

Atlanta-Based Investors Buy RealWorld Corp.

By NEAL SHULTZ
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An Atlanta corporation has bought one of Concord's biggest high-tech companies, RealWorld Corp. Interactive Financial Systems paid more than \$12.5 million in cash, plus stock options, for RealWorld and plans no changes in the company product — computer software for small businesses — or organization, said Larry Byrnes, RealWorld's president and largest of its 20 to 30 shareholders.

In eight years since it was founded, RealWorld has grown from a four-person venture working out of a Chichester farm to a 135-employee company with offices on Loudon Road and a research laboratory in Clearwater, Fla.

The company sells accounting packages that look like encyclopedia volumes but are actually used in microcomputers. The software, which costs from \$700 to \$1,300, enables businesses to keep track of their payroll, financial transactions, creditors and debtors. Last year, Wilber said, the company had sales of \$14 million.

RealWorld was founded by and remains run by Scientologists, who follow both the spiritual and practical systems of the late L. Ron Hubbard.

"IFS does not and won't embrace the Scientology religion," said Ben Skinner, the chief marketing officer for

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IFS. "But the business philosophies of RealWorld are compatible with the philosophy within IFS."

Skinner stressed that IFS had no problem with the personal beliefs of RealWorld's executives. But it wanted a sharper distinction between RealWorld and the Church of Scientology.

RealWorld contributes thousands of dollars a year to support a project to educate South African blacks in study methods developed by Hubbard. And it has loaned money directly to the church; in 1983, it helped a church official in a crisis by lending him \$33,000 cash on a day's notice and without collateral.

"We won't be continuing the contributions of RealWorld to the Church of Scientology," Skinner said. "And any other contributions by RealWorld will be evaluated by IFS."

IFS started off in 1982 as a company that gave advice to small financial planners. It quickly struck it rich by using computers to process complicated tax forms, Skinner said. Last year, the company opened its 28th office across the country, employed 750 people and took in \$65 million in revenues.

Buying RealWorld enables IFS to sell financial planning software in addition to financial planning advice, Skinner said. He envisions marketing RealWorld's packages to CPAs and tax accountants who would in turn sell them to clients.

Two years ago, IFS made a tentative debut into this type of market by buying two companies that write tax accounting software. This latest purchase, Skinner said, "will make us a much larger player."

RealWorld had let it be known it was on the market by contracting with Geneva Business Systems, "a company that helps you find a very attractive offer," Byrnes said. IFS expressed initial interest.

"When you look their track record, its one that anyone can be proud of," Skinner said. "But there was some concern about Scientology."

Concord Economic Development Director Kenneth Lurvey said RealWorld is the only local high-tech software company with national and international markets. "They're a well-respected company in the software business," said Lurvey.

Paul Deninger of Broadview Associates of Fort Lee, N.J., an investment banking company that tracks software deals, said the acquisition of RealWorld was consistent with a trend in the industry that saw 358 software mergers last year.

IFS provides tax processing services for businesses. Deninger said that by acquiring RealWorld, which specializes in accounting software, "IFS can provide not only a processing service, but software as well."

He said that both companies are "well-regarded, but sort of middle-market. They don't have a high-profile, but those in the tax-processing business certainly know who they are."

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