

# ShowBiz Pizza Time, Inc.



## FRANCHISE NEWS



#23

January 2, 1987

### WEEKLY SALES

AVERAGES FOR WEEK ENDING 12/28/86

SPP Franchised Units (71): \$11,882  
 SPP Company Units (90): \$14,730  
 CEC Franchised Units (86): \$11,851  
 CEC Company Units (28): \$14,746

| ShowBiz Pizza Place and<br>Chuck E. Cheese  | Chuck E. Cheese  | ShowBiz Pizza Place   |
|---|--|---|
| Average of Top 20 Units = \$21,069  | Average of Top 20 Units = \$19,400   | Average of Top 20 Units = \$17,197  |
| <ol style="list-style-type: none"> <li>1. San Jose (Tully), CA<br/>M.C.A. &amp; Associates</li> <li>2. Tacoma, WA<br/>Northwest Partners V</li> <li>3. Clarksburg, WV<br/>Trio Foods Enterprises</li> <li>4. Portland, OR<br/>Computerized<br/>Entertainment Concepts</li> <li>5. Huntington, WV<br/>Huntington Entertainment</li> <li>6. Milwaukee (Chase), WI<br/>R. C. Schmidt, Jr.</li> <li>7. Taikoo Shing, HK<br/>Whimsy Company Limited</li> <li>8. Pearl City, HI<br/>Selwyn S.P. Chan</li> <li>9. Louisville #2, KY<br/>Family Entertainment,<br/>Inc.</li> <li>10. Lafayette, LA<br/>Acadiana Productions</li> <li>11. Burnaby, BC<br/>Nintendo Entertainment<br/>Centres</li> <li>12. Fayetteville, NC<br/>Adventure Restaurant<br/>Corporation</li> <li>13. Victoria Park, ONT<br/>All Canadian Pizza Shows</li> <li>14. Knoxville, TN<br/>Gary Long</li> <li>15. Maryville, TN<br/>Gary Long</li> <li>16. Paducah, KY<br/>Pumezco</li> <li>17. Honolulu, HI<br/>Pal Anderson<br/>Enterprises</li> <li>18. Brooklyn, NY<br/>Family Showtime Theatres<br/>of Bay Parkway</li> <li>19. Greensboro, NC<br/>Mike Hilton</li> <li>20. Chattanooga, TN<br/>McBiz Corporation</li> </ol> | <ol style="list-style-type: none"> <li>1. San Jose (Tully), CA<br/>M.C.A &amp; Associates</li> <li>2. Tacoma, WA<br/>Northwest Partners V</li> <li>3. Portland, OR<br/>Computerized<br/>Entertainment Concepts</li> <li>4. Milwaukee (Chase), WI<br/>R. C. Schmidt, Jr.</li> <li>5. Taikoo Shing, HK<br/>Whimsy Company Limited</li> <li>6. Pearl City, HI<br/>Selwyn S. P. Chan</li> <li>7. Louisville #2, KY<br/>Family Entertainment,<br/>Inc.</li> <li>8. Burnaby, BC<br/>Nintendo Entertainment<br/>Centres</li> <li>9. Victoria Park, ONT<br/>All Canadian Pizza Shows</li> <li>10. Brooklyn, NY<br/>Family Showtime Theatres<br/>of Bay Parkway</li> <li>11. Bridgeville, PA<br/>McKnight Family<br/>Centers #3</li> <li>12. West Allis, WI<br/>R. C. Schmidt, Jr.</li> <li>13. Albany, NY<br/>Pizza Time of New York</li> <li>14. Greece, NY<br/>Pizza Time of New York</li> <li>15. Florence, KY<br/>Family Entertainment,<br/>Inc.</li> <li>16. Syracuse, NY<br/>Pizza Time of New York</li> <li>17. West Mifflin, PA<br/>McKnight Family<br/>Centers #3</li> <li>18. Newington, NH<br/>Dolli &amp; Associates I</li> <li>19. Monroeville, PA<br/>McKnight Family Centers</li> <li>20. El Toro, CA<br/>F. E. C., Inc.</li> </ol> | <ol style="list-style-type: none"> <li>1. Clarksburg, WV<br/>Trio Foods Enterprises</li> <li>2. Huntington, WV<br/>Huntington Entertainment</li> <li>3. Lafayette, LA<br/>Acadiana Productions</li> <li>4. Fayetteville, NC<br/>Adventure Restaurant<br/>Corporation</li> <li>5. Knoxville, TN<br/>Gary Long</li> <li>6. Maryville, TN<br/>Gary Long</li> <li>7. Paducah, KY<br/>Pumezco</li> <li>8. Honolulu, HI<br/>Pal Anderson<br/>Enterprises</li> <li>9. Greensboro, NC<br/>Mike Hilton</li> <li>10. Chattanooga, TN<br/>McBiz Corporation</li> <li>11. Nashville #2, TN<br/>BAM, Inc.</li> <li>12. Fargo, ND<br/>Great Plains Associates</li> <li>13. Phoenix #2, AZ<br/>S-M Pizza</li> <li>14. Virginia Beach, VA<br/>Adventure Restaurant<br/>Corporation</li> <li>15. Davenport, IA<br/>McBiz Corporation</li> <li>16. Allentown, PA<br/>Wellington Development<br/>of Florida</li> <li>17. Nashville #1, TN<br/>BAM, Inc.</li> <li>18. Parkersburg, WV<br/>Trio Foods Enterprises</li> <li>19. Charlotte, NC<br/>Adventure Restaurant<br/>Corporation</li> <li>20. Des Moines, IA<br/>McBiz Corporation</li> </ol> |

**WEEKLY SALES**

AVERAGES FOR WEEK ENDING 12/21/86

SPP Franchised Units (71): \$12,613  
 SPP Company Units (90): \$15,236  
 CEC Franchised Units (86): \$12,708  
 CEC Company Units (28): \$16,314

| ShowBiz Pizza Place and<br>Chuck E. Cheese  | Chuck E. Cheese   | ShowBiz Pizza Place   |
|---|---|---|
| Average of Top 20 Units = \$21,415  | Average of Top 20 Units = \$19,668  | Average of Top 20 Units = \$18,400  |
| <ol style="list-style-type: none"> <li>1. Clarksburg, WV<br/>Trio Foods Enterprises</li> <li>2. Tacoma, WA<br/>Northwest Partners V</li> <li>3. Portland, OR<br/>Computerized<br/>Entertainment Concepts</li> <li>4. Greece, NY<br/>Pizza Time of New York</li> <li>5. Fayetteville, NC<br/>Adventure Restaurant<br/>Corporation</li> <li>6. Victoria Park, ONT<br/>All Canadian Pizza Shows</li> <li>7. Burnaby, BC<br/>Nintendo Entertainment<br/>Centres</li> <li>8. Huntington, WV<br/>Huntington Entertainment</li> <li>9. Honolulu, HI<br/>Pal Anderson<br/>Enterprises</li> <li>10. Chattanooga, TN<br/>McBiz Corporation</li> <li>11. Nashville #2, TN<br/>BAM, Inc.</li> <li>12. Louisville #2, KY<br/>Family Entertainment,<br/>Inc.</li> <li>13. Knoxville, TN<br/>Gary Long</li> <li>14. Lafayette, LA<br/>Acadiana Productions</li> <li>15. Milwaukee (Chase), WI<br/>R. C. Schmidt, Jr.</li> <li>16. Nashville #1, TN<br/>BAM, Inc.</li> <li>17. El Toro, CA<br/>F. E. C., Inc.</li> <li>18. Paducah, KY<br/>Pomezco</li> <li>19. Brooklyn, NY<br/>Family Showtime Theatres<br/>of Bay Parkway</li> <li>20. Bridgeville, PA<br/>McKnight Family<br/>Centers #3</li> </ol> | <ol style="list-style-type: none"> <li>1. Tacoma, WA<br/>Northwest Partners V</li> <li>2. Portland, OR<br/>Computerized<br/>Entertainment Concepts</li> <li>3. Greece, NY<br/>Pizza Time of New York</li> <li>4. Victoria Park, ONT<br/>All Canadian Pizza Shows</li> <li>5. Burnaby, BC<br/>Nintendo<br/>Entertainment Centres</li> <li>6. Louisville #2, KY<br/>Family Entertainment,<br/>Inc.</li> <li>7. Milwaukee (Chase), WI<br/>R. C. Schmidt, Jr.</li> <li>8. El Toro, CA<br/>F.E.C., Inc.</li> <li>9. Brooklyn, NY<br/>Family Showtime Theatres<br/>of Bay Parkway</li> <li>10. Bridgeville, PA<br/>McKnight Family<br/>Centers #3</li> <li>11. Albany, NY<br/>Pizza Time of New York</li> <li>12. Spokane, WA<br/>Thomas &amp; Timothy<br/>Finnerty</li> <li>13. West Allis, WI<br/>R. C. Schmidt, Jr.</li> <li>14. Florence, KY<br/>Family Entertainment,<br/>Inc.</li> <li>15. Syracuse, NY<br/>Pizza Time of New York</li> <li>16. Hayward, CA<br/>Ulrike-Grandjean Corp.</li> <li>17. Jackson, MS<br/>C &amp; M Management</li> <li>18. Monroeville, PA<br/>McKnight Family Centers</li> <li>19. Tukwila, WA<br/>Northwest Partners IV</li> <li>20. Concord, CA<br/>Ulrike-Grandjean Corp.</li> </ol> | <ol style="list-style-type: none"> <li>1. Clarksburg, WV<br/>Trio Foods Enterprises</li> <li>2. Fayetteville, NC<br/>Adventure Restaurant<br/>Corporation</li> <li>3. Huntington, WV<br/>Huntington Entertainment</li> <li>4. Honolulu, HI<br/>Pal Anderson<br/>Enterprises</li> <li>5. Chattanooga, TN<br/>McBiz Corporation</li> <li>6. Nashville #2, TN<br/>BAM, Inc.</li> <li>7. Knoxville, TN<br/>Gary Long</li> <li>8. Lafayette, LA<br/>Acadiana Productions</li> <li>9. Nashville #1, TN<br/>BAM, Inc.</li> <li>10. Paducah, KY<br/>Pomezco</li> <li>11. Virginia Beach, VA<br/>Adventure Restaurant<br/>Corporation</li> <li>12. Maryville, TN<br/>Gary Long</li> <li>13. Greensboro, NC<br/>Mike Hilton</li> <li>14. Charlotte, NC<br/>Adventure Restaurant<br/>Corporation</li> <li>15. Greenville, SC<br/>McBiz Corporation</li> <li>16. Lexington, KY<br/>McBiz Corporation</li> <li>17. Parkersburg, WV<br/>Trio Foods Enterprises</li> <li>18. Davenport, IA<br/>McBiz Corporation</li> <li>19. Fargo, ND<br/>Great Plains Associates</li> <li>20. Phoenix #1, AZ<br/>S-M Pizza</li> </ol> |

# OPERATIONAL

# NEWS

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## 1987 TECHNICAL WORKSHOPS

Regional Technical Workshops will be conducted at the following locations during the first quarter of 1987:

ShowBiz Nashville, TN JAN 30  
5312 Hickory Hollow Ln.  
615/333-0271

Chuck E. Syracuse, NY FEB 27  
Cheese 2803 Brewerton Rd.  
315/455-7029

Chuck E. San Jose, CA MAR 27  
Cheese 2445 Fontaine Rd.  
408/238-9110

We urge you to have your technician attend the workshop nearest your city. To enroll, call Nanci McAlister in the Franchise Operations Department.

Second quarter seminars are tentatively scheduled for:

Davenport, IA - April  
Brooklyn, NY - May  
Seattle, WA - June

Your regional representative will be contacting you to schedule seminars with your management and key people.

## LOGO ITEMS

Attached is a price list from Dennis Foland. Many of you met Dennis at the Orlando meeting. He will continue to expand the logo items as Gene Cramm develops them for company centers.

In addition to the items on the list attached, we have just been informed that he has three new logoed Chuck E. Cheese spots vinyls in stock. These are:

- #2618 CEC Baseball Player - \$3.36 dz.
- #2619 CEC Football Player - \$3.60 dz.
- #2620 CEC Basketball Player - \$3.60 dz.

## CANDY AS MERCHANDISE

As an option in many company stores, candy is sold as a merchandise item. The volume of course varies among the locations, but some stores sell as much as \$200-300/week in candy. With candy having a 100% mark-up in our stores, the profit on this impulse purchase item has been worthwhile.

We are in the process of changing our ordering procedures to direct buying from the vendor. If you are interested in trying a candy display, you may want to contact this company for information on displays, costs, being set up as a customer, etc. The contact and the number are:

Bill Nielson  
United Sweets  
1-800-521-4939

# MARKETING & ADVERTISING

#23

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## COLORING BOOKS

The Chuck E. Cheese and Billy Bob Coloring Books being produced by the Advertising Committee are ready for order. Following are the specifics and attached is an order form. Enclosed for each FRANCHISE OFFICE is a copy of the new art work for these books. The actual coloring book will be a 16-page booklet in the same format as the enclosed sample from Popeyes with a colored cover and printed on newsprint.

The printer will collect all orders and print that quantity on February 1. Shipments should be received by mid-February. At this time, there will be no stock of books available - only special orders. The deadline for ordering books for February is January 20, 1987. Future prints will be determined by your interest.

1. COST - each coloring book will be 7¢ each, plus freight. A check payable to One and Only Publishing must accompany the order.
2. MINIMUM ORDER - the minimum quantity per order will be 2,000. The vendor will break this down if you have several stores. (i.e. order 2,000 and ship 1,000 each to 2 of your locations)
3. FREIGHT - all orders will be shipped COD - UPS ground service. Expedited orders will only be with your approval of the extra freight cost, again on a collect basis.

6. SUGGESTED USES - there are many uses for a low cost item such as the coloring books. You may consider as a birthday gift, group tour gift, promotional giveaway, merchandise item, etc.
7. VENDOR - for your reference, the vendor's address, phone number, and contact person are:

One and Only Publishing  
2103 El Camino Real, Suite 204  
Oceanside, CA 92054  
619/721-4242  
Richard Hays

NEW TV COMMERCIALS

New commercials paid for by the Advertising Fund will be shot the first week of January. The "Where a Kid Can Be A Kid" campaign has been successful, so the new spots will be an extension of that theme. We are excited about the "story line" of these spots, and expect them to be of superior quality.

The Advertising Fund will pay for costs associated with your use of these spots, including:

1. A VHS copy which will be sent to the FRANCHISE OFFICE of each Advertising Fund member during the week of January 26. This will be a preview copy only.
2. One air quality copy for each market. Copies will be ready early February.
3. All talent and residual costs for your using these spots during the remainder of 1st quarter, 1987.

To expedite getting your copy to you, we will be taking telephone orders for the TV dubs. Please see that the VHS copy and the ordering information gets to the appropriate people in your office as soon as it arrives.



D E N N I S F O L A N D I N C.  
Merchandising Services

DATE: \_\_\_\_\_

CHUCK E. CHEESE

UPDATE AS OF 01/01/87

STORE #: \_\_\_\_\_

Price List

INVOICE #: \_\_\_\_\_

STORE ADDRESS: \_\_\_\_\_

PO #: \_\_\_\_\_

SHPT: \_\_\_\_\_ CTNS: \_\_\_\_\_

| STOCK<br>NUMBR | DESCRIPTION                   | MIN. ORDER | CARTON<br>PACK | SUGG.<br>RETAIL | YOUR<br>COST | ORDER | TOTAL<br>AMOUNT |
|----------------|-------------------------------|------------|----------------|-----------------|--------------|-------|-----------------|
| 7680           | YoYo Medium                   | 8DZ        | 4DZ            | .69EA           | 2.78DZ       |       |                 |
| 7078           | Regular Card <i>(playing)</i> | 2DZ        | 1DZ            | 1.30EA          | 7.26DZ       |       |                 |
| 81072          | Jumbo Pencil                  | 6DZ        | 3DZ            | .79EA           | 5.94DZ       |       |                 |
| 10001          | Mini Pencil Set               | 4DZ        | 2DZ            | 1.00EA          | 4.62DZ       |       |                 |
| 1-PTT          | Travel Mugs 12 Oz.            | 4DZ        | 4DZ            | 1.49EA          | 8.58DZ       |       |                 |
| 7291           | Lucite Keychain               | 5DZ        | 5DZ            | .89EA           | 3.96DZ       |       |                 |
| 7070           | Mini Playing Card             | 4DZ        | 2DZ            | .65EA           | 3.96DZ       |       |                 |
| 7293           | Jumbo Pen                     | 4DZ        | 2DZ            | 1.49EA          | 8.58DZ       |       |                 |
| 7408           | 4 Color Flashlight            | 6DZ        | 2DZ            | 1.49EA          | 7.92DZ       |       |                 |
| 2013           | Childs Visor                  | 2DZ        | 2DZ            | 1.75EA          | 10.17DZ      |       |                 |
| 4002           | Boys Wallet                   | 4DZ        | 1DZ            | 1.59EA          | 10.17DZ      |       |                 |
| *7720          | Mini Purse                    | 4DZ        | 4DZ            | 1.25EA          | 7.40DZ       |       |                 |
| 2598           | Girls Wallet                  | 4DZ        | 2DZ            | 1.25EA          | 6.87DZ       |       |                 |
| *5009          | Mini Amber Mug                | 2DZ        | 1DZ            | .79EA           | 3.96DZ       |       |                 |
| 2614           | CEC Vinyl                     | 12DZ       | 2DZ            | 1.00EA          | 3.57DZ       |       |                 |
| 2616           | Jasper Vinyl                  | 6DZ        | 2DZ            | 1.00EA          | 3.96DZ       |       |                 |
| 2615           | Mr. Munch Vinyl               | 4DZ        | 2DZ            | 1.00EA          | 3.96DZ       |       |                 |
| 3987           | CEC Plush Doll                | 2DZ        | 1DZ            | 7.99EA          | 57.69DZ      |       |                 |
| 877            | Candle Tin                    | 4DZ        | 4DZ            | 1.60EA          | 7.80DZ       |       |                 |
| 7700           | Girls Shoulder Purse          | 3DZ        | 3DZ            | 2.49EA          | 11.88DZ      |       |                 |
| 2749           | CEC Bank                      | 4DZ        | 1DZ            | 2.50EA          | 12.02DZ      |       |                 |
| 2808           | Jasper Bank                   | 2DZ        | 1DZ            | 2.50EA          | 12.02DZ      |       |                 |
| 7507           | Jumbo Telescope               | 4DZ        | 2DZ            | 1.25EA          | 6.60DZ       |       |                 |
| 1060           | CEC Pencil Sharpener          | 2DZ        | 2DZ            | 1.75EA          | 7.66DZ       |       |                 |
| 901P           | CEC Sunglasses                | 12DZ       | 6DZ            | .59EA           | 3.04DZ       |       |                 |
| 1061           | CEC Vinyl Fig. Keychain       | 2DZ        | 2DZ            | 1.25EA          | 4.36DZ       |       |                 |
| 1044           | CEC Ball Point Pen            | 100EA      | 100EA          | .79EA           | .22EA        |       |                 |
| *9114          | CEC Jumbo Eraser              | 40EA       | 20EA           | .69EA           | .31EA        |       |                 |
| *9115          | Billy Bob Jumbo Eraser        | 40EA       | 20EA           | .69EA           | .31EA        |       |                 |

\*Temporarily out of stock.

103 University Avenue  
Los Gatos, California 95030  
(408) 395-8500 \* TLX: 9105908007

D E N N I S F O L A N D I N C.  
Merchandising Services  
PAGE 2

| STOCK I<br>NUMBR I | DESCRIPTION            | MIN. I<br>ORDER I | CARTON I<br>PACK I | SUGG. I<br>RETAIL I | YOUR<br>COST | ORDER | TOTAL<br>AMOUNT |
|--------------------|------------------------|-------------------|--------------------|---------------------|--------------|-------|-----------------|
| 7493               | Mini Card Keychain     | 4DZ               | 2DZ                | 1.25EA              | 6.34DZ       |       |                 |
| 1167               | Backscratcher          | 3DZ               | 3DZ                | .79EA               | 3.04DZ       |       |                 |
| 318                | CEC Cutout Coin Purse  | 4DZ               | 4DZ                | .79EA               | 4.23DZ       |       |                 |
| 351                | Folding Comb           | 6DZ               | 6DZ                | .49EA               | 1.32DZ       |       |                 |
| 1025               | CEC Bumpersticker      | 200EA             | 200EA              | .25EA               | .16EA ✓      |       |                 |
| 1025               | CEC 3IN. Button        | 200EA             | 100EA              | .65EA               | .35EA        |       |                 |
| 1026               | 'I LOVE CEC' Button    | 200EA             | 100EA              | .65EA               | .35EA ✓      |       |                 |
| 1034               | CEC Stampo             | 200EA             | 200EA              | .99EA               | .60EA        |       |                 |
| 1051               | Small YoYo             | 144EA             | 144EA              | .25EA               | .11EA        |       |                 |
| 1058               | Watch Puzzle           | 288EA             | 144EA              | .25EA               | .14EA        |       |                 |
| 8301               | T-Shirt Promo (2-4)    | 1DZ               | 1DZ                | 4.50EA              | 29.64DZ      |       |                 |
| 8302               | T-Shirt Promo (6-8)    | 1DZ               | 1DZ                | 4.50EA              | 29.64DZ      |       |                 |
| 8303               | T-Shirt Promo (10-12)  | 1DZ               | 1DZ                | 4.50EA              | 29.64DZ      |       |                 |
| 8304               | T-Shirt Promo (14-16)  | 1DZ               | 1DZ                | 4.50EA              | 29.64DZ      |       |                 |
| 7127               | 6 Color Felt Pen       | 6DZ               | 6DZ                | .79EA               | 4.36DZ       |       |                 |
| 7149               | Mini Tool Kit          | 5DZ               | 5DZ                | .99EA               | 5.42DZ       |       |                 |
| 870                | Mini Van               | 8DZ               | 4DZ                | 1.19EA              | 6.24DZ       |       |                 |
| 1053               | Mini Memo Pad ass't    | 20DZ              | 20DZ               | .19EA               | .93DZ ✓      |       |                 |
| SP111              | CEC Folding Binoculars | 80EA              | 80EA               | 2.29EA              | 1.05EA       |       |                 |
| SB111              | Billy Bob Binoculars   | 80EA              | 80EA               | 2.29EA              | 1.05EA       |       |                 |
| 1038               | CEC 8 Oz. Tumbler      | 100EA             | 100EA              | .49EA               | .28EA        |       |                 |
| 1039               | CEC 14 Oz. Tumbler     | 100EA             | 100EA              | .59EA               | .33EA        |       |                 |
| 7609               | Ceramic Character Mug  | 3DZ               | 6EA                | 2.49EA              | 14.40DZ      |       |                 |
| 7285               | Pencil Box Multiplier  | 4DZ               | 2DZ                | 1.25EA              | 6.34DZ       |       |                 |
| 606                | CEC Billy Bob Puzzle   | 24DZ              | 12DZ               | .19EA               | .88DZ        |       |                 |
| 7641               | CEC Youth Baseball Cap | 2DZ               | 2DZ                | 3.95EA              | 16.24DZ      |       |                 |
| 5374               | CEC Bear Bag           | 4DZ               | 4DZ                | 4.95EA              | 26.40DZ      |       |                 |
| 5373               | Jasper Bear Bag        | 4DZ               | 4DZ                | 4.95EA              | 26.40DZ      |       |                 |
| 1                  | 1 Ticket Item          | 4CS               | 1CS                |                     | 12.84CS      |       |                 |
| 3                  | 3 Ticket Item          | 4CS               | 1CS                |                     | 19.60CS      |       |                 |
| 5                  | 5 Ticket Item          | 3CS               | 1CS                |                     | 42.00CS      |       |                 |
| 7                  | 7 Ticket Item          | 2CS               | 1CS                |                     | 84.00CS      |       |                 |

\*Temporarily out of stock.

SUB TOTAL : \_\_\_\_\_  
FREIGHT : \_\_\_\_\_  
TOTAL DUE : \_\_\_\_\_

# Who's making noise about tort reforms?

An article of interest from Sam Thompson.

AUSTIN — Heads up, sports fans! Look alert here, fellow citizens, we are at the beginning of one of those great invisible rip-offs that keeps us all wondering how it is that the system gets so stacked in favor of the rich. This is a gathering storm, a stampede in the making called tort reform. I love it when they call these little brothers "reforms." By the time you notice this one in the headlines next spring, it's likely to be over, nothing left to settle but the dust, and you standing there going, "Say what?"



**MOLLY IVINS**

What we have here is a fairly awesome array of big money and bigger interests all-hell bent on cutting their insurance costs. This is on account of insurance costs are just hellacious these days, which nobody can deny, going up 100, 200, 300 percent a year, driving doctors out of practice, day care centers out of business, newspapers into vapid timidity — it's one of the biggest messes you ever did see. And they tell you what's behind it is all these lawyers and suing fools and bleeding heart juries. We've become a litigious society, they say. Too many lawyers, they say, and who could argue with that?

You read about it every day in the papers. Some guy smokes for 30 years, gets cancer and sues the tobacco company. Man walks barefoot into city hall, steps on a thumbtack and yells, "Lawsuit!" It's purely ridiculous, it's out of control, it's got to be stopped, they say. And who's they? The insurance companies. The folks charging the 300 percent increases. The folks who made a bunch of bad investments, wrote a lot of bad policies and now they want us to bail 'em out by screwing up the whole civil justice system. My friends, they are pouring water in your ear and telling you it's raining outside.

Take a look at who's behind all this noise about outrageous settlements of ludicrous lawsuits. The Insurance Information Institute and several individual insurance companies have put together a kitty of \$6.5 million to spend between now and October to convince people of the need for tort reform. This campaign, done by the ad firm of Siegel and Gale on television, in magazines and in newspapers, will be seen by 90 percent of the U. S. adult population. Twelve states have been particularly targeted for this campaign — Texas is one of them. Boy, do you need to be skeptical about the stuff the insurance folks are putting out. I mean, keep a pound of salt with you when you listen to or read their stuff. What they say is usually true — as far as it goes. They'll cite some absurd case where a plaintiff received minimal injuries — usually by acting like a damn fool — and got a settlement in the millions. What they don't tell you is that the case was thrown out of court on appeal. Or overruled on the law. Or the settlement was cut by nine-tenths. The insurance industry is running around crying woe and doom about cases that never cost them a dime.

Another one of their tactics is to make the plaintiff sound like an avaricious idiot — as though only a moron could have injured himself with this fine product and only a greedhead

would have sued over it. Keep in mind, lawsuits have two sides and you're hearing only one from the Insurance Institute's ad campaign. There are children crippled for life every year because greedy manufacturers can't be bothered to make safe toys. That's why we have a tort system. Take careful note of another tactic being used by the insurance companies. In order to prove how dreadful this tidal wave of litigation is that's about to swamp us all, they note that there were twice as many cases filed in the federal courts last year as there were in 1975. Good grief, it's started doubling in less than 10 years, we'll be buried by it, right? Wrong. About one-third of the total increase in federal court cases last year consisted of cases filed by the federal government to reclaim alleged overpayments of benefits to veterans and Social Security recipients or to collect on student loans. The next-largest chunk of the increase was accounted for by citizens suing the government to restore disability payments cut off by the Reagan administration. This stems from the charming time Reagan decided all the crippled people had to prove they're crippled.

The Texas Legislature is already working on tort "reform" — an ominous thought. The joint House-Senate Committee is chaired by Sen. Grant Jones of Abilene, the Great Mumbler. Of the 10 members, two can be considered friendly to consumer interests — the rest are pure pro-bidness. In the coalition to "reform" Texas tort laws are the Chemical Council, H. B. Zachry, Exxon, the Hospital Association, the Medical Association, Hotels and Motels, Texas Press Association, the Municipal League, the architects, the engineers and damn near everyone else you can think of including Mary Kaye Cosmetics. So who's for Bubba in this deal? The Texas Trial Lawyers Association, that's the plaintiffs' attorneys who make their money representing Joe Citizen against the big corporations and the insurance companies.

The Trial Lawyers are active players in Texas politics and not headed for the poorhouse themselves, but there's no way their money can stand up to the money in the coalition against them. Every single example of an outrageous case the insurance folks brought before the joint committee turns out on close inspection were either on appeal or the damages had already been brought down. They didn't have one case where the huge damages they were claiming had actually been paid. The Municipal League brought up case after case of big settlements brought against them in civil rights cases. Look, changing the Texas tort laws is not going to do anything for cities that get caught discriminating under the federal civil rights laws.

But that still leaves the problem of what to do about this insurance crisis that's driving people out of business and all this bad stuff. Item One: the insurance companies do not come under the federal anti-trust laws. Item Two: the insurance companies are not regulated by the Federal Trade Commission. Item Three: the only source of information we have concerning profits and costs in the insurance industry is — the insurance industry. They tell us what they think we need to know and they are not subject to the kind of price-fixing laws that affect most industries. Isn't that a sweet deal? Maybe something should be done about it?



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