

DIET-CARRY-OUT, LTD.
Page 1 - DCO

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DIET-CARRY-OUT, LTD.

Written by June Grayson, Photographed by Richard Grayson

When Dr. Sutton asked his wife to help him motivate

his obese patients to lose weight, he didn't realize that she

would start a business that has the potential for going national.

If one corporation in the family is good, can two be better?

It is if you are H. Kelly Sutton, M.D., and Seattle

Sutton, R.N., BSN, who have "his" and "her" corporations - the

Marseilles Medical Clinic and Diet-Carry-Out, Ltd., of Marseilles,

Illinois.

Diet-Carry-Out, Ltd. (DCO) utilizes a new concept to promote health and fitness. Instead of a diet list and advice, DCO provides the actual 21 meals a week. Clients pick up their complete meals, refrigerated and packaged in disposable plastic containers, from local distributors. The meals are freshly prepared at a central location and transported by refrigerated trucks throughout northern Illinois.

No more temptation. No more choices. No more forbidden foods.

#EL, DCO - page Z

Every doctor knows how hard it is to get patients to lose weight, even when their lives depend upon it. "You can talk until you are blue in the face and they never lose a pound," explains Dr. Sutton.

Dr. Sutton is a specialist in family practice 100 miles southwest of Chicago. Mrs. Sutton is a nurse who assists him in his office. "In frustration one day I said to Seattle - you take

over these patients. I don't have time to give weight-loss advice any more," Dr. Sutton says.

Mrs. Sutton started out with the old diet-list-and-advice routine until one day a patient pleaded with her, "Seattle, if you would cook for me, I know I could lose weight."

"I thought - why not? Maybe they could follow their diets better if I could make sack lunches for them," says Mrs. Sutton. Dr. Sutton agreed the idea was worth trying.

For months Mrs. Sutton thought of nothing else but food and distribution. "I wanted to plan a diet that was as pure and healthful as could possibly be. It should teach good eating habits that would continue to influence a patient even when he went off the diet. It should be a "prudent diet" - low-fat, low-cholesterol, low-salt, low-sugar. I would use only the choicest and freshest ingredients with no preservatives or additives. I would make everything from scratch, even the bread and crackers, because we could buy nothing commercially that fit our rigid specifications.

The Suttons obtained business advice from their local

community college and the office of the Small Business Administration. Dr. Mahmood Khan, Associate Professor, Food Services

Department, the University of Illinois, analyzed a!! of their food and menus by computer to provide scientific va!idation of their concepts.

The Suttons took \$1,000 out of persona! funds to capi-talize the new Subchapter-S corporation. Mrs. Sutton is the so!e shareho!der. At first she rented the faci!ities of a local catering service, but now DCO has moved into its own building, especia!!y adapted to its needs. She hires her own emp!oyees - a sa!es supervisor, cooks, and drivers. She a!so hires outside consu!tants for specia! advice.

DCO started in 1985 with e!even c!ients - medica! friends and patients. The program spread to neighboring communities by word of mouth. Mrs. Sutton appoints a distributor in every town that DCO services. The distributor is an independent contractor who secures c!ients, does !ocal promotion, and receives and distributes the mea!s DCO delivers three times a week.

Peop!e start the program to lose weight, combat a medical problem, and improve their hea!th and appearance. Physicians, dieticians, and home-care coordinators recommend DCO to appropriate patients. One distributor operates out of a !oca! hea!th c!ub and reports that business is booming among fitness devotees. Another is !ocated in Chicago O!d Town, where professionals and sing!es buy the

meals to save time and still eat well and protect their health.

DCO now prepares over 2,500 meals a week. The business is self-sustaining but Mrs. Sutton retains all money within the

company for expansion. She is considering setting up a national franchising system. Potential distributors have called her from all over the United States.

She does not want to turn the business over to promoters.

"They say we will have to switch to preservatives and frozen foods.

No way!" Mrs. Sutton says. "We are committed to preserve our principles."

This is one diet program that doesn't require your doctor's permission. "Who needs permission to eat healthy?" the Suttons ask.

Why do the Suttons work so hard now that their children are grown and they could slow down?

"I'm fulfilling a dream," Mrs. Sutton explains. "My own father was morbidly obese. Perhaps I can help other people as desperate as he was."

Dr. Sutton believes in that time-tested business axiom: if you want something done well, ask your wife to do it.

"I'm proud of Seattle. I just threw her the ball and she

took off down the fie!d."

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THE RAFAEL CABALLERO FAMILY OF AURORA, ILLINOIS

A FINANCIAL PROFILE

HOW THEY SPEND THEIR MONEY

Written and photographed by June Grayson

You won't find this venture capitalist prowling around
Wall Street in a pinstripe suit. Rafael Caballero works out of
Aurora, Illinois - and he wears jeans and T-shirts.

He probably does not call himself a venture capitalist,
either. But he has functioned as one for the many friends and
relatives whom he has helped get started in business in the United States.

Since Caballero immigrated to Miami from Cuba twentyfive
years ago at the age of nineteen, he has seen his net worth
increase from zero to the amount that qualifies him for a personal
line of credit of one and a half million dollars - the highest
amount this local bank allows.

GEL, page 2, Caballero

And even though he does not have his MBA from a presti-
gious business school, he could give lessons in practical business

applications to some of the professors.

Caba!ero went to high school in Cu#a. When he came to Miami with a cousin in 1962, Catholic Charities found him a factory job in Minneapolis. His cousin went to work in a ham processing plant in New Jersey. "We said to each other - here is a business that would be good for us," Caba!ero says.

In 1972, with Caba!ero living in Aurora, Illinois, the two cousins put together a business proposal in which they would be equal partners. They secured a \$28,000 loan guaranteed by the Small Business Administration from a local bank.

Gusto Packing Company buys "green meat" from the big wholesalers such as Wilson, cures it for four days according to its own secret recipe, and then resells it to distributors in the Chicago metropolitan area. The company was profitable within one year. Now they have all of the business that they can handle.

Company insurance and a buy-out agreement protect the partners in case one of them should die. Gusto Packing also has its own medical insurance plan as well as a pension and profit-sharing plan.

Caba!ero takes a monthly salary from the business that enables him and his family to live comfortably, although - by some

standards - modestly.

They live in their second home, bought for under \$200,000 with a thirty year mortgage. It is only minutes away from the

plant so that Caballero can go home for lunch. "I don't want to go to meetings, I don't want to join anything, and I hate to eat out," Caballero explains.

He lives with his wife, who is part Panamanian, and his three young children. "When I am done working, all I want to do is to go home, play with my kids, read the paper, and watch TV."

Their personal income covers the cost of parochial school education as well as their involvement in their local parish. "Believe me, this costs me plenty," Caballero says.

They own one personal car which Mrs. Caballero drives. Other cars and trucks are owned by the business.

For recreation, the family likes to attend football games, especially those of the Chicago Bears.

For vacations, Caballero bought a 33 foot Pace-Arrow motor home several years ago with a regular commercial loan. The whole family goes on a five week tour of the United States

every summer.

Caballero uses the rest of his discretionary income to buy a few stocks now and then. Blue Monday did not bother him. He only buys blue chips such as IBM and holds them for long-term growth.

He also owns a couple of city lots in Aurora which he hopes will appreciate in value before he sells them.

His children will be able to go to college, even though he could not. "I bought a universal life insurance policy for a different purpose," Caballero says. Universal Life

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combines term protection with investment values which accrue tax-sheltered. A policy holder can borrow on the cash value at a later date without making it a taxable event as long as he keeps enough money in the policy so that its insurance value is not compromised.

If one company is good, can more be better? It has worked that way for Caballero. You won't find out from him exactly how

many friends and relatives he has helped over the years. Caba!ero only grants a rare interview. He is a man of action, and not of talk. "I get one hundred calls a day. My friends say they need money, do I want to be a partner, and I say - sure, why not?"

He will admit to a current 50% ownership in a successful Aurora machine shop and a 25% ownership in a Florida gravel supplier. He is always actively involved in any company in which he has a financial interest.

He has several financial advisors. "I always listen to them. Then I do what I want to do anyway," laughs Caba!ero.

Rafael Caba!ero proves the old wisdom: the best tax shelter and wealth builder is your own privately-held corporation.

His advice for other Hispanics just starting out? "If you are willing to work, you will succeed. Get all of the education you can, decide what you want to do, and then go after it."

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