from the Convention committee were that Three Technical Speakers are lined up and the meals have been planned. A two color program brochure is in the making and the band for the dance will be Norman Lee. C.E.T. Tests will be given at the Convention.

John Farrell, Manhattan, was appointed to the Technical Information Committee Chaired by R.A. Swan. This committee is to contact Universities and Technical Schools to obtain speakers for Chapter meetings.

A Legislative Committee was appointed with Larry Premer, Chair-

## RADIO SUPPLY COMPANY

Incorporated

WICHITA, KANSAS

115 LAURA — WICHITA. AM 7-5216 1809 S. BROADWAY — SALINA. TA 3-6353 1910 TENTH — GREAT BEND. GL 3-3507

Distributor to the Service Industry



Receiving and Picture Tubes for B-W and Color TV Batteries, Semiconductors and RCA Service Parts

A Complete Supply of all other Electronic Parts, TV Antennas and Accessories

#### By LLOYD MILHAM

man Fred Wallis and John Krier. This Committee will be expanded and a special fund set up so as we may be prepared for the next attack by one of our adversaries. It was the feeling of this meeting that we want a good licensing law or a registration law, but the one that was presented without consulting anyone in the Industry was not a workable law.

A Nominating Committee was appointed with Kenneth Marcy, Chairman Wilford Carden and Bill Winegar. This Committee met right after the Board Meeting and have at least two names for each elected office in KEA. There will also be nominations from the floor.

It is the desire of all Board Members that every member of KEA attend the Convention and vote in who you want on your Board of Directors for the next year. See you May 10th.

LEM

#### CHANGE OF DATES CONFUSING

Because of a misunderstanding by the change of managers at the Holiday Inn Motel, Wichita, our convention dates of May 3rd, 4th & 5th were rented to another organization. The only dates now available to us are May 10th, 11th & 12th. These dates are the same as the NEA Board meeting in Lincoln, Neb.

We have decided that our National Director, Wilford Carden, should attend the complete NEA Board Meeting and that the other Officers of KEA should attend the NEA Convention May 10th & 11th. We have changed our Convention plans to leave Sunday May 12th open to allow other Officers of KEA to attend the NEA Business meeting in Lincoln on that date.



## GAVIN UHF CONVERTERS... SELL BETTER-ARE BETTE

#### Because they:

- Work better solid state circuitry and golden touch tuning make it easy to tune in all UHF channels
- sharp and clear.
  Look better low silhouette and furniture styling enhance and room decor.
- Are approved by both UL and FCC.
- Are backed by heavy local and consumer advertising
- Are made in U.S.A. by the UHF specialist — GAVIN.

#### #503 — AMPLIFIED UHF CONVERTER

Amplifies antenna signals for top quality UHF pictures even in poor reception areas. Golden touch fine tuning. Styled in exquisite teakwood. The ultimate UHF converter. List \$43.55

#### #502 — DELUXE UHF CONVERTER

Solution of the second second

#### #501 — UHF CONVERTER

Powerful 3 section tuner brings in all UHF channels sharp and clear. Solid state. Connects to TV set in five minutes with just a screwdriver. List \$20.95

ALL MODELS AVAILABLE FOR TRANSLATOR AREAS. SPECIALLY TUNED TO CHANNELS 70 to 83.

ONE YEAR DIRECT REPLACEMENT WARRANTY



#### **GAVIN INSTRUMENTS, INC.** Subsidiary of ADVANCE ROSS CORP. Somerville, New Jersey 08876, U.S.A.

RI

# the company that brought you the famous Color Spectrum Antennas now brings you a complete line of VHF & 82 channel MATV equipment

## **Over 200 items including:**

- Preamplifiers
- Amplifiers
- Passive Networks
- Wall Taps
- Test Equipment
- MATV Heavy Duty Antennas

Finco will work with you to plan your MATV installations at no charge. Send for FINCO's 45-page illustrated catalog and layout information forms.

Mail this coupon today





Send FREE 45-pag Equipment and FIN	ge illustrated ca ICO layout info	italog of MATV rmation forms.
Name		
Company		
Address		
City	State	Zip