



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20543

THIS IS THE END OF MUR # 1137

Date Filmed 12/21/82 Camera No. --- 2

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4 2 0

FEDERAL ELECTION COMMISSION

1) List of contributors to COFITE,
some of whom need not be disclosed
under the Act

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | | |
|--|-------------------------------------|--|
| <input type="checkbox"/> (1) Classified Information | <input checked="" type="checkbox"/> | (6) Personal privacy. |
| <input type="checkbox"/> (2) Internal rules and practices | <input type="checkbox"/> | (7) Investigatory files |
| <input type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> | (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> | (9) Well Information (geographic or geophysical) |
| <input type="checkbox"/> (5) Internal Documents | | |

Signed Jonathan M. Levin
date 11/18/82

62040362421

FEDERAL ELECTION COMMISSION

1) Objection sheets

2) Routing slips

3) 12 Day Reports and Comment Sheets

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

(1) Classified Information

(6) Personal privacy.

(2) Internal rules and practices

(7) Investigatory files

(3) Exempted by other statute

(8) Banking Information

(4) Trade secrets and commercial or financial information

(9) Well Information (geographic or geophysical)

(5) Internal Documents

Signed _____

date _____

FEC 9-21-77

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FEDERAL ELECTION COMMISSION

~~A Matters per~~

1) Documents pertaining to conciliation

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- (1) Classified Information
- (2) Internal rules and practices
- (3) Exempted by other statute
- (4) Trade secrets and commercial or financial information
- (5) Internal Documents
- (6) Personal privacy.
- (7) Investigatory files
- (8) Banking Information
- (9) Well Information (geographic or geophysical)

Signed _____
date _____

FEC 9-21-77

62040362423



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 17, 1982

Mr. Edward R. Kayatt
East Side West Side Communications Corp.
1763 Second Avenue
New York, New York 10028

Re: MUR 1137

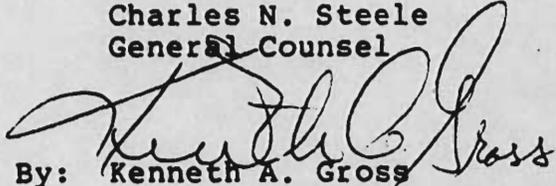
Dear Mr. Kayatt:

On November 16, 1982, the Commission accepted the conciliation agreement signed by you and a civil penalty in settlement of violations of 2 U.S.C. §§ 433(a), 434(a)(4)(A), and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: 
Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

62040362424

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Edward R. Kayatt)
Committee Organized for) MUR 1137
Informing the Electorate)
East Side West Side)
Communications Corporation)
(previously known as Manhattan))
Media Corporation))

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Felice Merritt Gelman on behalf of Citizens for LaRouche. An investigation has been conducted and probable cause cause to believe has been found that Edward R. Kayatt and the Committee Organized for Informing the Electorate ("COFITE") violated 2 U.S.C. §§ 433(a) and 434(a)(4)(A) by failing to register COFITE as a political committee and failing to file required reports of receipts and expenditures for COFITE. The Commission has also found probable cause to believe that Manhattan Media Corporation violated 2 U.S.C. § 441b(a) by making corporate contributions to COFITE.

NOW, THEREFORE, the Commission and Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding.

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II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Manhattan Media Corporation was a New York Corporation which published Our Town a weekly newspaper. Manhattan Media Corporation is now known as East Side West Side Communications Corporation which continues to publish Our Town.

2. COFITE is a political committee.

3. Edward R. Kayatt is the sole owner of Manhattan Media Corporation/East Side West Side Communications Corporation. Mr. Kayatt is also the Chairman of and person responsible for COFITE.

4. In February 1980, COFITE ran a negative advertisement about Lyndon LaRouche in Our Town and the New York Times.

5. COFITE received contributions and made expenditures of approximately \$8,000 for the advertisement which appeared in the New York Times.

6. COFITE has never registered as a political committee and never filed any reports of receipts and expenditures except for an FEC Form 5, Report of Independent Expenditures or Contributions.

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7. Manhattan Media Corporation did not charge COFITE for the COFITE advertisement which appeared in Our Town in February 1980.

8. Manhattan Media Corporation gave COFITE a check for \$619 which represented contributions for the New York Times ad which were sent to Our Town originally.

9. Manhattan Media Corporation paid approximately \$5,000 towards the New York Times ad after COFITE failed to raise the total cost of the ad from other sources.

V. COFITE and Edward R. Kayatt violated 2 U.S.C. §§ 433(a) and 434(a)(4)(A) by failing to register COFITE as a political committee or to file reports of receipts and expenditures for COFITE had received or expended in excess of \$1,000.

VI. Manhattan Media Corporation violated 2 U.S.C. § 441b(a) by contributing to COFITE by 1) providing free space in Our Town for the COFITE advertisement, 2) paying approximately \$5,000 of the cost of the New York Times ad, and 3) the payment of the \$619 check to COFITE.

VII. Respondents Edward R. Kayatt and COFITE agree to file a registration statement for COFITE and a termination report which will include all receipts and expenditures on behalf of COFITE.

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VIII. Respondents will between them pay a civil penalty to the Treasurer of the United States in the amount of five hundred dollars (\$500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

IX. Respondents agree that they shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

X. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

XI. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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XII. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

Charles N. Steele
General Counsel

November 17, 1982
Date

BY: [Signature]
Kenneth A. Gross
Associate General Counsel

11/2/82
Date

[Signature]
Edward R. Kayatt

11/2/82
Date

COFITE

BY: [Signature]
ITS: _____

11/2/82
Date

East Side West Side
Communications Corporation

BY: [Signature]
ITS: [Signature]

62040302429

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 1137
Edward R. Kayatt)	
Committee Organized for)	
Informing the Electorate)	
East Side West Side)	
Communications Corporation)	
(previously known as Manhattan)	
Media Corporation))	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 16, 1982, the Commission decided by a vote of 5-0 to take the following actions in MUR 1137:

1. Accept the signed conciliation agreement as submitted with the General Counsel's Memorandum dated November 12, 1982.
2. Close the file.

Commissioners Aikens, Elliott, McDonald, McGarry and Reiche voted affirmatively in this matter; Commissioner Harris abstained.

Attest:

11-16-82

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

11-12-82, 3:57
11-15-82, 11:00

62040362431

RECEIVED AT THE FEC
604-8891
82 NOV 8 09:48



EAST SIDE/WEST SIDE
COMMUNICATIONS CORPORATION
1763 SECOND AVENUE
NEW YORK, NEW YORK 10028
1-212-289-8700

MANHATTAN'S
NUMBER ONE
COMMUNITIES
NEWSPAPER

WE CARE ABOUT YOU

November 2, 1982

Federal Election Commission
Washington, D.C. 20463

Attention Jonathan Levin, Esq.

Re: MUR 1137

As per the findings of your Commission, I am enclosing
Conciliation Agreement along with check in amount of
five hundred dollars.

The aforementioned agreement along with the penalty is
being signed and agreed to under personal moral objections
and wish that this letter be made part of the record.

Ed Kayatt

02040302432

12 NOV 8 11:57

OBC
Docket
#1

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

82 OCT 7 P 2: 28

October 7, 1982

SENSITIVE

MEMORANDUM TO: Charles N. Steele
FROM: Thomas E. Harris *TEH*
SUBJECT: Statement to Accompany MUR 1137

Attached is a copy of my statement which should accompany Commission's notification of its action in MUR 1137. Since this is a sensitive matter, I am routing this directly to you and I assume you will forward a copy to the Commission's Secretary for circulation to the appropriate persons.

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Statement of Commissioner Thomas E. Harris
In The Matter of Our Town, et. al. (MUR 1137)

I disagree with that portion of the Commission's determination to:

"Find Probable Cause to Believe that Manhattan Media Corporation violated 2 U.S.C. §441b(a) by...providing free space in Our Town for an advertisement by COFITE."

This recommendation disregards both the facts of this case and the constitutional protection afforded newspapers.

Edward Kayatt owns the Manhattan Media Corporation, is publisher and editor of Our Town, and is COFITE. Disregarding the corporate veil, all Mr. Kayatt did was grant himself space in his newspaper to express his dissatisfaction with Lyndon LaRouche's candidacy for President. This, Mr. Kayatt should be able to do.

Turning to the technicalities, the definition of expenditure under the FECA does not include:

"any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication unless such facilities are owned or controlled by any political party, political committee or candidate."
§431(9)(B)(i).

In my view, this language was inserted in 1974 out of an excess of caution, and, as respects newspapers, was entirely supererogatory, since they would have had the same rights under the First Amendment without it. Long before the adoption of the news story exemption, Senator Taft made it clear during the 1947 debates (when the ban on corporate and union expenditures was added to the existing ban on contributions) that the prohibitions did not cover normal press functions. See 93 Cong. Rec. 6438.

The First Amendment protection is not without limitation. It applies when the newspaper is operating within its normal press function, i.e., "whether the press entity was acting as a press entity in making the distribution complained of." Reader's Digest Association, Inc. v. Federal Election Commission, 509 F. Supp. 1210, 1215 (S.D.N.Y. 1981). Under this text any publication by a newspaper in its own pages is exempt under the Act and the First Amendment, as respects the newspaper itself as distinguished from an advertiser. A paper's donation of space to a candidate or political committee does present a difficult issue, but, I think that even such a donation is not an expenditure and is protected by the First Amendment.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Edward R. Kayatt)
Manhattan Media Corporation)
Committee Organized for)
Informing the Electorate)

MUR 1137

CERTIFICATION

I, Lena L. Stafford, Recording Secretary for the Federal Election Commission on October 5, 1982, do hereby certify that the Commission took the following actions with regard to the above-entitled matter:

1. Decided in a vote of 5-1 to
 - a. Find probable cause to believe that Edward R. Kayatt and COFITE violated 2 U.S.C. §433(a) by failing to register COFITE as a political committee.
 - b. Find probable cause to believe that Edward R. Kayatt and COFITE violated 2 U.S.C. § 434(a) (4) (A) by failing to file reports of receipts and expenditures by COFITE.
 - c. Find probable cause to believe that Manhattan Media Corporation violated 2 U.S.C. § 441b(a) by making contributions to COFITE consisting of a check for \$619, providing free space in Our Town for an advertisement by COFITE, and paying approximately \$5,000 for an advertisement which appeared in the New York Times.

Commissioners Aikens, Elliott, McDonald, McGarry, and Reiche voted affirmatively for the decision. Commissioner Harris dissented.

(continued)

6 2 0 4 3 6 2 4 3 5

The Commission recently held in the case of a broadcasting station that donations of time to the major political parties for electioneering and even fundraising was not an expenditure. A.O. 1982-44. Some Commissioners may have found this conclusion more palatable because of the equal opportunities provision of the Federal Communications Act (47 U.S.C. §315(a)), which applies to broadcasters but not to newspapers. However, the definition of expenditure in our Act (2 U.S.C. §431(9)) does not turn on whether a news medium is subject to equal opportunity requirements under some other statute. Likewise, the First Amendment rights of newspapers to publish what they see fit are not curtailed by reason of the fact that they cannot constitutionally be subjected to equal time or equal treatment requirements. Miami Herald Pub. Co. v. Tornillo, 418 U.S. 241.

In conclusion, I think that this Commission may only exercise jurisdiction over a newspaper when it acts outside its normal function, and I do not think Our Town did so here.

10-7-82
Date

Thomas E. Harris
Thomas E. Harris

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2. Decided in a vote of 6-0 to reduce the civil penalty to the amount of five hundred dollars (\$500) on page 4 of the Conciliation Agreement attached to the General Counsel's Report signed September 23, 1982.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision.

3. Decided in a vote of 5-1 to approve the proposed Conciliation Agreement, as amended above today, and the letter to be sent to Mr. Edward R. Kayatt, attached to the General Counsel's Report signed September 23, 1982.

Commissioners Aikens, Elliott, McDonald, McGarry, and Reiche voted affirmatively for the decision. Commissioner Harris dissented.

Attest:

10-8-82
Date

Lena L. Stafford
Recording Secretary

62040362437

September 28, 1962

MEMORANDUM TO: Marjorie W. Emmons
FROM: Phyllis A. Kapsen
SUBJECT: MUR 1137

Please have the attached General Counsel's Report distributed to the Commission for the agenda of October 3, 1962. Thank you.

Attachment

cc: Levin

02040Y62439

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of)
)
Edward R. Kayatt)
Manhattan Media Corporation)
Committee Organized for)
Informing the Electorate)

MUR 1137

82 SEP 24 10: 57

EXECUTIVE SESSION

OCT 5 1982

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter arises out of a complaint filed by Citizens for LaRouche on January 8, 1980. It concerns editorials in Our Town as well as negative advertisements about Lyndon LaRouche which appeared in both Our Town and the New York Times. The complaint basically alleged that respondents Manhattan Media Corporation and Edward Kayatt were acting as a "political committee" by soliciting funds in the editorial pages of Our Town to pay for an advertisement in the New York Times for the purpose of defeating Mr. LaRouche in his campaign for the Democratic presidential nomination.

The Commission, on September 3, 1980, found reason to believe that both Edward Kayatt and the Committee Organized for Informing the Electorate ("COFITE") violated 2 U.S.C. §§ 433 and 434 for failure to register COFITE as a political committee and for failure to file required reports. The Commission also found reason to believe that Manhattan Media Corporation, trading as Our Town, had violated 2 U.S.C. § 441b. 1/ In the course of the

1/ The complaint also included allegations against a freelance reporter Dennis King. However, the Commission found no reason to believe that Mr. King violated the Act.

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investigation Mr. Kayatt was sent interrogatories and his deposition was taken.

II. FACTUAL AND LEGAL ANALYSIS

(See OGC Brief, circulated May 21, 1982). On July 2, 1982, this office received a reply to the brief from Mr. Kayatt. This reply consisted of comments to the text of the OGC brief placed at the bottom of the pages. These comments respond to various isolated factual assertions made in the brief and do not address the essence of the General Counsel's arguments. Therefore, the General Counsel recommends that the Commission find probable cause to believe that Kayatt and COFITE violated 2 U.S.C. §§ 433(a) and 434(a)(4)(A) and that Manhattan Media Corporation violated 2 U.S.C. § 441b(a).

III. RECOMMENDATIONS

1. Find probable cause to believe that Edward R. Kayatt and COFITE violated 2 U.S.C. § 433(a) by failing to register COFITE as a political committee.
2. Find probable cause to believe that Edward R. Kayatt and COFITE violated 2 U.S.C. § 434(a)(4)(A) by failing to file reports of receipts and expenditures by COFITE.
3. Find probable cause to believe that Manhattan Media Corporation violated 2 U.S.C. § 441b(a) by making contributions to

62040302440

COFITE consisting of a check for \$619, providing free space in Our Town for an advertisement by COFITE, and paying approximately \$5,000 for an advertisement which appeared in the New York Times.

23 Sept 1982
Date



Charles N. Steele
General Counsel

Attachment

1. Letter and conciliation agreement to respondent

62040362441



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mr. Edward R. Kayatt
East Side West Side Communications Corp.
1751 Second Avenue
New York, New York 10028

Re: MUR 1137

Dear Mr. Kayatt:

On , 1982, the Commission determined there is probable cause to believe that you and the Committee Organized for Informing the Electorate ("COFITE") violated 2 U.S.C. §§ 433 and 434 in that COFITE has failed to register as a political committee and report its receipts and expenditures. On that date, the Commission also determined there is probable cause to believe that Manhattan Media Corporation violated 2 U.S.C. § 441a by making contributions in the form of a check for \$619, provision of free advertising space in Our Town, and payment of approximately \$5,000 for an advertisement appearing in the New York Times.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

Attachment 1 - p. 1

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Letter to Edward R. Kayatt
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

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1 - p. 2

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SENSITIVE



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

02 JUL 6 11:50

SECRET

MEMORANDUM TO: THE COMMISSIONERS
 THE STAFF DIRECTOR
 THE ASST. STAFF DIRECTOR, REPORTS ANALYSIS
 THE ASST. STAFF DIRECTOR, AUDIT

FROM: MARJORIE W. EMMONS/JODY C. RANSOM *LR*

DATE: JULY 2, 1982

SUBJECT: RESPONDENT'S BRIEF - MUR 1137
(Note memo on reverse)

The attached brief is circulated for your information.

Attachment: 1

82040362444

BEFORE THE FEDERAL ELECTION COMMISSION

82 JUL 2 P 1: 53
RECEIVED
OFFICE OF THE
COMMISSIONER
SECRETARY

In the Matter of)
)
Edward R. Kayatt)
Manhattan Media Corporation) MUR 1137
Committee Organized for)
Informing the Electorate)

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

This matter arises out of a complaint filed by Citizens for LaRouche. It concerns editorials in Our Town as well as negative advertisements about Lyndon LaRouche which appeared in both Our Town and the New York Times. The complaint basically alleged that respondents Manhattan Media Corporation and Edward Kayatt were acting as a "political committee" by soliciting funds in the editorial pages of Our Town to pay for an advertisement in the New York Times for the purpose of defeating Mr. LaRouche in his campaign for the Democratic presidential nomination.

The Commission, on September 3, 1980, found reason to believe that both Edward Kayatt and the Committee Organized for Informing the Electorate ("COFITE") violated 2 U.S.C. §§ 433 and 434 for failure to register COFITE as a political committee and for failure to file required reports. The Commission also found reason to believe that Manhattan Media Corporation, trading as Our Town, had violated 2 U.S.C. § 441b. 1/ In the course of the

1/ The complaint also included allegations against a freelance reporter Dennis King. However, the Commission found no reason to believe that Mr. King violated the Act.

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SENSITIVE



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

02 JUL 6 11:50

CENTRAL

MEMORANDUM TO: THE COMMISSIONERS
 THE STAFF DIRECTOR
 THE ASST. STAFF DIRECTOR, REPORTS ANALYSIS
 THE ASST. STAFF DIRECTOR, AUDIT

FROM: MARJORIE W. EMMONS/JODY C. RANSOM *LR*

DATE: JULY 2, 1982

SUBJECT: RESPONDENT'S BRIEF - MUR 1137
(Note memo on reverse)

The attached brief is circulated for your information.

62040362446

Attachment: 1

Federal Election Commission

Re: MUR 1137

Rather than retaininf counsel to prepare a brief, I have made notations concerning any conflict or in explanation of each item keyed with a marking, i.e. ** ## etc. The notation appear at the bottom of the page.



Edward R. Kayatt

June 25, 1982

62040362447

82 JUL 2 P 1: 53

RECEIVED
OFFICE OF THE
COMMISSIONER SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

82 JUL 2 P 1: 53
RECEIVED
GENERAL COUNSEL
COMMISSION SECRETARY

In the Matter of)
)
Edward R. Kayatt)
Manhattan Media Corporation) MUR 1137
Committee Organized for)
Informing the Electorate)

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

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The Commission, on September 3, 1980, found reason to believe that both Edward Kayatt and the Committee Organized for Informing the Electorate ("COFITE") violated 2 U.S.C. §§ 433 and 434 for failure to register COFITE as a political committee and for failure to file required reports. The Commission also found reason to believe that Manhattan Media Corporation, trading as Our Town, had violated 2 U.S.C. § 441b. 1/ In the course of the

1/ The complaint also included allegations against a freelance reporter Dennis King. However, the Commission found no reason to believe that Mr. King violated the Act.

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investigation Mr. Kayatt was sent interrogatories and his deposition was taken.

Our Town is a weekly newspaper in Manhattan with a circulation of somewhat over 100,000. The paper is given away free and makes its money through paid advertisements. Our Town is owned by East Side West Side Communications known previously as Manhattan Media Corporation. Edward R. Kayatt, the founder, publisher, and editor of Our Town, is the sole owner of East Side West Side Communications and was previously the sole owner of Manhattan Media Corporation. 2/

In the latter part of 1979 a series of news articles written by Dennis King about Lyndon LaRouche appeared in Our Town depicting Mr. LaRouche among other things as a neo-Nazi and an anti-Semite. At some point late in 1979 Mr. Kayatt decided that information about Mr. LaRouche should be spread to a wider audience than Our Town readership and he began to solicit money in the editorial pages of Our Town to pay for an ad in the New York Times. 3/

The first two editorials addressed Mr. LaRouche's qualifying for matching funds and called for a congressional investigation.

2/ The name of the corporation changed towards the end of 1980. As most if not all of the activities at issue herein took place while the name was Manhattan Media Corporation, all further references in this report will be to Manhattan Media Corporation.

3/ We have copies of seven editorials or notices which appeared in Our Town requesting funds for the New York Times ad. (See Attachments 1 - 7).

* ALL ACTIVITIES WERE PRIOR TO NAME CHANGE
EAST SIDE WEST SIDE NOT OFFICIAL UNTIL O/A MARCH 1, 1981

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8 2 0 4 0 3 0 2 4 5 0

The first, from the December 30, 1979 - January 5, 1980 edition of Our Town, emphasized the use of taxpayers' money for matching funds and stated: "The FEC action will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position." (See Attachment 1). The second, from the January 6 - January 12, 1980 edition of Our Town, emphasized the "growing menace" of Mr. LaRouche and his followers and the need for greater public awareness of this threat. (See Attachment 2). These were followed by three identical "notices" which appeared in Our Town from late January through the middle of February and which stated that "[i]n order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible" only a half-page ad would be placed in the New York Times instead of waiting to collect money for a full page ad. (See Attachments 3 - 5). The last two identical notices which appeared in Our Town editorials, in May of 1980, were captioned "COFITE FUNDS." They stated inter alia:

COFITE (The Committee Organized for Informing The Electorate) was created to inform voters about the real neo-Nazi antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE'S purpose has been to reveal the truth behind the campaign rhetoric.

.

Readers interested in spreading the word on the real LaRouche are asked to send their contributions to COFITE.

(See Attachments 6 and 7) (emphasis added).

The initial editorials requested that funds for the New York Times ad be sent to Our Town; later editorials requested that funds be sent to COFITE. None of these editorials or notices expressly advocated the election or defeat of Mr. LaRouche. According to Mr. Kayatt's deposition testimony, neither he nor COFITE ever paid for any space in Our Town devoted to COFITE.

After receiving notice of the complaint in this matter, Mr. Kayatt filed a FEC Form 5, Report of Independent Expenditures, on behalf of COFITE, indicating that as of February 15, 1980, COFITE had received \$619 in contributions and had not made any expenditures. + Mr. Kayatt checked the box on the form indicating that expenditures would be made to defeat a candidate for Federal office. No further reports were ever filed on behalf of COFITE. 4/ According to Mr. Kayatt's deposition testimony, essentially he was COFITE and COFITE was just a name: "And when you say formed, I came up with a name that would be -- that I thought would be significant to what I was trying to accomplish." (Deposition testimony of Edward R. Kayatt, December 16, 1981, at 9). 5/

4/ In his deposition testimony, Mr. Kayatt indicated that he had registered COFITE with the Commission on the advice of counsel after the filing of the complaint in this matter and that he regretted so doing. In interrogatories from the Commission Mr. Kayatt was asked to identify the candidate in opposition to whom COFITE would make expenditures according to the FEC Form 5. In response Mr. Kayatt stated: "We were informing the electorate that Mr. LaRouche was obtaining Federal Funding, with tax payers dollars."

5/ Hereinafter all references to Mr. Kayatts deposition testimony will be referred to as "Kayatt depo. at ."

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...COFITE was formed when the concept of using advertising to advise the electorate of the matching funds of whatever LaRouche was getting, COFITE was used as a name.

(Kayatt deposition at 31) (emphasis added).

On February 26, 1980, the day of the New Hampshire presidential primary election, a half-page ad critical of Mr. LaRouche appeared in the New York Times sponsored by COFITE; 6/ virtually the same ad appeared in the February 24, 1980, edition of Our Town. (See Attachment 8). 7/

In large bold type the caption for the ad read "\$327,864.01 of your tax dollars have already been given to the United States Labor Party founder, Lyndon H. LaRouche, for his campaign for President of the United States." The ad depicted Mr. LaRouche as anti-Semitic and his followers as violent. The ad discussed the Commission's approval of matching funds for Mr. LaRouche and urged readers to write to Congress demanding reversal of the Commission's matching fund decision in this instance and to send copies of such letters to the Commissioners. The ad also solicited funds to be used to pay for similar ads to be placed in

6/ Mr. Kayatt indicated in his deposition testimony that the New York Times ad was originally intended to run a few weeks earlier but that changes had to be made in the copy to satisfy the New York Times with regard to libel. In response to interrogatories, he stated that the ad had been placed approximately three weeks earlier.

7/ The copy of the ad run in Our Town was attached to this report, rather than that from the New York Times because it is of better reproductive quality. According to Mr. Kayatt's deposition testimony, the ad probably ran in Our Town three to five times. However, we only have one copy of it.

WAS NOT AWARE THAT THE DATE OF PUBLICATION WOULD BE THE SAME DAY AS THE N.H. PRIMARY. AS INDICATED IN DEPOSITION, THE NEW YORK TIMES TOOK SEVERAL WEEKS TO CLEAR AD WITH THEIR LEGAL DEPARTMENT. THE NEW YORK TIMES HAD INSERTION ORDER AND READY FOR CAMERA AD WEEKS PRIOR TO DATE OF ACTUAL PUBLICATION.

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newspapers throughout the country. It included a coupon to be sent to COFITE and a statement that the ad was paid for by COFITE. The second paragraph of the ad under the bold type caption stated:

LaRouche's success with the FEC bolsters, to an alarming degree this would-be autocrat's electoral strategy for becoming a significant influence in U.S. politics. Last fall, LaRouche declared himself a Democrat and prepared to enter several Presidential primaries. In the New Hampshire contest his efforts are comparable to those of the major candidates.

The fourth and fifth paragraphs stated:

But the most disturbing developments in LaRouche's drive for national influence stem from the FEC's matching funds approval. Following the FEC decision, LaRouche bought national television advertising spots on ABC and NBC (Jan. 20 and 27). He soft peddled the party's extremist ideology and talked instead about world peace, morality the nation's need for a gold-based economy ... and his own need for campaign donations.

The Jan. 27 LaRouche TV advertisement also emphasized his success in gaining matching funds, implying that the FEC's decision is proof of his political legitimacy. (Emphasis added).

The ad did not expressly advocate the election or defeat of Mr. LaRouche. It mentioned Our Town only in passing, devoting more space to quotes from other newspapers. In his deposition testimony, Mr. Kayatt said that the New York Times ad was not run to promote circulation in Our Town. **

MY ONLY INPUT INTO THE CONTENTS OF THE AD WAS THE HEADLINE. DID NOT WRITE OR EDIT AD. THIS WAS ACCOMPLISHED BY DENNIS KING, THE AUTHOR OF THE LEROUCHE ARTICLES IN OUR TOWN.

** OUR TOWN IS A FREELY CIRCULATED NEWSPAPER THEREFORE COULD NOT BENEFIT WITH "PROMOTING CIRCULATION"

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The New York Times ad was placed by an advertising firm that does business with Manhattan Media Corporation. The ad cost approximately \$8,000, \$3,000 of which was paid for by COFITE out of funds raised in response to the New York Times ad as well as ads and editorials in Our Town. 8/ The \$3,000 amount was raised through small contributions. As the first \$619 came in response to the earliest editorials requesting that money be sent to Our Town, Manhattan Media gave COFITE a check for \$619. When it became clear that COFITE was not going to raise any more money, Manhattan Media Corporation eventually paid the remaining \$5,000 owed to the advertising agency. The payment was made by debiting the money against \$5,000 the agency owed to Manhattan Media Corporation from totally unrelated business dealings.

Mr. Kayatt's response to the complaint in this matter included an affidavit dated February 4, 1980. The affidavit provided some evidence as to the purpose of COFITE. Mr. Kayatt stated that he felt the public should know about Mr. LaRouche and about his qualification for matching funds as tax dollars were being used. Mr. Kayatt indicated he wanted these facts spread

8/ In the course of the investigation we have received several slightly different estimates of the cost of the New York Times ad and the amount paid towards it directly by COFITE. Mr. Kayatt supplied us with papers concerning COFITE's finances. Included in these were a bill to COFITE for \$8,032 for the New York Times, ad two checks from COFITE totalling \$3,000 to pay for the ad, and a ledger card from the advertising agency indicating that Manhattan Media Corporation had made up the difference. These appear to be the most accurate indicators of the money involved.

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beyond the readership of Our Town. Paragraph 5 of the affidavit stated:

I do not support and Our Town Newspaper does not support candidates from any particular party, but rather, after an investigation of a candidate's record, we attempt to determine which candidate we believe is best qualified for the position which he or she is seeking. In some instances, such as the one herein, it is determined that a particular candidate is in our opinion not qualified to hold public office. In that event, we attempt to elicit facts and to write based on those facts, articles which will be news articles and which will inform the general public of what that investigation has uncovered. My efforts to see that LYNDON LAROCHE is defeated and that the public is made aware of his activities in the past has nothing to do and is in no way connected with the political activities of any other candidate or any other party. (Emphasis added).

The letter from counsel dated February 1, 1980, accompanying the affidavit stated that " ... the intention of the respondents is to inform the general public as to facts about a particular candidate which it is deemed are relevant and necessary for the public to know." (Emphasis added). A further letter from counsel dated September 23, 1980, stated inter alia:

Subsequent to registration COFITE proceeded to solicit contributions and make expenditures "in an attempt to see that Lyndon LaRouche is defeated," but prior to February 22, 1980 COFITE had not generated contributions nor made expenditures in a quantity sufficient to require registration.

In the course of his deposition testimony, Mr. Kayatt made a number of statements about the formation of COFITE and his

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activities on its behalf. As part of these statements Mr. Kayatt repeated in a variety of forms that he did not advocate the election of any candidate and was not connected to any candidate or any political committee. 9/

.... I felt that the information that we [Our Town] had was vitally important to more than just our readership. So I decided to take an ad in the New York Times and hopefully it would be covered by major media and more made of LaRouche's activities, both in his collecting taxpayers or the use of taxpayers' money by means of matching funds and some of his other activities that we couldn't really condone and certainly didn't in any way want to see him as, let alone, president of the United States or candidate for office because of his background. That's how I got involved with COFITE.

.... This particular cause whether it was popular or not, is something I felt strongly about and that's why I did it.

(Kayatt depo. at 8 - 9) (emphasis added).

When asked specifically about the statement in his affidavit concerning his efforts to defeat Mr. LaRouche, Mr. Kayatt indicated that the affidavit had been prepared by his counsel after a conversation between them.

9/ Mr. Kayatt's counsel had discussed United States v. National Committee for Impeachment, 469 F.2d 1135 (2d Cir. 1972), with members of the General Counsel's staff just prior to the taking of Mr. Kayatt's deposition testimony. Apparently he also discussed it with Mr. Kayatt who repeated language from the case several times in the course of the deposition.

* OUR FIRST AMENDMENT RIGHTS

** AT NO TIME HAD I DISCUSSED THIS...U.S. v NCFI 469 F 2d etc, WITH MY ATTORNEY OR ANY OTHER PERSON. I WAS NEVER AWARE OF THIS UNTIL RECEIVING THIS NOTICE AND SHOULD THE QUESTION HAD BEEN ASKED DURING DEPOSITION I WOULD HAD MADE THIS STATEMENT UNDER OATH.

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... I don't know if "defeated" is really the word. I think really -- if it were someone -- if I read it correctly and if it were given to me at whatever time and I had to sit down and study it and write it out myself, I think I would have made more of a point of his using these funds, the 300 some odd thousand dollars in matching funds rather than "defeated."

From one standpoint, "defeated," as far as the terminology used here, was probable because of strong feelings that I had concerning what information we passed on concerning his activities as a neo-Nazi.

...
I think that the ad in itself explains specifically what we were trying to get across. Certainly I think that in all good conscience of anyone in this room, I think the taxpayers' money being spent on a not only a viable candidate but a candidate who certainly did not have -- which has been proven and written up many times in the Times and other publications throughout the country in the last year and a half or two years, certainly would not be one that anyone could be proud of as president of the United States.

And, further, at this particular point the question at this moment, when the ad was placed, the ad was placed based upon people objecting to people of this stature of the type of an individual; knowing where that money was going to. And should it in fact have been given to a person of this type, but certainly with the background that Mr. LaRouche had and certainly the FEC has plenty of background on him a lot more than I probable have, I think if they studied it before making a decision in this particular case, I think they may find what I did was what certainly anyone who has interest in this country would have done.

(Kayatt depo. at 47 - 48) (emphasis added).

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II. Legal Analysis

A. Violations of 2 U.S.C. §§ 433(a) and 434(a)(4)(A) by COFITE and Edward Kayatt.

A "political committee" is defined in 2 U.S.C. § 431(4)(A) as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." The terms "contribution" and "expenditure" are in turn defined to include any loan, advance, deposit, or anything of value "made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. §§ 431(8)(A) and (9)(A).

Pursuant to 2 U.S.C. § 433(a) a political committee is required to file a statement of organization within 10 days after becoming a political committee. Pursuant to 2 U.S.C. § 434(a) a political committee is also required to file reports of receipts and expenditures.

COFITE has received and expended approximately \$8,000 including the \$5,000 payment for the New York Times ad made by Manhattan Media Corporation. Therefore, the issue here is whether the \$8,000 was received and/or expended for the purpose of influencing a Federal election. If so, then COFITE is a political committee required to register and report to the Commission.

MANHATTAN MEDIA WAS NOT LEGALLY LIABLE FOR PAYMENT OF THIS AD TO MILLER ADVERTISING. PAYMENT WAS MADE BY MAN. MEDIA. OUT OF ACCOUNTS RECEIVABLE DUE TO OUR FRIENDLY RELATIONSHIP WITH THE AGENCY.

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In AO 1979-41 the Commission determined that the National Committee for a Democratic Alternative ("NCDA") was a political committee. The Committee's stated purpose was to stimulate debate on certain policies of the then current administration. Additionally, NCDA was planning to prepare and distribute, on a state by state basis, general information on the delegate selection process for the Democratic National Convention. One means NCDA intended to use to accomplish its purpose was to sponsor advertisements expressing the Committee's views and soliciting funds. The prototype ad submitted to the Commission was captioned "Democrats who are disappointed in President Carter."

President Carter is specifically mentioned as the Democrat to which an alternative is needed. Discussion of the Committee's disappointment with President Carter on various issues follows. The ad closes with a solicitation for contributions to operate an information center and to run similar ads.

(AO 1979-41 at 1).

The Commission found that the purpose of the ad was to influence the 1980 presidential election and noted that "... the ad [indicated] the Committee's dissatisfaction with an identifiable presidential candidate...." Id. at 2.

In AO 1980-106 FaithAmerica, an unincorporated association of Christian laymen, proposed publishing a summary listing the positions of the three major presidential candidates (Reagan,

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Carter, and Anderson) on issues of concern to Christian clergy and laymen. Several issues were listed on which Carter and Anderson consistently agreed with each other and Reagan consistently disagreed with both of them. The proposed publication was to have been distributed through religious organizations to church members and the public. Nowhere in this summary did it say to vote for or defeat a particular candidate. The Commission determined that FaithAmerica would be a political committee if its expenditures for the proposed publication exceeded \$1,000. The Commission stated:

Although the publication is described as a summary of presidential candidates' positions on "major issues of concern to the Christian community," the information actually presented and the manner in which it is presented are designed to influence the readers' choice in the 1980 presidential election, rather than simply to promote discussion of issues.

(AO 1980-106 at 3).

The Commission also noted in reaching its decision that the publication would be disseminated in close proximity to the 1980 presidential election and that FaithAmerica's only planned activity was the publication of the proposed summary.

While the COFITE ad and Mr. Kayatt in some of his testimony have expressed concern, inter alia, over the use of taxpayers' money for matching funds for Lyndon LaRouche, the ad indicates COFITE's dissatisfaction with Lyndon LaRouche as a presidential

*** MY ACTIONS NOT COMPARABLE

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candidate. COFITE's raison d'être was the anti-LaRouche ad. Moreover, by the placement of the ad at the beginning of the presidential primary campaign season and by its content depicting LaRouche as an anti-Semitic neo-Nazi, the ad is clearly designed to influence voters not to vote for Lyndon LaRouche. Thus, in the opinion of the General Counsel, consistent with AO's 1979-41 and 1980-106, COFITE is a political committee.

In United States v. National Committee for Impeachment, 469 F.2d 1135 (2d Cir. 1972), with respect to groups operating independently of candidates or political parties, the court limited the definition of "political committee" to include "only committees soliciting contributions or making expenditures the major purpose of which is the nomination or election of candidates." 469 F.2d at 1141. The "major purpose test" has not been applied by the Commission in all circumstances. See e.g. AO 1979-41; AO 1981-35. However, whether or not the "major purpose test" is followed in this instance, in the opinion of the General Counsel COFITE is a political committee.

COFITE's purpose to see that Lyndon LaRouche was not successful in his campaign for the Democratic presidential nomination is apparent not only from the tone and timing of the COFITE ad but also from Our Town editorials and statements by Mr. Kayatt.

DID NOT SOLICIT FUNDS FOR THE PURPOSE OF THE ELECTION OR NOMINATION OF ANY CANDIDATE
MY FIRST AMEDMENT RIGHTS

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 ## Mr. Kayatt has presented the Commission with an affidavit dated February 4, 1980, in which he indicated his determination that Mr. LaRouche was not qualified to hold public office and his intent "to see that Lyndon LaRouche [was] defeated." 10/ The letter accompanying the affidavit indicated that the respondents' intent was to inform the public "about a particular candidate." (Emphasis added). Mr. Kayatt later explained in answer to interrogatories that his efforts directed at Mr. LaRouche's defeat consisted of the COFITE ad in Our Town and the New York Times. This purpose is further borne out by the FEC Form 5 filed on February 1980, at the height of activity by COFITE, in which Mr. Kayatt indicated that COFITE would make expenditures to defeat a candidate, and by a letter from counsel dated September 23, 1980, which stated that COFITE had solicited contributions and made expenditures "in an attempt to see that Lyndon LaRouche [was] defeated."

Further evidence of COFITE's purpose to influence the election is provided by its name, Committee Organized to Inform the Electorate, and by Mr. Kayatt's testimony that he chose the name to signify what he wished to accomplish. This purpose was

10/ As Mr. Kayatt essentially is COFITE, his statements of intention are attributable to COFITE.

NOT PERTAINING TO SAME PURPOSE OF COFITE (FIRST AMENDMENT RIGHTS)

also stated in two fundraising editorials which appeared in Our Town in May of 1980:

** COFITE (The Committee Organized for Informing The Electorate) was created to inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric. (Emphasis added).

(See Attachments 6 and 7).

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The actual COFITE ad, see Attachment 8, appeared in Our Town on February 24, 1980, and in the New York Times on February 26, 1980, the day of the New Hampshire primary. Its leading caption identified Mr. LaRouche as a Presidential candidate and the ad went on to state that he was vying for the Democratic presidential nomination and that he was on the ballot in New Hampshire. The ad referred to Mr. LaRouche's "electoral strategy for becoming a significant influence in U.S. politics" and stated: ** "The American public must not be deceived by LaRouche." (Emphasis added). It then proceeded to vilify Mr. LaRouche as a neo-Nazi and an anti-Semite with violent followers.

When asked in the course of his deposition specifically about his efforts to see that Lyndon LaRouche was defeated, Mr. Kayatt tried to play down these efforts and emphasize his concern about the use of taxpayers money for matching funds for Mr. LaRouche. See pp. 9-10, supra. However, statements of the purpose

** THE ACTIVITIES OF LAROCHE ESSENTIALLY HELPED HIS COMMITTEE RAISE FUNDS (DONATIONS) WHICH HELPED QUALIFY HIM FOR MATCHING FUNDS.

of COFITE made at the height of COFITE's activity are a better indicator of its purpose than statements made recently. As recapitulated, supra at 15 - 16, these included several statements indicating COFITE's purpose either to defeat Lyndon LaRouche or to warn voters about the menace he posed. Moreover, the accuracy of Mr. Kayatt's statements down playing his attempt to defeat Mr. LaRouche is undercut by other statements made by him during the course of the deposition indicating his concern over the possible success of Mr. LaRouche's candidacy. Thus, Mr. Kayatt talked about not wanting to see Mr. LaRouche as a candidate for office or President of the United States. See pp. 9, 10, supra.## Additionally, Mr. Kayatt appears to have been aware of National Committee for Impeachment, see p. 9 & n.9, supra, and may have been attempting to frame his answers to conform with its ruling.

While part of Mr. Kayatt's concern clearly was about the use of taxpayers' dollars for matching funds for Mr. LaRouche, a major element of that concern appears to have been that matching funds would aid Mr. LaRouche's campaign and that his qualification for matching funds would legitimize his candidacy in the eyes of the voters. 11/ This concern was overt in the

11/ If Mr. Kayatt's main aim was to let taxpayers know of the misuse of their tax dollars, as opposed to warning voters about Mr. LaRouche, his committee's name which he considered significant would more appropriately have been Committee for Informing the Taxpayers.

NOT AT ALL AWARE OF THIS RULING AS STATED ON PAGE 9 FURTHER, THERE IS A CONFLICT BETWEEN MY (KAYATT'S) VIEWS AND COFITES' PURPOSE. OUR FIRST AMENDMENT RIGHTS ALSO APPLICABLE.

+ ACRONYM COMMITTEE FOR INFORMING THE ELECTORATE. ORIGINALLY FILED IN ERROR AS COMMITTEE ORGANIZED TO INFORM THE ELECTORATE AND LATTER CHANGED.

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first Our Town editorial: "The FEC action will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position." (See Attachment 1). Moreover, it was repeated in the COFITE ad. (See Attachment 8). In this context, Mr. Kayatt's concern about Mr. LaRouche's qualification for matching funds is inseparable from his concern about stopping the LaRouche candidacy.

In a variety of ways and repeated instances Mr. Kayatt has shown that the audience he was attempting to reach through COFITE was voters and that his purpose was to provide information to these voters to influence them against the candidacy of Lyndon LaRouche. Thus, COFITE is a political committee.

COFITE has never filed a registration statement nor any reports except for the FEC Form 5. Therefore, the General Counsel recommends that the Commission find probable cause to believe that COFITE violated 2 U.S.C. §§ 433(a) and 434(a)(4).

B. Violations of 2 U.S.C. § 441b(a) by Manhattan Media Corporation

Pursuant to 2 U.S.C. § 441b(a) corporations are prohibited from making any contribution or expenditure in connection with any Federal election. For purposes of § 441b the term "contribution or expenditure" is defined to include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value to any person in connection with any Federal election. See 2 U.S.C. § 441b(b)(2); 11 C.F.R. §§ 114.1(a)(1) and 114.2(b). The Act excludes from the

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definition of "expenditures":

any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate

(2 U.S.C. § 431(9)(B)(i)).

The regulations provide for a similar exclusion from the definition of contributions. See 11 C.F.R. § 100.7(b)(2).

As has been discussed previously, Our Town published editorials soliciting funds for the New York Times ad. Additionally, Manhattan Media Corporation paid approximately \$5,000 of the cost of the New York Times ad and gave COFITE free space in Our Town for at least one similar ad (space worth roughly \$1,600 according to Mr. Kayatt's estimate); Manhattan Media Corporation also gave COFITE a check for \$619. All of this was in connection with the anti-LaRouche advertising placed at the beginning of the 1980 primary season when Mr. LaRouche was a candidate for the Democratic presidential nomination. Each of these outlays of funds and space on the part of Manhattan Media Corporation was by its timing and content connected with the 1980 presidential primary elections and constitutes a prohibited corporate contribution to COFITE unless the "press exemption" is applicable.

In limiting the press exemption to media operations not "owned or controlled by any political party, political committee, or candidate", Congress was restricting its operation to bona

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fide news publications. See H.R. Rep. 1438 (Committee of Conference), 93d Cong., 2d Sess. 83, 85 (1974); Cf. 93 CONG. REC. 6436-40 (1947). Mr. Kayatt's activities on behalf of COFITE simultaneous with his ownership of Manhattan Media Corporation do not, in the General Counsel's view, serve to remove the corporation from the protection of the exemption, particularly when Our Town was in existence as a bona fide newspaper for over 10 years prior to the existence of COFITE. To hold otherwise would have a chilling effect upon all established newspapers every time one of their editors or owners became independently involved in the operation of a political committee.

The press exemption "assures the unfettered right of the newspapers, TV networks, and other media to cover and comment on political campaigns." H.R. Rep. No. 1239, 93d Cong., 2d Sess. 4 (1974) (emphasis added). It is designed to protect the "press entity's legitimate press function", but does not automatically exempt from the coverage of the Act any activity by a media corporation. See Reader's Digest Association v. Federal Election Commission, 509 F. Supp. 1210 (S.D.N.Y. 1981).

"Editorials" are specifically mentioned in the press exemption and fall squarely within the protected area for political comment. Editorials endorsing candidates are a traditional press function and even editorials recommending that contributions be sent to candidates are protected. See MUR 852;

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AO 1980-109. Thus, in the General Counsel's view, the editorials and notices in Our Town asking for funds for COFITE, a separate organization, fit within the area of editorial privilege and do not constitute prohibited corporate contributions.

The press exemption for editorials and commentary does not extend to the free provision of advertising space in a newspaper. Cf. AO 1978-45. In the opinion of the General Counsel, the COFITE advertisement in Our Town similar to that placed in the New York Times, see Attachment 8, is appropriately characterized as an advertisement and not as an editorial or commentary. The ad appeared in Our Town after the formation of COFITE and it is sponsored by COFITE. It contains a coupon to assist in collecting contributions for COFITE, and even though Mr. Kayatt acknowledged that neither he nor COFITE ever paid for any space in Our Town, it states at the end; "This advertisement was paid for by COFITE." (Emphasis added). Nowhere is it captioned as an editorial. Additionally Mr. Kayatt referred to this as an advertisement in his response to interrogatories, and in his deposition testimony he distinguished between this advertisement and editorials and notices in Our Town requesting funds for COFITE. Therefore, the General Counsel recommends that the Commission find probable cause to believe that Manhattan Media Corporation violated 2 U.S.C. § 441b(a) in providing free space in Our Town for the COFITE advertisement.

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** The ad in the New York Times is neither a news story, a commentary, or an editorial in Our Town. Thus, it does not fit within the plain language of the press exemption. Moreover, the ad was sponsored by COFITE, Our Town is barely mentioned in the ad, and Mr. Kayatt has stated that the purpose of the ad was not to promote Our Town, distinguishing this situation from MURs 296, 1051 and 1283 in which the Commission found no violation of the Act where media corporations placed ads mentioning candidates in other media in order to promote their own publications. See also Reader's Digest Association, supra. As the New York Times ad does not promote Our Town, does not fit within the language of the press exemption, and does not otherwise appear to be part of Manhattan Media's legitimate press function, the General Counsel recommends that the Commission find probable cause to believe that the \$5,000 payment towards the ad by Manhattan Media Corporation constituted a violation of 2 U.S.C. § 441b(a).

† The \$619 check from the Manhattan Media Corporation account to COFITE was a transfer of initial funds collected for the COFITE ad. (The original editorials in Our Town asked that funds be sent to Our Town). As such, it cannot be considered payment for a cost incurred in presenting a news story, commentary or editorial. Therefore, the General Counsel recommends that the Commission find probable cause to believe that Manhattan Media Corporation violated 2 U.S.C. § 441b(a) by the issuance of

** MOST OF THE COPY WITHIN THE AD WAS TAKEN FROM ARTICLES APPEARING IN OUR TOWN, THE NEW YORK TIMES AND OTHER PUBLICATIONS.

†† PRIOR TO BEING ADVISE BY MY ATTORNEY TO FORM COFITE. THE FILING WITH FEC WAS ADVERSE TO MY PERSONAL OPINION IN THAT I BELEIVE THAT OUR FIRST AMENDMENT RIGHTS COVERED OUR ACTIVITIES.

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 †

the check for \$619 to COFITE. 12/

As discussed previously, Mr. Kayatt is the sole owner of Manhattan Media Corporation. According to him he has never had a personal checking account in the entire time Our Town has been in existence and all his personal expenses have been paid for by Manhattan Media Corporation and charged against his salary. This suggests that Manhattan Media Corporation might argue with regard

12/ In AO 1980-109 the Commission determined that commentary by Mr. Ruff in The Ruff Times endorsing James Hansen as a candidate and urging that contributions be sent to Mr. Hansen would fall within the press exemption and would not constitute a contribution to Mr. Hansen's campaign. However, the Commission stated:

This conclusion is based on the assumption that the solicitation of contributions will not involve any arrangement whereby either Mr. Ruff, The Ruff Times, or Target Publishers would become a conduit or intermediary for a contribution made by an individual contributor to Mr. Hansen's campaign committee.

(AO 1980-109 at 2).

Editorials in Our Town requesting that contributions be sent to Our Town as opposed to COFITE for an ad to be placed in the New York Times arguably place Our Town in the position of being a conduit or intermediary and conceivably might not be covered by the press exemption. Cf. AO 1976-29. However, as the General Counsel has recommended that the Commission find a violation of 2 U.S.C. § 441b(a) with regard to the \$619 raised by the initial editorials, and as the dollar amount concerned for the editorial space would be small in comparison to the total amount involved in other violations recommended by the General Counsel, the Commission need not reach this issue. In light of the fact that the editorials did not expressly advocate the election or defeat of a candidate, as well as the first amendment sensitivity involved in distinguishing exempt and non-exempt editorials under the Act this appears to be the preferred course in this instance.

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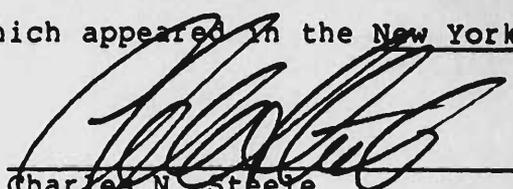
See page 4

to the payments discussed, supra, that these should be deemed as comparable to those from a non-repayable corporate drawing account considered personal in nature and hence permissible. However, in the absence of any showing of strict accounting for such expenses and their deduction against a set salary at the time of occurrence, the General Counsel recommends that the Commission find probable cause to believe that the payments by Manhattan Media Corporation constituted corporate contributions to COFITE in violation of 2 U.S.C. § 441b(a).

III. General Counsel's Recommendations

1. Find probable cause to believe that Edward R. Kayatt and COFITE violated 2 U.S.C. § 433(a) by failing to register COFITE as a political committee.
2. Find probable cause to believe that Edward R. Kayatt and COFITE violated 2 U.S.C. § 434(a)(4)(A) by failing to file reports of receipts and expenditures by COFITE.
3. Find probable cause to believe that Manhattan Media corporation violated 2 U.S.C. § 441b(a) by making contributions to COFITE consisting of a check for \$619, providing free space in Our Town for an advertisement by COFITE, and paying approximately \$5,000 for an advertisement which appeared in the New York Times.

20 May 1982
Date


Charles N. Steele
General Counsel

Attachments

- 1 - 7. Editorials and notices from Our Town (7 pages)
8. COFITE advertisement which appeared in the February 24, 1980 edition of Our Town (1 page)

* THIS WAS AN EXCHANGE WHICH WAS THOROUGHLY DETAILED IN DEPOSITION.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 4, 1982

Edward R. Kayatt
East Side West Side
Communications Corp.
1751 Second Avenue
New York, New York 10028

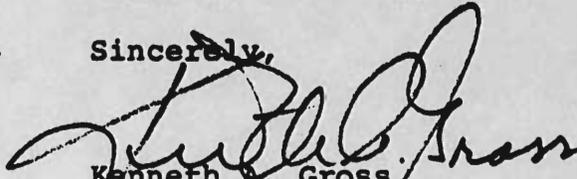
Re: MUR 1137

Dear Mr. Kayatt:

We have received your request for an extension of time in which to respond to the General Counsel's Brief mailed to you on May 21, 1982. Your request has been granted, and your response should be filed with the Commission by June 30, 1982.

If you have any questions, please contact Anne Cauman at (202) 523-4000 or Scott E. Thomas at 523-4166.

Sincerely,



Kenneth A. Gross
Associate General Counsel

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May 21, 1982

Kindly grant maximum extension to file brief. Please advise the extension date.

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Case 7864

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Ed Kayatt



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

May 21, 1982

82 JUN 1 P 3: 26

GENERAL COUNSEL

Mr. Edward R. Kayatt
East Side West Side Communications Corp.
1751 Second Avenue
New York, New York 10028

Re: MUR 1137

Dear Mr. Kayatt:

Based on a complaint filed with the Commission on January 11, 1980, and information supplied by you, the Commission determined on September 3, 1980, that there was reason to believe that Edward R. Kayatt and the Committee Organized for Informing the Electorate had violated 2 U.S.C. §§ 433 and 434 and that Manhattan Media Corporation had violated 2 U.S.C. § 441b. The Commission instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issue and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe violations have occurred.

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Letter to Edward R. Kayatt
Page 2

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Anne Cauman at (202)523-4000.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

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7
OUR
TOWN

**EAST SIDE
WEST SIDE
COMMUNICATIONS
CORPORATION**
1751 Second Ave.
New York, N.Y. 10028



*Secretary of the Commission
Federal Election Commission
Washington, D.C. 20463*

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MEMORANDUM TO

MEMORANDUM FROM

DATE

MR 1137

Have the attached files and files distributed
to the Commission on an administrative basis. Thank you.

Attachment

62040368



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 21, 1982

Mr. Edward R. Kayatt
East Side West Side Communications Corp.
1751 Second Avenue
New York, New York 10028

Re: MUR 1137

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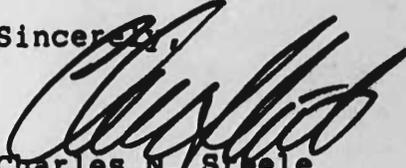
Letter to Edward R. Kayatt
Page 2

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Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

82 MAY 21 AM: 02

May 21, 1982

MEMORANDUM TO: The Commission
FROM: Charles N. Steele *CS*
General Counsel
SUBJECT: MUR 1137

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of this brief and a letter notifying the respondents of the General Counsel's intent to recommend to the Commission findings of probable cause to believe was mailed on May 21, 1982. Following receipt of the Respondents' reply to this notice, this Office will make a further report to the Commission.

Attachments

1. Brief (24 pages)
2. Letter to Respondents (2 pages)

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Edward R. Kayatt)
Manhattan Media Corporation) MUR 1137
Committee Organized for)
Informing the Electorate)

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

This matter arises out of a complaint filed by Citizens for LaRouche. It concerns editorials in Our Town as well as negative advertisements about Lyndon LaRouche which appeared in both Our Town and the New York Times. The complaint basically alleged that respondents Manhattan Media Corporation and Edward Kayatt were acting as a "political committee" by soliciting funds in the editorial pages of Our Town to pay for an advertisement in the New York Times for the purpose of defeating Mr. LaRouche in his campaign for the Democratic presidential nomination.

The Commission, on September 3, 1980, found reason to believe that both Edward Kayatt and the Committee Organized for Informing the Electorate ("COFITE") violated 2 U.S.C. §§ 433 and 434 for failure to register COFITE as a political committee and for failure to file required reports. The Commission also found reason to believe that Manhattan Media Corporation, trading as Our Town, had violated 2 U.S.C. § 441b. 1/ In the course of the

1/ The complaint also included allegations against a freelance reporter Dennis King. However, the Commission found no reason to believe that Mr. King violated the Act.

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investigation Mr. Kayatt was sent interrogatories and his deposition was taken.

Our Town is a weekly newspaper in Manhattan with a circulation of somewhat over 100,000. The paper is given away free and makes its money through paid advertisements. Our Town is owned by East Side West Side Communications known previously as Manhattan Media Corporation. Edward R. Kayatt, the founder, publisher, and editor of Our Town, is the sole owner of East Side West Side Communications and was previously the sole owner of Manhattan Media Corporation. 2/

In the latter part of 1979 a series of news articles written by Dennis King about Lyndon LaRouche appeared in Our Town depicting Mr. LaRouche among other things as a neo-Nazi and an anti-Semite. At some point late in 1979 Mr. Kayatt decided that information about Mr. LaRouche should be spread to a wider audience than Our Town readership and he began to solicit money in the editorial pages of Our Town to pay for an ad in the New York Times. 3/

The first two editorials addressed Mr. LaRouche's qualifying for matching funds and called for a congressional investigation.

2/ The name of the corporation changed towards the end of 1980. As most if not all of the activities at issue herein took place while the name was Manhattan Media Corporation, all further references in this report will be to Manhattan Media Corporation.

3/ We have copies of seven editorials or notices which appeared in Our Town requesting funds for the New York Times ad. (See Attachments 1 - 7).

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The first, from the December 30, 1979 - January 5, 1980 edition of Our Town, emphasized the use of taxpayers' money for matching funds and stated: "The FEC action will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position." (See Attachment 1). The second, from the January 6 - January 12, 1980 edition of Our Town, emphasized the "growing menace" of Mr. LaRouche and his followers and the need for greater public awareness of this threat. (See Attachment 2). These were followed by three identical "notices" which appeared in Our Town from late January through the middle of February and which stated that "[i]n order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible" only a half-page ad would be placed in the New York Times instead of waiting to collect money for a full page ad. (See Attachments 3 - 5). The last two identical notices which appeared in Our Town editorials, in May of 1980, were captioned "COFITE FUNDS." They stated inter alia:

COFITE (The Committee Organized for Informing The Electorate) was created to inform voters about the real neo-Nazi antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE'S purpose has been to reveal the truth behind the campaign rhetoric.

.

Readers interested in spreading the word on the real LaRouche are asked to send their contributions to COFITE.

(See Attachments 6 and 7) (emphasis added).

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The initial editorials requested that funds for the New York Times ad be sent to Our Town; later editorials requested that funds be sent to COFITE. None of these editorials or notices expressly advocated the election or defeat of Mr. LaRouche. According to Mr. Kayatt's deposition testimony, neither he nor COFITE ever paid for any space in Our Town devoted to COFITE.

After receiving notice of the complaint in this matter, Mr. Kayatt filed a FEC Form 5, Report of Independent Expenditures, on behalf of COFITE, indicating that as of February 15, 1980, COFITE had received \$619 in contributions and had not made any expenditures. Mr. Kayatt checked the box on the form indicating that expenditures would be made to defeat a candidate for Federal office. No further reports were ever filed on behalf of COFITE. 4/ According to Mr. Kayatt's deposition testimony, essentially he was COFITE and COFITE was just a name: "And when you say formed, I came up with a name that would be -- that I thought would be significant to what I was trying to accomplish." (Deposition testimony of Edward R. Kayatt, December 16, 1981, at 9). 5/

4/ In his deposition testimony, Mr. Kayatt indicated that he had registered COFITE with the Commission on the advice of counsel after the filing of the complaint in this matter and that he regretted so doing. In interrogatories from the Commission Mr. Kayatt was asked to identify the candidate in opposition to whom COFITE would make expenditures according to the FEC Form 5. In response Mr. Kayatt stated: "We were informing the electorate that Mr. LaRouche was obtaining Federal Funding, with tax payers dollars."

5/ Hereinafter all references to Mr. Kayatts deposition testimony will be referred to as "Kayatt depo. at ."

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...COFITE was formed when the concept of using advertising to advise the electorate of the matching funds of whatever LaRouche was getting, COFITE was used as a name.

(Kayatt deposition at 31) (emphasis added).

On February 26, 1980, the day of the New Hampshire presidential primary election, a half-page ad critical of Mr. LaRouche appeared in the New York Times sponsored by COFITE; 6/ virtually the same ad appeared in the February 24, 1980, edition of Our Town. (See Attachment 8). 7/

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In large bold type the caption for the ad read "\$327,864.01 of your tax dollars have already been given to the United States Labor Party founder, Lyndon H. LaRouche, for his campaign for President of the United States." The ad depicted Mr. LaRouche as anti-Semitic and his followers as violent. The ad discussed the Commission's approval of matching funds for Mr. LaRouche and urged readers to write to Congress demanding reversal of the Commission's matching fund decision in this instance and to send copies of such letters to the Commissioners. The ad also solicited funds to be used to pay for similar ads to be placed in

6/ Mr. Kayatt indicated in his deposition testimony that the New York Times ad was originally intended to run a few weeks earlier but that changes had to be made in the copy to satisfy the New York Times with regard to libel. In response to interrogatories, he stated that the ad had been placed approximately three weeks earlier.

7/ The copy of the ad run in Our Town was attached to this report, rather than that from the New York Times because it is of better reproductive quality. According to Mr. Kayatt's deposition testimony, the ad probably ran in Our Town three to five times. However, we only have one copy of it.

newspapers throughout the country. It included a coupon to be sent to COFITE and a statement that the ad was paid for by COFITE. The second paragraph of the ad under the bold type caption stated:

LaRouche's success with the FEC bolsters, to an alarming degree this would-be autocrat's electoral strategy for becoming a significant influence in U.S. politics. Last fall, LaRouche declared himself a Democrat and prepared to enter several Presidential primaries. In the New Hampshire contest his efforts are comparable to those of the major candidates.

The fourth and fifth paragraphs stated:

But the most disturbing developments in LaRouche's drive for national influence stem from the FEC's matching funds approval. Following the FEC decision, LaRouche bought national television advertising spots on ABC and NBC (Jan. 20 and 27). He soft peddled the party's extremist ideology and talked instead about world peace, morality the nation's need for a gold-based economy ...
- and his own need for campaign donations.

The Jan. 27 LaRouche TV advertisement also emphasized his success in gaining matching funds, implying that the FEC's decision is proof of his political legitimacy. (Emphasis added).

The ad did not expressly advocate the election or defeat of Mr. LaRouche. It mentioned Our Town only in passing, devoting more space to quotes from other newspapers. In his deposition testimony, Mr. Kayatt said that the New York Times ad was not run to promote circulation in Our Town.

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The New York Times ad was placed by an advertising firm that does business with Manhattan Media Corporation. The ad cost approximately \$8,000, \$3,000 of which was paid for by COFITE out of funds raised in response to the New York Times ad as well as ads and editorials in Our Town. 8/ The \$3,000 amount was raised through small contributions. As the first \$619 came in response to the earliest editorials requesting that money be sent to Our Town, Manhattan Media gave COFITE a check for \$619. When it became clear that COFITE was not going to raise any more money, Manhattan Media Corporation eventually paid the remaining \$5,000 owed to the advertising agency. The payment was made by debiting the money against \$5,000 the agency owed to Manhattan Media Corporation from totally unrelated business dealings.

Mr. Kayatt's response to the complaint in this matter included an affidavit dated February 4, 1980. The affidavit provided some evidence as to the purpose of COFITE. Mr. Kayatt stated that he felt the public should know about Mr. LaRouche and about his qualification for matching funds as tax dollars were being used. Mr. Kayatt indicated he wanted these facts spread

8/ In the course of the investigation we have received several slightly different estimates of the cost of the New York Times ad and the amount paid towards it directly by COFITE. Mr. Kayatt supplied us with papers concerning COFITE's finances. Included in these were a bill to COFITE for \$8,032 for the New York Times, ad two checks from COFITE totalling \$3,000 to pay for the ad, and a ledger card from the advertising agency indicating that Manhattan Media Corporation had made up the difference. These appear to be the most accurate indicators of the money involved.

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beyond the readership of Our Town. Paragraph 5 of the affidavit stated:

I do not support and Our Town Newspaper does not support candidates from any particular party, but rather, after an investigation of a candidate's record, we attempt to determine which candidate we believe is best qualified for the position which he or she is seeking. In some instances, such as the one herein, it is determined that a particular candidate is in our opinion not qualified to hold public office. In that event, we attempt to elicit facts and to write based on those facts, articles which will be news articles and which will inform the general public of what that investigation has uncovered. My efforts to see that LYNDON LAROCHE is defeated and that the public is made aware of his activities in the past has nothing to do and is in no way connected with the political activities of any other candidate or any other party. (Emphasis added).

The letter from counsel dated February 1, 1980, accompanying the affidavit stated that "... the intention of the respondents is to inform the general public as to facts about a particular candidate which it is deemed are relevant and necessary for the public to know." (Emphasis added). A further letter from counsel dated September 23, 1980, stated inter alia:

Subsequent to registration COFITE proceeded to solicit contributions and make expenditures "in an attempt to see that Lyndon LaRouche is defeated," but prior to February 22, 1980 COFITE had not generated contributions nor made expenditures in a quantity sufficient to require registration.

In the course of his deposition testimony, Mr. Kayatt made a number of statements about the formation of COFITE and his

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activities on its behalf. As part of these statements Mr. Kayatt repeated in a variety of forms that he did not advocate the election of any candidate and was not connected to any candidate or any political committee. 9/

.... I felt that the information that we [Our Town] had was vitally important to more than just our readership. So I decided to take an ad in the New York Times and hopefully it would be covered by major media and more made of LaRouche's activities, both in his collecting taxpayers or the use of taxpayers' money by means of matching funds and some of his other activities that we couldn't really condone and certainly didn't in any way want to see him as, let alone, president of the United States or candidate for office because of his background. That's how I got involved with COFITE.

.... This particular cause whether it was popular or not, is something I felt strongly about and that's why I did it.

(Kayatt depo. at 8 - 9) (emphasis added).

When asked specifically about the statement in his affidavit concerning his efforts to defeat Mr. LaRouche, Mr. Kayatt indicated that the affidavit had been prepared by his counsel after a conversation between them.

9/ Mr. Kayatt's counsel had discussed United States v. National Committee for Impeachment, 469 F.2d 1135 (2d Cir. 1972), with members of the General Counsel's staff just prior to the taking of Mr. Kayatt's deposition testimony. Apparently he also discussed it with Mr. Kayatt who repeated language from the case several times in the course of the deposition.

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... I don't know if "defeated" is really the word. I think really -- if it were someone -- if I read it correctly and if it were given to me at whatever time and I had to sit down and study it and write it out myself, I think I would have made more of a point of his using these funds, the 300 some odd thousand dollars in matching funds rather than "defeated."

From one standpoint, "defeated," as far as the terminology used here, was probable because of strong feelings that I had concerning what information we passed on concerning his activities as a neo-Nazi.

...
I think that the ad in itself explains specifically what we were trying to get across. Certainly I think that in all good conscience of anyone in this room, I think the taxpayers' money being spent on a not only a viable candidate but a candidate who certainly did not have -- which has been proven and written up many times in the Times and other publications throughout the country in the last year and a half or two years, certainly would not be one that anyone could be proud of as president of the United States.

And, further, at this particular point the question at this moment, when the ad was placed, the ad was placed based upon people objecting to people of this stature of the type of an individual, knowing where that money was going to. And should it in fact have been given to a person of this type, but certainly with the background that Mr. LaRouche had and certainly the FEC has plenty of background on him a lot more than I probable have, I think if they studied it before making a decision in this particular case, I think they may find what I did was what certainly anyone who has interest in this country would have done.

(Kayatt depo. at 47 - 48) (emphasis added).

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II. Legal Analysis

A. Violations of 2 U.S.C. §§ 433(a) and 434(a)(4)(A) by COFITE and Edward Kayatt.

A "political committee" is defined in 2 U.S.C. § 431(4)(A) as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." The terms "contribution" and "expenditure" are in turn defined to include any loan, advance, deposit, or anything of value "made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. §§ 431(8)(A) and (9)(A).

Pursuant to 2 U.S.C. § 433(a) a political committee is required to file a statement of organization within 10 days after becoming a political committee. Pursuant to 2 U.S.C. § 434(a) a political committee is also required to file reports of receipts and expenditures.

COFITE has received and expended approximately \$8,000 including the \$5,000 payment for the New York Times ad made by Manhattan Media Corporation. Therefore, the issue here is whether the \$8,000 was received and/or expended for the purpose of influencing a Federal election. If so, then COFITE is a political committee required to register and report to the Commission.

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In AO 1979-41 the Commission determined that the National Committee for a Democratic Alternative ("NCDA") was a political committee. The Committee's stated purpose was to stimulate debate on certain policies of the then current administration. Additionally, NCDA was planning to prepare and distribute, on a state by state basis, general information on the delegate selection process for the Democratic National Convention. One means NCDA intended to use to accomplish its purpose was to sponsor advertisements expressing the Committee's views and soliciting funds. The prototype ad submitted to the Commission was captioned "Democrats who are disappointed in President Carter."

President Carter is specifically mentioned as the Democrat to which an alternative is needed. Discussion of the Committee's disappointment with President Carter on various issues follows. The ad closes with a solicitation for contributions to operate an information center and to run similar ads.

(AO 1979-41 at 1).

The Commission found that the purpose of the ad was to influence the 1980 presidential election and noted that "... the ad [indicated] the Committee's dissatisfaction with an identifiable presidential candidate...." Id. at 2.

In AO 1980-106 FaithAmerica, an unincorporated association of Christian laymen, proposed publishing a summary listing the positions of the three major presidential candidates (Reagan,

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Carter, and Anderson) on issues of concern to Christian clergy and laymen. Several issues were listed on which Carter and Anderson consistently agreed with each other and Reagan consistently disagreed with both of them. The proposed publication was to have been distributed through religious organizations to church members and the public. Nowhere in this summary did it say to vote for or defeat a particular candidate. The Commission determined that FaithAmerica would be a political committee if its expenditures for the proposed publication exceeded \$1,000. The Commission stated:

Although the publication is described as a summary of presidential candidates' positions on "major issues of concern to the Christian community," the information actually presented and the manner in which it is presented are designed to influence the readers' choice in the 1980 presidential election, rather than simply to promote discussion of issues.

(AO 1980-106 at 3).

The Commission also noted in reaching its decision that the publication would be disseminated in close proximity to the 1980 presidential election and that FaithAmerica's only planned activity was the publication of the proposed summary.

While the COFITE ad and Mr. Kayatt in some of his testimony have expressed concern, inter alia, over the use of taxpayers' money for matching funds for Lyndon LaRouche, the ad indicates COFITE's dissatisfaction with Lyndon LaRouche as a presidential

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candidate. COFITE's raison d'être was the anti-LaRouche ad. Moreover, by the placement of the ad at the beginning of the presidential primary campaign season and by its content depicting LaRouche as an anti-Semitic neo-Nazi, the ad is clearly designed to influence voters not to vote for Lyndon LaRouche. Thus, in the opinion of the General Counsel, consistent with AO's 1979-41 and 1980-106, COFITE is a political committee.

In United States v. National Committee for Impeachment, 469 F.2d 1135 (2d Cir. 1972), with respect to groups operating independently of candidates or political parties, the court limited the definition of "political committee" to include "only committees soliciting contributions or making expenditures the major purpose of which is the nomination or election of candidates." 469 F.2d at 1141. The "major purpose test" has not been applied by the Commission in all circumstances. See e.g. AO 1979-41; AO 1981-35. However, whether or not the "major purpose test" is followed in this instance, in the opinion of the General Counsel COFITE is a political committee.

COFITE's purpose to see that Lyndon LaRouche was not successful in his campaign for the Democratic presidential nomination is apparent not only from the tone and timing of the COFITE ad but also from Our Town editorials and statements by Mr. Kayatt.

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Mr. Kayatt has presented the Commission with an affidavit dated February 4, 1980, in which he indicated his determination that Mr. LaRouche was not qualified to hold public office and his intent "to see that Lyndon LaRouche [was] defeated." ^{10/} The letter accompanying the affidavit indicated that the respondents' intent was to inform the public "about a particular candidate." (Emphasis added). Mr. Kayatt later explained in answer to interrogatories that his efforts directed at Mr. LaRouche's defeat consisted of the COFITE ad in Our Town and the New York Times. This purpose is further borne out by the FEC Form 5 filed on February 1980, at the height of activity by COFITE, in which Mr. Kayatt indicated that COFITE would make expenditures to defeat a candidate, and by a letter from counsel dated September 23, 1980, which stated that COFITE had solicited contributions and made expenditures "in an attempt to see that Lyndon LaRouche [was] defeated."

Further evidence of COFITE's purpose to influence the election is provided by its name, Committee Organized to Inform the Electorate, and by Mr. Kayatt's testimony that he chose the name to signify what he wished to accomplish. This purpose was

^{10/} As Mr. Kayatt essentially is COFITE, his statements of intention are attributable to COFITE.

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also stated in two fundraising editorials which appeared in Our Town in May of 1980:

COFITE (The Committee Organized for Informing The Electorate) was created to inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric. (Emphasis added).

(See Attachments 6 and 7).

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The actual COFITE ad, see Attachment 8, appeared in Our Town on February 24, 1980, and in the New York Times on February 26, 1980, the day of the New Hampshire primary. Its leading caption identified Mr. LaRouche as a Presidential candidate and the ad went on to state that he was vying for the Democratic presidential nomination and that he was on the ballot in New Hampshire. The ad referred to Mr. LaRouche's "electoral strategy for becoming a significant influence in U.S. politics" and stated: "The American public must not be deceived by LaRouche." (Emphasis added). It then proceeded to vilify Mr. LaRouche as a neo-Nazi and an anti-Semite with violent followers.

When asked in the course of his deposition specifically about his efforts to see that Lyndon LaRouche was defeated, Mr. Kayatt tried to play down these efforts and emphasize his concern about the use of taxpayers money for matching funds for Mr. LaRouche. See pp. 9-10, supra. However, statements of the purpose

of COFITE made at the height of COFITE's activity are a better indicator of its purpose than statements made recently. As recapitulated, supra at 15 - 16, these included several statements indicating COFITE's purpose either to defeat Lyndon LaRouche or to warn voters about the menace he posed. Moreover, the accuracy of Mr. Kayatt's statements down playing his attempt to defeat Mr. LaRouche is undercut by other statements made by him during the course of the deposition indicating his concern over the possible success of Mr. LaRouche's candidacy. Thus, Mr. Kayatt talked about not wanting to see Mr. LaRouche as a candidate for office or President of the United States. See pp. 9, 10, supra. Additionally, Mr. Kayatt appears to have been aware of National Committee for Impeachment, see p. 9 & n.9, supra, and may have been attempting to frame his answers to conform with its ruling.

While part of Mr. Kayatt's concern clearly was about the use of taxpayers' dollars for matching funds for Mr. LaRouche, a major element of that concern appears to have been that matching funds would aid Mr. LaRouche's campaign and that his qualification for matching funds would legitimize his candidacy in the eyes of the voters. 11/ This concern was overt in the

11/ If Mr. Kayatt's main aim was to let taxpayers know of the misuse of their tax dollars, as opposed to warning voters about Mr. LaRouche, his committee's name which he considered significant would more appropriately have been Committee for Informing the Taxpayers.

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first Our Town editorial: "The FEC action will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position." (See Attachment 1). Moreover, it was repeated in the COFITE ad. (See Attachment 8). In this context, Mr. Kayatt's concern about Mr. LaRouche's qualification for matching funds is inseparable from his concern about stopping the LaRouche candidacy.

In a variety of ways and repeated instances Mr. Kayatt has shown that the audience he was attempting to reach through COFITE was voters and that his purpose was to provide information to these voters to influence them against the candidacy of Lyndon LaRouche. Thus, COFITE is a political committee.

COFITE has never filed a registration statement nor any reports except for the FEC Form 5. Therefore, the General Counsel recommends that the Commission find probable cause to believe that COFITE violated 2 U.S.C. §§ 433(a) and 434(a)(4).

B. Violations of 2 U.S.C. § 441b(a) by Manhattan Media Corporation

Pursuant to 2 U.S.C. § 441b(a) corporations are prohibited from making any contribution or expenditure in connection with any Federal election. For purposes of § 441b the term "contribution or expenditure" is defined to include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value to any person in connection with any Federal election. See 2 U.S.C. § 441b(b)(2); 11 C.F.R. §§ 114.1(a)(1) and 114.2(b). The Act excludes from the

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definition of "expenditures":

any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate

(2 U.S.C. § 431(9)(B)(i)).

The regulations provide for a similar exclusion from the definition of contributions. See 11 C.F.R. § 100.7(b)(2)..

As has been discussed previously, Our Town published editorials soliciting funds for the New York Times ad. Additionally, Manhattan Media Corporation paid approximately \$5,000 of the cost of the New York Times ad and gave COFITE free space in Our Town for at least one similar ad (space worth roughly \$1,600 according to Mr. Kayatt's estimate); Manhattan Media Corporation also gave COFITE a check for \$619. All of this was in connection with the anti-LaRouche advertising placed at the beginning of the 1980 primary season when Mr. LaRouche was a candidate for the Democratic presidential nomination. Each of these outlays of funds and space on the part of Manhattan Media Corporation was by its timing and content connected with the 1980 presidential primary elections and constitutes a prohibited corporate contribution to COFITE unless the "press exemption" is applicable.

In limiting the press exemption to media operations not "owned or controlled by any political party, political committee, or candidate", Congress was restricting its operation to bona

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fide news publications. See H.R. Rep. 1438 (Committee of Conference), 93d Cong., 2d Sess. 83, 85 (1974); Cf. 93 CONG. REC. 6436-40 (1947). Mr. Kayatt's activities on behalf of COFITE simultaneous with his ownership of Manhattan Media Corporation do not, in the General Counsel's view, serve to remove the corporation from the protection of the exemption, particularly when Our Town was in existence as a bona fide newspaper for over 10 years prior to the existence of COFITE. To hold otherwise would have a chilling effect upon all established newspapers every time one of their editors or owners became independently involved in the operation of a political committee.

The press exemption "assures the unfettered right of the newspapers, TV networks, and other media to cover and comment on political campaigns." H.R. Rep. No. 1239, 93d Cong., 2d Sess. 4 (1974) (emphasis added). It is designed to protect the "press entity's legitimate press function", but does not automatically exempt from the coverage of the Act any activity by a media corporation. See Reader's Digest Association v. Federal Election Commission, 509 F. Supp. 1210 (S.D.N.Y. 1981).

"Editorials" are specifically mentioned in the press exemption and fall squarely within the protected area for political comment. Editorials endorsing candidates are a traditional press function and even editorials recommending that contributions be sent to candidates are protected. See MUR 852;

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AO 1980-109. Thus, in the General Counsel's view, the editorials and notices in Our Town asking for funds for COFITE, a separate organization, fit within the area of editorial privilege and do not constitute prohibited corporate contributions.

The press exemption for editorials and commentary does not extend to the free provision of advertising space in a newspaper. Cf. AO 1978-45. In the opinion of the General Counsel, the COFITE advertisement in Our Town similar to that placed in the New York Times, see Attachment 8, is appropriately characterized as an advertisement and not as an editorial or commentary. The ad appeared in Our Town after the formation of COFITE and it is sponsored by COFITE. It contains a coupon to assist in collecting contributions for COFITE, and even though Mr. Kayatt acknowledged that neither he nor COFITE ever paid for any space in Our Town, it states at the end; "This advertisement was paid for by COFITE." (Emphasis added). Nowhere is it captioned as an editorial. Additionally Mr. Kayatt referred to this as an advertisement in his response to interrogatories, and in his deposition testimony he distinguished between this advertisement and editorials and notices in Our Town requesting funds for COFITE. Therefore, the General Counsel recommends that the Commission find probable cause to believe that Manhattan Media Corporation violated 2 U.S.C. § 441b(a) in providing free space in Our Town for the COFITE advertisement.

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The ad in the New York Times is neither a news story, a commentary, or an editorial in Our Town. Thus, it does not fit within the plain language of the press exemption. Moreover, the ad was sponsored by COFITE, Our Town is barely mentioned in the ad, and Mr. Kayatt has stated that the purpose of the ad was not to promote Our Town, distinguishing this situation from MURs 296, 1051 and 1283 in which the Commission found no violation of the Act where media corporations placed ads mentioning candidates in other media in order to promote their own publications. See also Reader's Digest Association, supra. As the New York Times ad does not promote Our Town, does not fit within the language of the press exemption, and does not otherwise appear to be part of Manhattan Media's legitimate press function, the General Counsel recommends that the Commission find probable cause to believe that the \$5,000 payment towards the ad by Manhattan Media Corporation constituted a violation of 2 U.S.C. § 441b(a).

The \$619 check from the Manhattan Media Corporation account to COFITE was a transfer of initial funds collected for the COFITE ad. (The original editorials in Our Town asked that funds be sent to Our Town). As such, it cannot be considered payment for a cost incurred in presenting a news story, commentary or editorial. Therefore, the General Counsel recommends that the Commission find probable cause to believe that Manhattan Media Corporation violated 2 U.S.C. § 441b(a) by the issuance of

the check for \$619 to COFITE. 12/

As discussed previously, Mr. Kayatt is the sole owner of Manhattan Media Corporation. According to him he has never had a personal checking account in the entire time Our Town has been in existence and all his personal expenses have been paid for by Manhattan Media Corporation and charged against his salary. This suggests that Manhattan Media Corporation might argue with regard

12/ In AO 1980-109 the Commission determined that commentary by Mr. Ruff in The Ruff Times endorsing James Hansen as a candidate and urging that contributions be sent to Mr. Hansen would fall within the press exemption and would not constitute a contribution to Mr. Hansen's campaign. However, the Commission stated:

This conclusion is based on the assumption that the solicitation of contributions will not involve any arrangement whereby either Mr. Ruff, The Ruff Times, or Target Publishers would become a conduit or intermediary for a contribution made by an individual - contributor to Mr. Hansen's campaign committee.

(AO 1980-109 at 2).

Editorials in Our Town requesting that contributions be sent to Our Town as opposed to COFITE for an ad to be placed in the New York Times arguably place Our Town in the position of being a conduit or intermediary and conceivably might not be covered by the press exemption. Cf. AO 1976-29. However, as the General Counsel has recommended that the Commission find a violation of 2 U.S.C. § 441b(a) with regard to the \$619 raised by the initial editorials, and as the dollar amount concerned for the editorial space would be small in comparison to the total amount involved in other violations recommended by the General Counsel, the Commission need not reach this issue. In light of the fact that the editorials did not expressly advocate the election or defeat of a candidate, as well as the first amendment sensitivity involved in distinguishing exempt and non-exempt editorials under the Act this appears to be the preferred course in this instance.

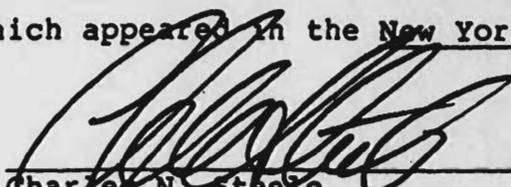
02040362502

to the payments discussed, supra, that these should be deemed as comparable to those from a non-repayable corporate drawing account considered personal in nature and hence permissible. However, in the absence of any showing of strict accounting for such expenses and their deduction against a set salary at the time of occurrence, the General Counsel recommends that the Commission find probable cause to believe that the payments by Manhattan Media Corporation constituted corporate contributions to COFITE in violation of 2 U.S.C. § 441b(a).

III. General Counsel's Recommendations

1. Find probable cause to believe that Edward R. Kayatt and COFITE violated 2 U.S.C. § 433(a) by failing to register COFITE as a political committee.
2. Find probable cause to believe that Edward R. Kayatt and COFITE violated 2 U.S.C. § 434(a)(4)(A) by failing to file reports of receipts and expenditures by COFITE.
3. Find probable cause to believe that Manhattan Media corporation violated 2 U.S.C. § 441b(a) by making contributions to COFITE consisting of a check for \$619, providing free space in Our Town for an advertisement by COFITE, and paying approximately \$5,000 for an advertisement which appeared in the New York Times.

20 May 1982
Date


Charles N. Steele
General Counsel

Attachments

- 1 - 7. Editorials and notices from Our Town (7 pages)
8. COFITE advertisement which appeared in the February 24, 1980 edition of Our Town (1 page)

02040302503

OUR

VOL. 10 - NO. 28

TOWN

DECEMBER 30 thru JANUARY 5, 1980

62040362504

Editorial

Taxpayer's money for fascism?

Carrying civil liberties to a bizarre extreme, the Federal Elections Commission announced Dec. 18 that Federal matching funds will be granted to Lyndon LaRouche in his campaign for President in 1980. This means that taxpayers' money will go toward furthering the propagation of the neo-Nazi, anti-semitic ideology espoused by LaRouche and his U.S. Labor Party.

The decision, made at a closed-doors meeting, seems strange in view of the litigation still going on in the courts over the FEC's denial of matching funds to LaRouche in 1976. The funds were denied on the basis of an FEC investigation which turned up serious questions as to the completeness of financial reports sub-

mitted by the LaRouche organization in its 1976 application. The FEC had to resort to a subpoena—resisted by the LaRouche people—to obtain the financial records of the organization.

The FEC action will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position.

We think the granting of the funds merits close inspection, and suggest a congressional investigation. We ask our readers to write their Congressmen demanding that Congress act to hold up the matching funds for LaRouche until a thorough investigation is conducted.

So that we can spread the word of this alarming situation to a wider audience, we are inviting donations toward the cost of a full-page advertisement in The New York Times. Phone us at 472-3535 if you can help.

OUR TOWN

62040362505

VOL. 19 - NO. 37

JANUARY 6 thru JANUARY 12, 1980

SCRUTINY NEEDED

Lyndon LaRouche's success in qualifying for federal matching funds in his bid for the Democratic Party nomination for President in 1980 points up the growing menace of the neo-nazi, anti-semitic ideology of his U.S. Labor Party.

We believe the activities of LaRouche and his cult, as detailed in the ten part series of articles by Dennis King published in Our Town in 1979, call for a full congressional investigation. We urge our readers to join us in calling on our representatives in Congress to see that such an investigation is launched. Write to:

- Senator Jacob Javits, 110 E. 45th St., NYC 10017.
- Senator Daniel P. Moynihan, 733 Third Ave., NYC 10017.
- Representative S. William Green, 1628 Second Ave., NYC 10028.
- Representative Theodore Weiss, 37 W. 65th St., NYC 10023.
- Representative Charles D. Rangel, 55 W. 125th St., NYC 10027.

For a wider public awareness of the threat to society represented by LaRouche and his followers, we propose a full-page advertisement in the New York Times. Contributions for this purpose may be sent to: Our Town, 500 E. 62nd St., NYC 10022. (On reverse side of check print, "New York Times Ad Fund.")

NOTICE

In order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible, we plan to take a half-page ad in the New York Times, rather than wait to collect enough money for a full-page ad as originally planned.

If anyone who contributed towards a full-page ad would like their money back, they may write to Our Town, 500 E. End St., NYC, for a refund. If this should leave insufficient funds to cover the cost of the half-page, we pledge to advance the difference so that the ad can be published. Further contributions are solicited.

Our Town, January 27, 1950

Page 1
Attachment 3

14

FEBRUARY 3, 1980 / OUR TOWN /

NOTICE

In order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible, we plan to take a half-page ad in the New York Times, rather than wait to collect enough money for a full-page ad as originally planned.

If anyone who contributed towards a full-page ad would like their money back, they may write to Our Town, 500 E. 82nd St., NYC, for a refund. If this should leave insufficient funds to cover the cost of the half-page, we pledge to advance the difference so that the ad can be published. Further contributions are solicited.

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Attachment 4

OUR TOWN

FEBRUARY 17 thru FEBRUARY 23, 1980

NOTICE

In order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible, we plan to take a half-page ad in the New York Times, rather than wait to collect enough money for a full-page ad as originally planned.

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Further contributions are solicited.

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OUR TOWN, 5/11/80

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COFITE funds-

COFITE (The Committee Organized For Informing The Electorate) was created to inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric.

To date, COFITE has raised \$3,154. Of this amount approximately \$1,100 came in response to an ad placed in the Feb. 26 New York Times. Our Town readers have contributed about \$2,000.

The ad in the Times has cost COFITE \$8,615. This has resulted in a deficit of approximately \$5,500.

According to the Federal Elections Commission, LaRouche's campaign contributions through February, 1980, amounted to \$34,572 in New York State alone. This sum included only contributions of more than \$200.

Readers interested in spreading the word on the real LaRouche are asked to send their contributions to COFITE, 500 E. 82nd St., NYC 10028.

...signature, from irate citizens' ...
... all the Muggings and Failed Muggings for the
public's education and awareness. We, the People, ought to
know we have no protection. Must we be armed to be able to
walk our streets? God forbid!

Ben Ganz
Manhattan

GIVE ME YOUR TIRED. . .

Maybe I wasn't paying attention to the news lately; but
does somebody know how many Cuban refugees are going to
settle down in Washington, D.C., and Plains, Georgia?

S. P. Neves
East 88th St.

FREEDOM OF EXPRESSION

WNET has my total support for showing "Death of a Prin-
cess." We, as Americans, would be giving up our freedom of
speech and expression if we would give in to the oil blackmail
of religious leaders of a country because they didn't like
someone's opinion of their lifestyle.

That's what's so wonderful about this country. We can
hear so many views of one subject, leaving us the freedom of
choice to decide which view we ourselves accept. I refuse to
surrender my precious freedom for oil, and anyone who wants
to should stop, and take a good look at what they are giving
up, and what they will get in return.

Again, support WNET on their stand for freedom of ex-
pression. One Russia is enough.

Joseph Zinzi, Jr.
Manhattan

COOPERATION ASKED

I am a responsible, mature adult female who bicycles from
home near Prospect Park, Brooklyn, to work on East 21st
St, Manhattan. I do not excuse bicyclists from common
sense or traffic laws. If pedestrians would also cooperate,
no one might be hurt, and bikers might use offense as a defense
less frequently. No sane cyclist deliberately hits a pedestrian,
and the cyclist runs an equal risk of injury to himself or
herself, and possible damage to the bike as well.

... the recent quick decision of the UN Security Council to
pass a resolution criticizing the state of Israel, while at the
same time deliberately omitting the ruthless murder of
hundreds of innocent Israeli children, women and men by the
PLO terrorists, clearly proves that the cards are stacked
against her.

Can anyone blame Israel for being against the pro-PLO
Palestinians having total control of the land in the West
Bank? Public opinion throughout the world must realize that
Israel will not receive any support from the members of the
Security Council, with the exception of the United States.

It is evident that the Security Council does not consider the
murder of Israeli people a violation of its rules.

Abraham Berkowitz
Flushing

COFITE funds

COFITE (The Committee Organized For Informing
The Electorate) was created to inform voters about the
real neo-Nazi, antisemitic program of Lyndon
LaRouche, founder and leader of the U.S. Labor Party.
LaRouche, in campaigning for the Democratic
presidential nomination, has attempted to conceal his
true positions. COFITE's purpose has been to reveal
the truth behind the campaign rhetoric.

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According to the Federal Elections Commission,
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This sum included only contributions of more than
\$200.

Readers interested in spreading the word on the real
LaRouche are asked to send their contributions to
COFITE, 500 E. 82nd St., NYC 10028.

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Under Delaware law, a privately held ...

Our Town
May 25, 1980

Attachment 7

Feb 24, 1980
in
Dix
Town

"The use . . . of anti-Jewish hate propaganda, the injection of anti-Semitic poison into the American political bloodstream, adds an extra and insidious dimension to the bizarre con-

spiracy theories and political hallucinations of the Klu Klux Klans."

8

—Anti-Defamation League, July 24, 1971

\$327,864.01 of your tax dollars have already been given to the United States Labor Party founder, Lyndon H. LaRouche, for his campaign for President of the United States.

Meeting behind closed doors on Dec. 18, the Federal Elections Commission approved matching funds for the Presidential campaign of Lyndon Hermyla LaRouche, founder of the anti-Semitic U.S. Labor Party. As of last week, LaRouche has received \$327,864.01.

anti-apartheid groups in the United States for the Bureau of State Security of South Africa.

—New York Times, October 7, 1971

LaRouche's success with the FEC boasters, to an alarming degree, this would-be autocrat's electoral strategy for becoming a significant influence in U.S. politics. Last fall, LaRouche declared himself a Democrat and prepared to enter several Presidential primaries. In the New Hampshire contest, his efforts are comparable to those of the major candidates.

Discipline in the NCLC — cadre organization of the USLP is strict and dissenters from LaRouche's particular brand of orthodoxy are dealt with severely . . . The father of an NCLC member, who was attempting to persuade his daughter to leave the organization was greeted one morning by a hearse whose driver and attendant had been told "to pick up the body," an unmistakable threat.

—National Review, March 30, 1976

The aims and tactics of LaRouche's organization are exhaustively described in the on-going eleven part series by Dennis Klag in Our Town News, the Manhattan weekly. Additional facts have been presented in a recent New York Times series and in the 18-page report released by the Anti-Defamation League last November.

Meetings of (rival) groups have been disrupted and members have been assaulted. In order to avoid becoming the kind of "soft" organization it views these groups to be, and as part of LaRouche's beliefs concerning psychology, the NCLC has subjected several of its own doubting members to severe psychological "reprogramming," locking them in rooms for several days to do so. These acts against its own members and others are consistent with the aggressive and highly antagonistic tone the NCLC takes towards persons it perceives to be its opponents. NCLC members have acquired weapons, and efforts have been made to instruct members in military drill . . . It is reasonable to expect that acts of force and violence will continue and, perhaps, take different directions.

—Harold R. Taylor, Jr.

(in his capacity as Acting Attorney General of the United States)
August 19, 1976

But the most disturbing developments in LaRouche's drive for national influence stem from the FEC's matching funds approval. Following the FEC decision, LaRouche bought national television advertising spots on ABC and NBC (Jan. 20 and 27). He soft peddled the party's extremist ideology and talked instead about world peace, morality the nation's need for a gold-based economy . . . and his own need for campaign donations.

The Jan. 27 LaRouche TV advertisement also emphasized his success in gaining matching funds, implying that the FEC's decision is proof of his political legitimacy.

The activities of LaRouche can not be dismissed as mere eccentricity. Adolph Hitler began his rise to power with even fewer followers. Too often LaRouche's solutions have included "gang assaults" on opponents. In our opinion, these incidents are a harbinger of future attacks on Jews, Blacks, Catholics and anyone who disagrees with the USLP ideology. The FEC's approval of matching tax-dollars for LaRouche must be condemned by the public. LaRouche has a right to freedom of speech; he should not have a right to use the taxpayer's money in pursuing his ethnic demagoguery.

LaRouche uses his matching funds to launch fundraising appeals on television which lead to further matching funds and further television appeals — and all on a scale far out of proportion to his initial political support. Using this technique, LaRouche can theoretically receive up to \$6.5 million in Federal matching funds.

The American public must not be deceived by LaRouche. In recent articles in USLP publications, LaRouche has described Adolf Hitler's murder of 6 million Jews as "mythical" and a "delusion of the American Zionist." He has warned his followers about the Elders of Zion, an alleged conspiracy of Jewish bankers to control the world. He has branded the B'nai B'rith as a "treasonous conspiracy against the United States," claiming that it "resurrects the tradition of Jews who demanded the crucifixion of Jesus Christ."

WHAT CAN YOU DO?

1. Write your Congressman and Senator. Demand a reversal of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$30,000) matching grant to LaRouche. These commissioners are Joan Alkana, Thomas Harris, Frank Reiche, and Robert Tiernan; all c/o Federal Election Commission, 1325 K St. NW, Washington D.C. 20463.
3. Help us raise the funds needed to place this ad and other ads in newspapers around the country. Send us \$1 or \$2 or more if you can afford it. Every bit helps. We have put a coupon in this ad for your convenience.

The USLP has slavishly followed the thoughts of Chairman LaRouche. It has joined with the Liberty Lobby (a longtime anti-Semitic organization) to harass the Anti-Defamation League of B'nai B'rith via a committee to "Clean Up the ADL" and nuisance lawsuits. The party has also attacked the Justice Dept's Nazi War Crimes prosecution unit, claiming it was established to "get LaRouche." And an official party statement has denounced the Holocaust curriculum in New York City's public schools as "filth," urging "disciplinary action" against any school which dares to teach about the genocidal crimes of the Nazis.

SOME INFORMED SOURCES ON LAROUCHE & CO. . . . a small but well-financed extremist political group, the U.S. Labor Party which has a history of violence and hate propaganda . . . The party literature attacks respected Jewish organizations and individuals. The party blames drug traffic on an elaborate international Zionist and British conspiracy — a conspiracy federal drug enforcement officials call "absolutely unfounded."

—Detroit Free Press, August 26, 1979

Along the way according to former party members and, in some cases to party publications, internal party records and law enforcement officials — members of the (USLP) have initiated gang assaults at rivals' meetings, taken courses in the use of knives and rifles at an "anti-terrorist" school and produced private intelligence reports on

TO: COFITE (Committee Organized For Informing The Electorate)
600 East 82 Street, New York City, New York 10028
I will contact my Congressman and/or Senators. I am enclosing a contribution to help defray the cost of similar ads in newspapers throughout the country.

Permission Hereby Granted for Duplication of This Message

NAME _____

ADDRESS _____

Contribution Enclosed \$_____. Make check or Money Order payable to COFITE. This communication is not authorized by any candidate. This advertisement is paid for by COFITE (Committee Organized For Informing The Electorate).

Attachment 8

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE *mwE*
FROM: MARJORIE W. EMMONS / JODY C. RANSOM *JCR*
DATE: MAY 7, 1982
SUBJECT: MUR 1137 - Comprehensive Investigative
Report #2 signed May 6, 1982; Received
in OCS, 5-6-82, 11:20

The above-named document was circulated to the
Commission on a 24 hour no-objection basis at 4:00,
May 6, 1982.

There were no objections to the report at the time
of the deadline.

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These have the same characteristics as
found at Birmingham in the Birmingham area. The
system is the same.

At
Col. Cannon

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of)
Edward R. Kayatt)
Committee Organized for)
Informing the Electorate)
Manhattan Media Corporation)

MUR 1137

82 MAY 6 11: 28

Comprehensive Investigative Report # 2

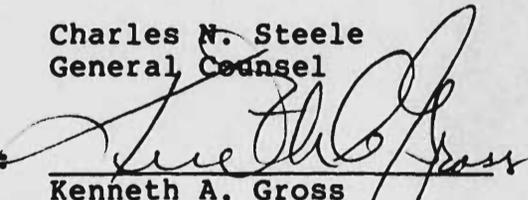
This matter stems from a complaint filed by Citizens for LaRouche concerning certain anti-LaRouche advertisements that appeared in the New York Times and a weekly newspaper published by respondent Manhattan Media Corporation called Our Town. The allegations involve possible violations of the registration and reporting provisions of the Act and of 2 U.S.C. § 441b.

At the Commission meeting of April 14, 1982, staff advised the Commission orally that we anticipated being able to circulate a factual and legal analysis of the case within three weeks, i.e. by May 5. Due to the fact that this case involves several legal issues each of which turns upon a distinct set of facts, several discussions have been required among staff to determine what recommendations to make, and more time has been required than previously anticipated. Our revised estimate is that our analysis will be circulated within two weeks, i.e. by May 19, 1982.

02040362514

May 6, 1982
Date

Charles N. Steele
General Counsel

By 
Kenneth A. Gross
Associate General Counsel



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *we*
FROM: MARJORIE W. EMMONS/JODY CUSTER *jc*
DATE: FEBRUARY 18, 1982
SUBJECT: MUR 1137 - Comprehensive Investigative Report
dated 2-12-82; Received in OCS, 2-16-82,
4:40

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 11:00, February 17, 1982,

There were no objections to the Investigative Report at the time of the deadline.

62040362515

February 16, 1953

MEMORANDUM TO: Marjorie W. Ruskas
FROM: George Danegood
SUBJECT: MUR 1137

Please have the attached Comprehensive Investigative Report distributed to the Commission on a 24 hour no-objection basis. Thank you.

Attachment

82040362516

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

82 FEB 16 P 4: 40

In the Matter of)
)
Edward R. Kayatt)
Committee Organized for)
Informing the Electorate)
Manhattan Media Corporation)

MUR 1137

COMPREHENSIVE INVESTIGATIVE REPORT

This matter arises out of a complaint filed by Citizens for LaRouche. It concerns anti-LaRouche advertisements which appeared in both the New York Times and Our Town, a weekly newspaper published by respondent Manhattan Media Corporation. Other respondents are the Committee Organized for Informing the Electorate (COFITE) and Edward R. Kayatt. Mr. Kayatt is the president of Manhattan Media Corporation, the publisher and editor of Our Town and the Chairman of COFITE.

The complaint basically alleged that respondents Manhattan Media Corporation and Edward Kayatt were acting as a "political committee" by soliciting funds in the editorial pages of Our Town to pay for an advertisement in the New York Times for the purpose of defeating Lyndon LaRouche in his campaign for the Democratic Presidential nomination. 1/ After the complaint was sent to

1/ The complaint also included allegations against a freelance reporter, Dennis King, who authored and helped to publicize a series of articles critical of LaRouche which appeared in Our Town. However, Mr. King's activities would appear to fall within the news exception to expenditures contained in 2 U.S.C. § 431(9)(B)(i), and the Commission found no reason to believe that Mr. King violated the Act.

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the initial respondents, their attorney replied denying the allegations in the complaint largely on the basis of the news exception to expenditures contained in 2 U.S.C. § 431(9)(B)(i). However, this response also contained an affidavit from Mr. Kayatt in which he referred to his "...efforts to see that LYNDON LAROCHE is defeated and that the public is made aware of his activities in the past...." Soon afterwards, Mr. Kayatt filed an FEC Form 5, Report of Independent Expenditures, in the name of COFITE indicating that it had received \$619 in contributions and had made no expenditures. No further filings have been made on behalf of COFITE.

As exhibits to the complaint, the complainant included editorials from Our Town critical of the granting of matching funds to LaRouche. The complainant later sent the Commission several other excerpts from Our Town, all referring to raising money for an advertisement in the New York Times concerning LaRouche, and a copy of the advertisement which appeared in the New York Times on February 26, 1980. The General Counsel's Office also received from the Press Office a copy of an advertisement apparently identical in wording to the New York Times ad which appeared in the February 24 - March 1, 1980 edition of Our Town. Both ads state that LaRouche has been given over \$300,000 for his Presidential campaign. They mention that LaRouche is a Democratic candidate, discuss matching funds at some length, and also discuss LaRouche's alleged anti-semitism, comparing him to Hitler. Both ads state that they were paid for

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by COFITE. While early excerpts from Our Town referred to efforts by the paper to raise money for a New York Times ad, later excerpts referred to fundraising efforts by COFITE. they indicated that the New York Times advertisement had cost over eight thousand dollars and that COFITE had raised over three thousand dollars. A question thus raised was whether Manhattan Media Corporation had received contributions or subsidized or made expenditures in connection with the advertisements.

Based on the information then available, the Commission on September 3, 1980, found reason to believe that both Edward Kayatt and COFITE violated 2 U.S.C. §§ 433 and 434 for failure to register COFITE as a political committee and for failure to file required reports. The Commission also found reason to believe that Manhattan Media Corporation, trading as Our Town, had violated 2 U.S.C. § 441b by making contributions or expenditures in connection with a federal election.

In response to the reason to believe notification, counsel for Mr. Kayatt and the Manhattan Media Corporation wrote an ambiguous letter indicating they were "willing to enter into 'informal' conciliation" but stating they were "unwilling and unable...to admit any violation...." The letter also stated "we are willing to produce whatever documents that you require."

As the information available was not sufficient to make a further determination as to whether any violations had been committed, questions and request for documents were sent to Mr. Kayatt through counsel. For the next few months respondents'

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counsel kept promising to provide the requested information but failed to do so. The requests were reissued in subpoena form, and Mr. Kayatt finally responded. His response was inadequate to resolve the matter, however, in that his answers to some questions were ambiguous and in some instances seemingly contradictory. He also failed to include any of the subpoenaed documents, but indicated with regard to some of them that he was unable to find them.

Because of the continuing problems in obtaining adequate information from Mr. Kayatt, the General Counsel recommended to the Commission that he be deposed; on November 2, 1981, the Commission voted to issue Mr. Kayatt a subpoena for his deposition. The deposition was originally scheduled for November 30, 1981, but was changed to December 16, 1981, because Mr. Kayatt was traveling until December 13, 1981.

Mr. Kayatt arrived for his deposition without counsel and responded openly to questions. In the course of the deposition he indicated that he had been unable previously to locate requested documents because he had moved his offices, and materials remained unsorted in boxes for months afterwards. However, he indicated a current willingness to supply any further requested documentation without the necessity of a further subpoena. Mr. Kayatt also indicated that he wished to see the transcript of his deposition and would not waive signature.

After the deposition, Mr. Kayatt called members of the General Counsel's staff about the documents he agreed to supply.

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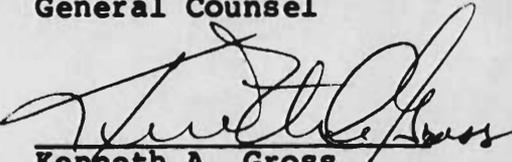
On January 11, 1982, the General Counsel's staff received the deposition from the court reporter, and on January 18, 1982, the requested documents were received from Mr. Kayatt. After a telephone conversation with Mr. Kayatt on January 19, 1982, in which Mr. Kayatt indicated there were some factual errors in his deposition testimony, a copy of the deposition was sent to Mr. Kayatt for corrections and signature. 2/

Our office is preparing briefs containing our recommendation as to whether there is a probable cause to believe any violations occurred. This case presents some rather complex issues, such as whether the activities here in question were for the purpose of influencing a federal election and whether the newspaper exemption of 2 U.S.C. § 431(9)(B)(i) applies. It is our intent to have briefs to the Commission within 30 days.

02040362521

Feb 12, 1982
Date

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

2/ Mr. Kayatt has informed the General Counsel's staff that until further notice he is no longer being represented by counsel in this matter and that he wishes to be contacted directly.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 20, 1982

Mr. Edward R. Kayatt
c/o Galt Ocean Motel
Galt Ocean Drive
Fort Lauderdale, Florida 33308

RE: MUR 1137

Dear Mr. Kayatt:

Enclosed is a copy of your deposition, taken on December 16, 1981, which is being sent to you for any corrections you may have and your signature. As we have mentioned to you previously, the deposition must be signed within thirty days of your receipt of this letter. If the signed deposition has not been returned within that time, it may be used as though signed pursuant to Rule 30 of the Federal Rules of Civil Procedure and Commission regulation 11 C.F.R. § 111.12(c).

If you have any corrections of only a word or two, they may be made on the copy of the deposition. Please date and initial all corrections on the deposition, and please note the page and line numbers of all corrections on a separate signed sheet of paper.

If you have any corrections of more than a word or two, please do not make the corrections on the deposition itself. On a separate sheet of paper, note the page and line numbers to be changed and quote the precise language you wish to change. Then on the same sheet of paper (or a continuation if necessary) state in detail any correction you wish to make. Again, please sign and date any corrections.

It is our understanding from your telephone conversations of January 19, 1982, with Anne Cauman (the first conversation having

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Letter to Edward R. Kayatt
Page 2

been initiated by you), that you are no longer represented by counsel in this matter. Until receipt of contrary notice from you in writing, we will continue to communicate with you directly.

If you have any further questions, please feel free to contact Ms. Cauman at (202) 523-4000.

Sincerely,



Scott E. Thomas
Assistant General Counsel

Enclosure: Deposition with 10 exhibits

62040362523

2 APPEARANCES:

3 ANNE CAUMAN, ESQ.

4 SCOTT E. THOMAS, ESQ.

Attorneys for Federal Election Commission

1325 K Street, N.W.

5 Washington, D.C. 20463

6 EDWARD R. KAYATT,

7 Respondent

8 * * *

9 MILLERS FALLS

10 ERASE

11 COTTON CONTENT

12 IT IS HEREBY STIPULATED AND AGREED

13
14 by and between the attorneys for the re-
15 spective parties herein, that the sealing,
16 filing and certification of the within
17 deposition be waived; that such deposition
18 may be signed and sworn to before any officer
19 authorized to administer an oath, with the
20 same force and effect as if signed and sworn
21 to before a Justice of this Court.

22 IT IS FURTHER STIPULATED AND AGREED

23 that all objections, except as to form, are
24 reserved to the time of trial.

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2 EDWARD R. KAYATT, called
3 as a witness, having been first duly sworn
4 by the Notary Public, was examined and testified
5 as follows:

6 DIRECT EXAMINATION

7 BY MR. CAUMAN:

8 Q Mr. Kayatt, you are not represented here by
9 counsel today, is that correct?

10 A That's correct.

11 Q You are aware that you had a right to be
12 represented by counsel?

13 A I was aware, yes.

14 Q Let me just clarify, are you still retaining
15 counsel and represented by counsel with regards to this
16 matter for the future?

17 A If I find it necessary.

18 Q At this point, if we wanted to contact you
19 next, are we to contact you through your counsel?

20 A Yes, you may.

21 Q Would you please state your name for the
22 record.

23 A Edward R. Kayatt.

24 Q And your present home address.

25 A 445 East 86th Street, New York City, 10028.

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1 jsjl Kayatt-direct 4

2 Q What did you do to prepare for this deposition?

3 A Nothing.

4 Q What is your present occupation?

5 A I publish Our Town Newspaper.

6 Q How long have you published Our Town?

7 A It's going on twelve years.

8 Q Is that how long Our Town has been in existence?

9 A Yes.

10 Q Did you also found Our Town?

11 A Yes, I did.

12 Q Are you also the editor of Our Town?

13 A I guess you can say I'm also the editor, more in

14 title -- well, at certain points I have more input into

15 the paper than other points. That's probably the best

16 way I can answer you, as being editor in name only or

17 editor on the masthead.

18 Q What are your responsibilities as publisher of

19 Our Town?

20 A Overall general -- from general management to

21 the production, to the delivery, to the advertising. I don't

22 sell advertising directly, but our total existance is based

23 on advertising. We do not sell the paper. It's given

24 away free.

25 Q How is it given away?

1 jsjl Kayatt-direct

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2 A We distribute it by means of two independent
3 contractors who deliver it to mail rooms of doorman build-
4 ings so that we can get into the inner lobbies, banks and
5 some supermarkets.

6 Q Roughly what is your present circulation?

7 A About 110,000 weekly.

8 Q Has that been the present circulation for the
9 last few years?

10 A No. It was higher. We cut back within the last
11 eight months or so.

12 Q Why did you cut back?

13 A Economically.

14 Q What was it in the middle of '79, if you
15 remember?

16 A Between 135 and 150 thousand, somewhere in that
17 figure, probably close to 135,000.

18 Q Did it stay at that figure for, say, another
19 year?

20 A Yes, it did.

21 Q At least another year?

22 A Yes.

23 Q And then the cutback is fairly recent.

24 A Within the last eight months, I'd say.

25 Q Who owns Our Town?

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1 ljsjl Kayatt-direct 6

2 A I do.

3 Q Do you own this personally?

4 A It's a corporation. But I'm -- the corporation

5 is just a matter of what normal business --

6 Q What is the corporation called?

7 A Presently or at the time that this took place?

8 Q Presently.

9 A Presently it's East Side/West Side Communica-

10 tions Corporation. And at the time that this took place

11 it was Manhattan Media Corporation.

12 Q When did that name change occur, if you remember?

13 A In December of 1980.

14 Q No one else owns Manhattan Media.

15 A No.

16 Q You are the sole owner of what was Manhattan

17 Media and is now East Side/West Side Communications.

18 A Yes.

19 Q Are there any officers of the corporation?

20 A Yes, there are.

21 Q Could you name them, please, and their positions.

22 A Richard Kayatt as president.

23 Which corporation are we talking about now?

24 Q Manhattan Media.

25 A Manhattan Media, to tell you the truth, I think

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1 jsjl Kayatt-direct 7

2 I was the only officer of Manhattan Media. I'm not
3 quite sure.

4 Q Since it's become East Side/West Side
5 Communications?

6 A Richard A. Kayatt and myself. He's president
7 and I'm vice president and secretary. I believe he's
8 president and treasurer.

9 Q But as far as you can remember, while it was
10 Manhattan Media, you were the only officer?

11 A During the time -- he was an officer going back
12 to the inception of the Manhattan Media. He had left the --
13 he had not been with me -- I think what you're really
14 interested in is during the time of this matter. During
15 that time he was not an officer of the corporation.

16 Q When you say "he," you are referring to Richard --

17 A I'm referring to Richard A. Kayatt, yes.

18 Q Are you aware of an organization called the
19 Committee Organized for Informing the Electorate?

20 A Yes, I am.

21 Q Let me ask you a question about it. Is it
22 properly called Committee Organized for Informing the
23 Electorate?

24 A It's supposed to be COFITE. I think there were
25 some words or letters that were changed about. But

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supposedly for COFITE.

Q For the future I will be referring to it as COFITE.

A Okay.

Q What is your connection with COFITE?

A I'm COFITE.

Q How did you start COFITE?

A We had published a series of articles concerning the U.S. Labor Party and a Lyndon LaRouche. During that period of time an investigative reporter by the name of Dennis King came up with certain information regarding the -- what funds would you call it? We just spoke about it earlier today -- the matching funds for a political office. And that was part of an article that we had done.

Our circulation of course is primarily an East Side Manhattan circulation. I felt that the information that we had was vitally important to more than just our readership. So I decided to take an ad in the New York Times and hopefully it would be covered by major media and more made of LaRouche's activities, both in his collecting taxpayers or the use of taxpayers' money by means of matching funds and some of his other activities that we couldn't really condone and certainly didn't in any way want to see him as, let alone, president of the United States or

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ERASE
CONTENT

1 jsjl Kayatt-direct 9

2 candidate for office because of his background. That's
3 how I got involved with COFITE.

4 Q When did you start COFITE?

5 A Sometime around the time that the first ad
6 appeared, and I don't recall whether the first ad appeared
7 in the New York Times or my own paper, but right at that
8 time. And when you say formed, I came up with a name that
9 would be -- that I thought would be significant to what I
10 was trying to accomplish.

11 Q When you decided to raise money for this New
12 York Times ad, you were not raising this ad to promote
13 circulation of Our Town?

14 A Oh, no. That would have no benefit. Our Town
15 wasn't mentioned in the ad at all, as I recall.

16 By the way, couldn't help in any way build
17 up the circulation of Our Town because we're primarily
18 dependent upon advertisers. My causes that I've been in,
19 all of them haven't been the most popular causes. This
20 particular cause, whether it was popular or not, is some-
21 thing I felt strongly about and that's why I did it.

22 Of course, the records that you have will
23 disclose the -- my causes, this particular cause. When
24 I say I and Manhattan Media Corporation or Our Town,
25 it's all one. We had a deficit of some probably six or

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ERASE
INFORMATION CENTER

1 10:11 Kayatt-direct 10
2 seven thousand dollars that we paid for the ad with. It
3 wasn't -- we only raised a few thousand dollars.

4 Q When you say "that we paid for the ad with,"
5 who is the "we"?

6 A Our Town, Ed Kayatt, Manhattan Media Corpora-
7 tion.

8 Q Specifically, did you pay for the ad with a
9 check?

10 A We placed the ad through an ad agency who did
11 business with us and who was kind enough to give us the ad
12 at their net price. In other words--I always use the word
13 "we," by the way, and that does not mean that I'm speaking
14 of someone else. I was trained years ago working for a
15 very diligent businessman, for whatever reason, to use
16 the word "we." So I want you to understand where the
17 word "we" comes from.

18 They gave me the ad at their net cost, which
19 is a saving about 15 percent. When you are talking about
20 \$9,000, 15 percent is a tidy sum.

21 Q What is the name of the ad agency?

22 A Miller Advertising. They advertise with us
23 consistently for clients. The monies that were owed us from
24 their clients' advertising was eventually deducted from
25 the amount that I owed them for the advertising that period

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MILLERS FALLS
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2 in the Times. CONTENT

3 Q When they normally pay for their clients'
4 advertising, who are they paying?

5 A Manhattan Media or Our Town.

6 Q It's not a personal check to you. It's a check
7 to either Our Town or Manhattan Media.

8 A Yes.

9 Q What activities did COFITE undertake other
10 than the New York Times ad?

11 A I think none other than the Our Town and New
12 York Times ad. The ads that appeared in Our Town and
13 the ads that appeared -- the ad that appeared in the New
14 York Times were the only involvement that COFITE had in any
15 way whatsoever.

16 Q There were no ads in any other publications?

17 A No. If they were and they were picked up, they
18 were unknown to me and I think I would have found out if
19 a coupon had been used because it would have been a strange
20 looking coupon. But I doubt if it was picked up else-
21 where.

22 Q How much did the New York Times ad cost?

23 A I believe it was net \$8,800.

24 Q I have a figure here saying \$8,615. Would
25 that be correct?

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Kayatt-direct

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A That could be correct. We're going back a few years now.

Q Do you have any copies of bills for that ad?

A I don't have them with me. But I'm sure I have copies of bills.

Q Do you think it would be possible for you to locate them and give them to us?

A I'm sure I can either get copies. If I don't have the copies, I'm certain that the agency would have files on it. I can supply them to you if you wish.

Q We would appreciate that.
How much did COFITE raise for the ad, if you remember?

A I don't. As I recall, it was two, three thousand dollars at the most.

Q According to a May 25th clipping in Our Town, the amount was \$3,154. Do you know if any further money was raised?

A If that, it would be minimal.

Q When you say "minimal," roughly --

A \$50, \$100. But not any amount larger than that.

Q When did you start raising money for this ad?

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2 A Again, I'm not sure whether we ran the Times
3 first, our own paper first, but that was the first time
4 that we tried raising any money. And I repeat, "we"
5 is me.

6 MS. CAUMAN: Mark this as an exhibit.

7 (Exhibit 1 was marked for identification.)

8 Q Mr. Kayatt, I'm handing you what the reporter
9 has marked as Exhibit 1. It purports to be an editorial
10 from Our Town from the issue dated December 30th through
11 January 5, 1980. Study it for a minute; take your time,
12 and then I'm going to ask you some questions about it.

13 (Handing to the witness.)

14 Do you recognize this exhibit?

15 A I don't specifically recall it. But it
16 did appear in the paper.

17 Q Do you recall whether it appeared in the December
18 30th through January 5, 1980 issue?

19 A No, I don't. I would have to -- I really
20 shouldn't use the word "assume." If you or people from
21 your agency had taken the masthead and the date and put
22 it with the editorial, I would then say that I'm sure
23 that that's what had taken place. If someone else sent
24 this to you, I couldn't be sure.

25 Q Do you have any reason to assume this is an

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incorrect date?

A No. I have no idea. What I'm stating is that
did you asked me whether this appeared at that date.

And I'm saying that I'm sure the FEC did not have a devious
means to put this together whether somebody else might
have. But I don't know that that's the date.

Q Do you recall whether this was the first request
in Our Town for funds for an ad in the New York Times?

A Probably. I don't recall specifically.
Probably. Again, as I mentioned earlier, I don't remember
this specifically.

By the way, I do not write. I'm not a writer.

Q So someone else wrote this editorial?

A Oh, yes.

Q Do you know who wrote it?

A I would say that -- I think that Dennis King
might have. Either Dennis King or perhaps Katy Morgan
if she had been with us at the time. But whoever was editing
the paper at the time would have written it. I did not
write it.

Q Does this date, December 30th through January
5, 1980, sound roughly like the time you first started
requesting ads, requesting money for the New York Times
ad?

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2 A When was the ad? Can you tell me when the
3 ad was dated in the Times?

4 Q February 26, 1980, I believe.

5 A February 1980?

6 Q February 26, 1980. Does that sound correct
7 to you?

8 A Okay. This is December 3rd. I see. Yes,
9 that's very likely.

10 Q So, to the best of your knowledge, to the
11 best of your memory, you started raising money approxi-
12 mately two months before the ad appeared?

13 A I don't believe that any money came in on
14 this appeal whatsoever. Again, I'm not sure. I think
15 some people called about it. As a matter of fact, I think
16 that -- I'm not quite sure whether it was B'Nai Brith
17 called after the ad appeared or after this appeared. Of
18 course, they couldn't get involved financially or whatever,
19 but they were happy that we were doing what we were doing
20 and would try to help us raise funds for placing the ad.

21 But I don't recall whether it took place at
22 this time or after the appeal. But I'm rather certain that
23 this did not bring in any money, or, if it did, it brought
24 in a \$5 bill or \$10 bill, very menial.

25 Q When did you first start receiving any large

1 amount or larger amounts of money for your ad campaign?

2
3 A When you say larger amounts, I don't think --
4 I don't think we had one. Or if we did, if we had 100
5 contributions, it would have been a lot. Most of it were
6 fives and tens and maybe a 25 here or there. There were
7 no large contributions.

8 Q I'm sorry, I wasn't very clear.

9 When did you begin aggregating larger amounts?

10 A After the ad appeared in the Times and Our
11 Town.

12 Again, you know, I'm going by memory now.
13 I'm not trying to duck any issues. I don't think that
14 anything came in on this. Maybe \$100 did come in. As
15 I said before, maybe 5 or 10. I don't really know. I'm
16 sure that someplace I kept a ledger sheet with the dates
17 and the individuals. And one of the reasons I didn't
18 want the ledger sheet to, very frankly, to get out is
19 because people have been known to be harassed by LaRouche.
20 And we, of course, did not want any of these people who
21 made contributions being harassed by the LaRouche group.

22 But I'm sure that if I looked in the office,
23 that I can probably give you a complete list of those
24 people. I'd rather not make it a part of the record in
25 that LaRouche will probably go back to this file. If

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Kayatt-direct

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I can avoid making it part of the record, I'd prefer answering questions or -- I'm sorry.

MS. CAUMAN: Let's go off the record for a second.

(Discussion off the record.)

Q Perhaps it would be possible, if you can find that ledger, for you to give us a listing of dates and amounts and receipts, having whited out the names. We have no interest in the names of recipients, but we would like to see how much money was gathered.

MS. CAUMAN: Mark this, please.

(Exhibit 2 was marked for identification.)

Q I'm handing you what the reporter has marked as Exhibit No. 2. It purports to be a copy of the ad that was placed in the New York Times on February 26, 1980. I would like for you to look at it, study it, and then I'll ask you some questions. (Handing.)

A Your question was was that the ad that was placed?

Q Correct.

A Yes. That was the ad that was placed.

MS. CAUMAN: Mark this as Exhibit 3.

(Exhibit 3 was marked for identification.)

A The editorial that appears to appear in our

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Kayatt-direct

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different format.

Q As far as you know, did it appear in Our Town on February 24, 1960?

A Probably other dates, also.

Q You believe it appeared on other occasions?

A I do believe so.

Q How many other occasions?

A A few, but I don't recall how many.

Q A few, roughly five --

A Three, four, five, someplace in there.

Q Is this exhibit the actual size of the ad in Our Town?

A I'm not quite sure. It may have been -- this may have been reduced from its original size. It may have appeared in different sizes based upon space availability in the paper. It may have appeared as a full page which is a tabloid size, because tabloid size being about the same size as half a page in the Times. It may have appeared in a larger form.

Q Are you saying that on different occasions it may have appeared in different sizes in Our Town?

A Yes.

Q The ad says on it that COFITE paid for this ad.

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Kayatt-direct

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How much did COFITE pay for the ad? That statement is located at the bottom of the coupon. It's the last sentence.

A For some reason -- is it in the Times ad, also?

Q Yes, I believe it is.

A For some reason I think it was mandatory for us to place -- I don't recall why, but my understanding was that we were told that we had to place who sponsored the ad or what have you as I also understood must take place with a political candidate.

Q But when the ad appeared in Our Town, did COFITE actually make a payment to Our Town --

A Our Town never collected one penny towards any space that was given for advertising or editorial for COFITE or for the LaRouche articles whatsoever. And, to make a very important point, COFITE, Ed Kayatte, Our Town, Manhattan Media Corporation in this campaign, if you want to call it a campaign, did not advocate the election of any candidate to office.

Q Thank you. When you said COFITE paid no money to Our Town for any of its advertisements or editorial space, do you also mean that COFITE paid no money to Manhattan Media Corporation for any --

A That's right. It paid for absolutely nothing.

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1 jsjl Kayatt-direct 21
2 In sum and substance, dollar amounts, whatever was collected,
3 30 some odd hundred dollars that was collected, were the
4 only monies that were collected. And that money paid
5 the portion of the 80 some odd hundred dollars that was
6 due for the Times ad.
7 Q And the rest of that ad, if I understood you
8 correctly earlier, the ad agency deducted the amount owed
9 to it from other monies owed to Manhattan Media or Our
10 Town from other clients. Is that correct?
11 A Exactly right.
12 Q However, you do have paid advertisements in
13 Our Town, is that correct?
14 A We do have paid advertisements.
15 Q What do you normally charge for paid advertising
16 space?
17 A Needless to say, it would vary, size, type
18 of business, type of ad. An ad such as this --
19 Q When you say such as this, you are referring
20 to Exhibit No. 3?
21 A Right.
22 -- would probably at that time, again we're
23 going back a few years, would probably charge somewhere
24 in the vicinity of \$1,600 for an ad this size.
25 Q Would you have at your office a copy of rates

1 charged in the first six months of 1980?

2 A I'm sure we must have rate charts.

3 Q Would it be possible for you to supply us
4 with the copy of the rate charges that were in effect
5 in the first six months of 1980?

6 You mentioned a few minutes ago that you make
7 distinctions in charges for ads according to type of business.

8 A Let me explain politically. Maybe it would
9 be easier for you. We would not charge an assemblyman
10 the same price for an ad as we would a -- the Mayor, our
11 reasoning being that the assembly district is limited
12 to a smaller area of our circulation. We charge -- our
13 rates are based upon the ability of the advertiser doing
14 business with a maximum amount of people.

15 The Mayor, someone running for mayor -- anyone
16 that read our paper in the area certainly could help someone
17 running for office throughout the entire area. And the
18 assembly district being, perhaps the population being
19 or the distribution in that area, the assembly district
20 being maybe 20 percent of our distribution, our rates
21 are lower to him than would be someone running citywide.

22 Q Do you have a set of rates that vary for business
23 clients and political clients, let's say?

24 A Not really. By the way, the paper does not
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2 solicit political advertising as a policy. It will accept
3 the political ad only if they come in on their own. But we
4 will not call a candidate that's running in a primary
5 or an election for an ad. That's just a policy of the
6 paper. So we don't have a political --

7 Q Will you accept any political ad, any politician
8 that comes to you and says, will you accept any ad --

9 A If LaRouche came to place an ad with me, I
10 probably wouldn't have taken his ad, but I probably would
11 have taken one of the other candidates.

12 Q In the normal course of business you generally
13 would take any candidate that came in and asked to place
14 an ad?

15 A I'm thinking about this. Generally speaking,
16 yes.

17 Q Did you, during the period we are talking
18 of, roughly the first six months of 1980, accept ads from
19 any politician who tried to advertise in your paper?

20 A The first part of 1980, I don't think we had
21 any. I don't think we had any requests during that period.
22 We might have closer to primary time or to election time.
23 But we had no national candidates we took ads from.

24 Q Do you remember any politician requesting
25 ad space in 1980 and your turning them down?

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2 A No, I don't.

3 Q Mr. Kayatte, did you have a different rate
4 for, say, local businesses, stores, restaurants, commercial
5 operations, than for political candidates or causes?

6 A A local boutique or a hair stylist, a local
7 business would pay the same rate as an assemblyman.

8 Q So what you are saying is the distinction
9 on rates is geographical, in essence?

10 A No. The distinction is, we believe, what
11 an advertiser will pay based upon how much of our circula-
12 tion he can draw from.

13 Let me see if I could explain it another way.
14 There is a carpet cleaner. He's on 80th Street and Second
15 Avenue. He will pick up your carpet within a five-block
16 area, six-block area, eight-block area, a limited area.
17 And he'll pick it up and he'll deliver it to you after
18 he's finished cleaning it or whatever.

19 He would pay what you call a local retail
20 rate. On the other hand, if this carpet cleaner was willing
21 and didn't specify in his ad the limitation of his area
22 that he would pick up and deliver, he was willing to
23 pick it up at Fifth Avenue and 96th Street or Greenwich
24 Village or First Avenue and 14th Street, he would pay
25 a higher rate in that he can best buy our total circulation.

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Kayatt-direct

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Q Do you have two rates?

A We have two basic rates, local retail or a general rate, general rate meaning the total benefit of our total circulation.

Q You also said a while back that there was a distinction according to type of advertisement, a distinction in rates according to type of advertisement. What did you mean by that?

A The type of business. Example, Citibank is opening a new branch on 86th Street and Third Avenue and they place an ad for promoting that single branch. They would pay our lower rate. Citibank, on the other hand, takes a full page ad and they are promoting their CD's in all of their branches which they may have 50 or 60 in our area. They would pay the higher rate.

Q So basically what you are saying is that there are two variables in rate charges. One is size of the ad and the other is the circulation which would be useful to the person, placing the ad.

A Exactly right.

Q Other than COFITE, are there any other groups which have been given free space in Our Town?

A Yes.

Q Do you have a policy about giving out free

2 space in Our Town?

3 A To certain causes that I certainly feel strongly
4 about: animal welfare, a petition drive that I felt would
5 be beneficial to the citizens of the area we serve.

6 Q When you say "a petition drive," are you referring
7 to a candidate or to an issue?

8 A Candidate or issue. When I say a candidate
9 or issue, I don't give free advertising for a candidate
10 running for office. That we'll make clear. If I want
11 to personally make a donation to their campaign, I'll
12 personally make a donation to them, but I do not give
13 free political advertising. Advertising that would have
14 to do with -- which we have done in the past -- we attempted
15 to place a referendum on the ballot concerning the pay
16 raises that were taken back a few years by the Mayor and
17 City Council and other elected officials.

18 We gave free space for an issue such as this,
19 ad space. And we also supported it -- when I say we,
20 again, I'm saying Ed Kayatt, Our Town, Manhattan Media,
21 what have you -- supported the campaign.

22 MS. CAUMAN: Off the record.

23 (Discussion off the record.)

24 MS. CAUMAN: I would like to have this marked
25 as an exhibit.

(Exhibit 4 was marked for identification.)

Q I'm handing you what the Court Reporter has marked as Exhibit No. 4. It purports to be from Our Town from the January 6th through January 12th, 1980 edition. Please look at it and then I'll ask you some questions about it. (Handing.)

A I will, again, repeat, as I did before, if the FEC put the masthead with the article, I will accept that that's the date it appeared in the paper. If someone else sent this to you, I am not sure that it did.

Q But you have no reason to believe that this is an inaccurate date, do you?

A No, I don't.

Q Do you recognize this clipping?

A Yes.

Q Did it appear in Our Town?

A I would say it did. I think it did. It would sound like something that could have been written.

THE WITNESS: Off the record.

(Discussion off the record.)

Q Can you explain to me what this clipping is?

A It's part of an editorial or part of editorial copy within the paper.

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MS. CAUMAN: Can you mark this, please?

(Exhibit 5 was marked for identification.)

Q I'm handing you what has been marked as Exhibit No. 5. It purports to be a notice from Our Town from the issue including January 27, 1980. (Handing.)

Please look at it. Again, I'll ask you some questions about it.

A Yes. It appears to be something that was in the paper.

Q As far as you know, did it appear in the issue including the date, January 27, 1980?

A I couldn't truthfully answer that. I would just have to --

Q But as far as you know, you have no reason to believe that's an inaccurate date.

A No, I don't.

Q What would you call this? Is this --

A That was editorial copy in the paper.

Q Thank you.

MS. CAUMAN: Mark this, please.

(Exhibit 6 was marked for identification.)

Q I'm handing you what has been marked as Exhibit 6. It purports to be a notice from Our Town from the issue including the date February 3, 1980.

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Kayatt-direct

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Would you please study it. (Handing.)

A It appears to be.

Q It appears to be in Our Town?

A It appears to be published in Our Town. I can't be certain of these because of the way it's --

Q But apparently it comes from Our Town?

A I would think it had, yes.

Q Do you have any reason to believe that the date February 3, 1980 is inaccurate for the timing of this notice?

A No. It seems to be accurate.

Q If I told you that apparently a similar notice appeared in the February 17th edition of Our Town, February 17th through February 23rd, 1980, does that sound reasonable to you?

A It could have.

Q Do you have any estimate of how many times this notice appeared in Our Town?

A Not until you showed it to me today. I had no recollection it was in the paper. But I'm not saying that it hadn't been. But I have no recollection of the notice being in the paper, how often it had been in or what have you.

Q Is it possible that it was in more than three

times?

A Here alone I think you have two times. And you say February 17th. So that would appear at least three times.

Q The reason I'm telling you it's February 17th is because I have a copy in my file dated February 17th. It wasn't until I was in New York and away from the Xerox machine that I realized that I hadn't made extra copies of it as an exhibit.

MS. CAUMAN: Mark this, please.

(Exhibit 7 was marked for identification.)

THE WITNESS: At this point of the deposition I am objecting to the questioning of editorial content that has been made as part of the evidence in that I believe that my First Amendment rights are being violated, that I believe that had I had not taken advice of counsel at the incept, I would had not at all filed with the Federal Election Commission in that I feel that anything that I have done was done based upon my being a citizen of the United States, having the right to say what I had said in print.

We did not advocate the election of any candidate for office. And in this particular campaign we merely or I merely wanted more people to know what Mr. LaRouche

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2 was all about and I do not think that I was acting as
3 a political committee. And I strongly object to using
4 this material that is editorial copy as part of this hearing
5 today.

6 Q Mr. Kayatt, did you create COFITE prior to
7 the advice of this attorney you just mentioned in your
8 statement?

9 A I believe so, yes.

10 The only time -- the time -- COFITE was formed
11 when the concept of using advertising to advise the electorate
12 of the matching funds of whatever LaRouche was getting,
13 COFITE was used as a name. When Mr. LaRouche or U.S.
14 Labor Party or whoever made complaint to the Federal
15 Election Commission and we, in turn, were notified of
16 such, I then discussed it with counsel. And he said,
17 well, make it easy, file whatever papers they want and
18 that's it.

19 I said, "But I'm not a political committee.
20 I don't see why I should."

21 He said, "It would be your easiest way to
22 handle things."

23 And I took his advice.

24 Q So you are saying COFITE existed prior to
25 your conferring with counsel, but that the filing of

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2 COFITE with the Federal Election Commission was due to
3 your conferring with counsel.

4 A Exactly right.

5 MS. CAUMAN: Let's go off the record.

6 (Discussion off the record.)

7 (Recess.)

8 BY MS. CAUMAN:

9 Q I am handing you what has been marked as Exhibit
10 No. 7. It purports to come from Our Town from the edition
11 which includes the date, May 11, 1986. Would you please
12 look at it. Then I'll ask you questions about it. (Handing.)

13 A Yes, it appears to be.

14 Q It appears to come from Our Town?

15 A Yes.

16 Q Do you have any reason to believe that that
17 date is not an accurate date?

18 A I really couldn't tell. I would have to --
19 again, I'm saying that if in the event you researched
20 it personally, I would take it to be accurate. If somebody
21 else did, I would not.

22 Q Is this an ad for COFITE?

23 A No. That's strictly editorial comment.
24 If I'm not mistaken, that was on the editorial page.

25 MS. CAUMAN: I would like to have this marked

as an exhibit.

(Exhibit 8 was marked for identification.)

Q I'm handing you what has been marked as Exhibit No. 8. It purports to come from Our Town from the edition including the date May 25, 1980. (Handing.)

Please study it.

A It appears to be the exact same copy as the other one. Was it not?

Q I believe it is. You have a copy if you'd care to compare them.

(Witness complies.)

A Yes. It's editorial copy that appeared on the editorial page in Our Town. The date I'm just accepting again, if it's your research, I'm accepting as the date.

Q Do you know if any further ads for COFITE or editorial copy concerning COFITE appeared in Our Town after May 25, 1980?

A Regarding COFITE?

Q Yes.

A I really couldn't truthfully answer you. I don't think so. But I don't know.

Q Earlier you told me that approximately \$300,000 was raised from the ads in Our Town or the New York Times for COFITE.

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A Not 300,000; 3,000.

Q I'm sorry, excuse me.

A My name is not LaRouche. 3,000 we spoke of.

Q In terms of mechanics, how was this approximately \$3,000 for the ad paid over?

A COFITE monies were placed in a separate account. Those monies were transferred to pay for the ad. And I don't know exactly how they were transferred, but the \$3,000 plus the deficit of 50 some odd hundred dollars, which, as I told you earlier, has been deducted from monies that was due me from an ad agency, that's how I paid for the ad. The exact amount of how it was handled, the 30 some odd hundred dollars, I don't recall specifically how.

Q When you say COFITE funds were put in a separate account, do you mean there was a bank account for COFITE?

A I don't recall. In other words, I separated them. I couldn't mix it with Our Town monies because it had nothing to do with Our Town monies. I think there was, I'm not quite sure, but I think there might have been a separate account for COFITE.

And -- there was a separate account for COFITE, I'm sure there was now.

Q You mean a separate bank account.

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2 A Bank account for COFITE. How the monies from
3 \$3,300, whether it went directly to Miller Advertising,
4 which it may have, I'm not sure, again, or whether it was
5 deducted from our bill and that amount was credited, the
6 COFITE amount was credited, the Our Town account for what
7 it had advanced for the COFITE ad through Miller Advertis-
8 ing.

9 Q Do you have any way of checking this?

10 A I will try. Frankly, you know, after I submitted
11 the last interrogatories and hadn't heard anything in
12 all this time, and I don't know that we moved since that
13 time or whatever, I just -- I thought it was a closed
14 subject and I'm sure I'll have to search for papers. But
15 they should exist someplace.

16 Q When you say "we moved," are you referring
17 to --

18 A We moved our offices.

19 Q -- Our Town, Manhattan Media?

20 A Right.

21 Q When did you make this move?

22 A The latter part of last year.

23 Q The latter part of last year meaning the latter
24 part of 1980?

25 A 1980.

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Kayatt-Direct

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2 Q Prior to then what address were you located
3 at?

4 A 500 East 82nd Street.

5 Q That was also the address used for COFITE?

6 A Right.

7 Q Where have you moved to?

8 A 1751 Second Avenue.

9 Q Which is roughly?

10 A 91st, 92nd Street.

11 Q What bank was this COFITE account in, if you
12 remember?

13 A I believe it was Citibank on 79th Street and
14 First Avenue.

15 Q Was it actually opened in the name of COFITE?

16 A Yes, it was.

17 Q This was distinct from a personal account
18 for you or an account for Our Town or Manhattan Media
19 Corporation?

20 A Exactly right.

21 Q You filed the statement, the independent expen-
22 diture statement with the Federal Election Commission
23 on February 22, 1980, and in the statement it said that
24 \$619, I believe, had been raised to date.

25 Was that money raised for COFITE?

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2 A If it were filed with the Commission, it was.
3 And it would have been included as part of the total of
4 \$3,100 or whatever it was that was collected. It was
5 not in addition to.

6 Q The reason I'm asking this is the first exhibit
7 I showed you, editorials which purport to come from the
8 beginning of January 1980 do not use the name of COFITE.
9 Did some of your initial contributions get made to another
10 entity, either Our Town or --

11 A Well, if in fact it were collected, it would
12 not have been intermingled with Our Town funds, if that's
13 the question that you are asking me.

14 Q But it's conceivable that some checks made
15 out --

16 A Were made out to Our Town? If they were,
17 the chances are, and I don't know that they were, they
18 would have been endorsed to the COFITE account.

19 Q But no monies that went into the COFITE account
20 came previously from an Our Town bank account.

21 A You'll have to repeat that question.

22 Q Are you saying that no money which went into
23 the COFITE account was previously in an account for Our
24 Town, as far as you can remember?

25 A In other words, what you are asking me, is

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2 it possible that monies that came in made payable to Our
3 Town, was placed into Our Town's account and then taken
4 out of Our Town's account and put into COFITE's account?

5 Q Yes.

6 A Is it possible?

7 Q Yes.

8 A It's possible, but I don't know. What I'm
9 stating emphatically is that any monies that came in for
10 COFITE or the monies that we're talking about were not
11 in any way, shape or form kept by Our Town or by Ed Kayatt
12 or by Manhattan Media Corporation.

13 Again, I don't know that it happened. But,
14 again, we're going back a few years. If something did
15 come in and it had been deposited into Our Town, and it
16 could have been, but I'm not sure, a check would have
17 been drawn for the equal amount and placed into the COFITE
18 account. I don't say that that happened, but that's
19 what would have happened if in fact monies came in in
20 the fashion that we're discussing.

21 Q But you have no recollection --

22 A I have no recollection.

23 Q -- of what happened to these monies?

24 Let me ask you another question which I may
25 have asked previously. You indicated earlier that

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Kayatt-direct

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1
2 you're not a writer. Does that mean that somebody else
3 prepared the ad for COFITE which appeared in the New York
4 Times?

5 A Yes, they did.

6 Q Was this a member of the Our Town staff?

7 A It was Dennis King, the man who wrote the
8 articles on LaRouche.

9 Q Was Mr. King paid by Our Town or Manhattan
10 Media Corporation?

11 A To prepare the ad?

12 Q To prepare the ad.

13 A No.

14 Q Was he paid by COFITE to prepare the ad?

15 A No.

16 Q He donated his services for free then?

17 A Exactly.

18 Q Did anybody else donate time or services to
19 COFITE?

20 A The only -- when we say donation, I told you
21 that the ad agency gave me a net price rather than the
22 gross price. That's the only outside input, so to speak.
23 But no one had donated time or ad preparation or the likes.
24 It was all done either -- in other words, the material
25 that we used in the paper for editorial copy we set ourselves

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2 just as we would if the ad prepared for Our Town would
3 have been prepared in-house by ourselves.

4 THE WITNESS: Off the record.

5 (Discussion off the record.)

6 A Where the word "donation" had been used
7 pertaining to the advertisements that were prepared for
8 the Times and Our Town, Mr. King, rather than donating
9 his time, helped us, the paper, put the ad together. And
10 it had, as we stated earlier, it had been changed by the
11 New York Times in certain aspects they felt necessary.

12 Q Does anybody get paid, per se, for their time
13 in terms of writing for Our Town?

14 A We have one paid editor. We have interns
15 from schools, from colleges. We have some freelance
16 people that are paid very moderately. Again, as I mentioned
17 earlier, we are talking about 70 cents for a double column
18 inch which is considerably low.

19 Q But those people are not paid by time, they
20 are paid by space or article.

21 A Right, except the editor.

22 Q Except the editor.

23 When you talked about preparation of the ad
24 which appeared in the New York Times and a copy later
25 appeared in Our Town, were the facilities of Our Town

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2 What it basically had to do with was whether
3 orn ot they were repeating a libel, in other words, if
4 they wanted to make sure that there was nothing that was
5 libel, we had a document, the information that we had
6 within the copy.

7 Q Why, after you initially filed the statement
8 for COFITE with the Federal Election Commission, did you
9 never file any further statements?

10 A I thought they were filed. I thought whatever
11 was necessary to file was filed currently up through the
12 finish of where we had been.

13 Q To my knowledge, nothing further was filed
14 by COFITE, certainly as recently as of sometime in the
15 summer of 1981.

16 You were not aware of this?

17 A I thought that we filed right on through the
18 last monetary involvement that it had.

19 Q Who was responsible for filing statements
20 for COFITE with the Election Commission?

21 A Who else?

22 Q Could you explain who you mean by "who else"?

23 A I was COFITE so I guess I would be the one
24 that would have to file.

25 Q And you did file the original statement?

WILLIAMS PAPER
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A Do you have a copy of it to refresh my memory?

MS. CAUMAN: Mark this, please.

(Exhibit 9 was marked for identification.)

Q I'm handing you what the reporter has marked as Exhibit No. 9. It purports to be a report of independent expenditures or contributions filed by COPITE.

Please study it and I'll ask you some questions about it. (Handing.)

A I made this report out.

Q And filed it.

A Yes.

Q Do you remember filing any further reports with the Federal Election Commission?

A I was almost positive we had filed or I had filed one which coincided with the termination of any expenditures or contributions concerning the ad in the Times.

Q When would that time be?

A I really don't know. It would have to be after May of 1980. That's the time I believe that --

Q Do you have any memory of when the additional roughly \$5,000 which was paid over to the advertising agency was finally paid to the advertising agency?

A Of course, I can get a copy of the original bill. That would be very hard to answer, because

1 1951 Kayatt-direct

2 the chances are that during the time that -- while this ad
3 had been paid, they already were indebted to us. So I
4 could just say, you know, the money was there. Whether
5 they took it out of the account or not really doesn't make
6 any difference. But the money was there.

7 So I really don't know what date it was.

8 Q At what point was the decision made to take
9 the remaining cost of the ad and have it paid out of
10 the account owed by the ad agency as opposed to raising fur-
11 there funds for COFITE?

12 A If I understand your question correctly, there
13 came a point which was probably sometime around May of the
14 year where we did not do any more editorial, make any
15 editorial comments concerning COFITE. And that was pro-
16 bably the point, and again I don't know the point, it was
17 probably the point where we considered COFITE was non-
18 existant, it was over with. Whatever monies were short
19 would have to be made up and that was it. That was the
20 fait accompli.

21 Q Is that the time at which you worked out the
22 arrangement with the ad agency to deduct the rest of the
23 cost of the ad from monies owed by them to you?

24 A I couldn't honestly answer that, I don't know.

25 Q You mentioned earlier that Dennis King was

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1 involved in writing the ad for the New York Times for
2
3 COFITE. Was he involved in the decision to form COFITE?

4 A I couldn't honestly say. I don't know whether
5 we discussed -- we must have discussed it, but whether he
6 was -- really, I'm not trying to -- I just don't remember.
7 I don't know whether it's relevant or not, but I really
8 don't remember whether he was or not.

9 Somewhere along the line we discussed using a
10 name or what have you. But I don't know that he was
11 specifically -- I'm just guessing he might have been.

12 Q Was anyone else involved in the decisionmaking
13 concerning COFITE?

14 A I might have talked to, you know, people --
15 you know, the editor at the time or other people that were
16 there who were involved in the paper. But I couldn't say
17 for sure.

18 By the way, if that question has to do with
19 whether or not any candidate was involved with in any way
20 with COFITE as a means of -- for a political reason, there
21 was no political candidate running for office that was at
22 all involved with the COFITE campaign or what I was doing
23 with COFITE.

24 Is that clear?

25 Q Yes. Thank you. That's very clear.

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2 In an affidavit, dated February 4, 1980, you made
3 a statement which said, "My efforts to see that Lyndon
4 LaRouche is defeated and that the public is made aware of
5 his activities in the past has nothing to do and is in
6 no way connected with the political activities of any other
7 candidate or any other party."

8 When you talked about your efforts to see that
9 Lyndon LaRouche is defeated, what were you referring to?

10 A May I read that?

11 Q Certainly.

12 (Exhibit 10 was marked for identification.)

13 Q I'm handing you what the reporter has marked
14 as Exhibit No. 10. It purports to be an affidavit by
15 you, sworn to on February 4, 1980 as part of a court
16 proceeding in the Supreme Court of the State of New York,
17 County of New York. (Handing.)

18 Please study it.

19 THE WITNESS: Off the record.

20 (Discussion off the record.)

21 A As attorneys, I'm sure you are aware that the
22 contents of affidavits such as you see here were prepared
23 by counsel after conversation. And the statement that
24 "My efforts to see that Lyndon LaRouche is defeated and that
25 the public is made aware of his activities" is rather --

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2 I don't know if "defeated" is really the word. I think
3 really -- if it were someone -- if I read it correctly and
4 if it were given to me at whatever time and I had to sit down
5 and study it and write it out myself, I think I would have
6 made more of a point of his using these funds, the 300 some
7 odd thousand dollars in funds rather than "defeated."

8 From one standpoint, "defeated," as far as
9 the terminology used here, was probably because of strong
10 feelings that I had concerning what information we passed
11 on concerning his activities as a neo-Nazi. And that's
12 the best way I can answer that for you.

13 Q When you referred to "defester", though, was
14 that in connection with defeated in his attempt to become
15 the Democratic nominee for the presidential election?

16 A I would say so, yes.

17 Q As you are probably aware, the ultimate question
18 to be determined by the Commission is whether or not the
19 money was raised and/or spent for the purpose of influencing
20 an election. You indicated earlier that this was not
21 your intent.

22 Could you explain that further?

23 A I think that the ad in itself explains speci-
24 fically what we were trying to get across. Certainly I
25 think that in all good conscience of anyone in this room,

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Kayatt-direct

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I think the taxpayers' money being spent on a not only

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a viable candidate but a candidate who certainly did not

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have -- which has been proven and written up many times

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in the Times and other publications throughout the country

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in the last year and a half or two years, certainly would

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not be one that anyone could be proud of as president of

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the United States.

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And, further, at this particular point the

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question at this moment, when that ad was placed, the ad

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was placed based upon people should object to people of this

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stature of the type of an individual, knowing where that

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money was going to. And should it in fact have been given

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to a person of this type, but certainly with the background

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that Mr. LaRouche had and certainly the F.E.C. has

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plenty of background on him a lot more than I probably

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have, I think if they studied it before making a decision

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in this particular case, I think they may find what I

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did was what certainly anyone who has interest in this

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country would have done.

21

Q Mr. Kayatt, I would like to go back to a

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statement you made earlier that the ad agency gave you

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a 15 percent discount on the ad you placed in the New

24

York Times.

25

Why did they give you this 15 percent discount?

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2 A We do a lot of business with them. We referred
3 a lot of business to them. And based on our relationship --
4 they are friendly people. I mean, they are not exactly just
5 another ad agency.

6 Q Have you placed previous ads through this ad
7 agency?

8 A Yes, I have.

9 Q Have they given you a similar discount on the
10 previous ads?

11 A Yes, they have.

12 Q These other ads had nothing to do with the case
13 we are currently talking about?

14 A No.

15 Q Were they commercial ads?

16 A Yes. We placed ads for Our Town Newspaper and
17 they gave me a discount based on our relationship with them.

18 Q In the course of this deposition we have men-
19 tioned some items that you said you would attempt to lo-
20 cate and produce for us. One is a set of your display
21 rates for the first six months of 1980. The other is
22 copies of bills for the New York Times ad or instruments
23 used to pay for the New York Times ad, if they can be
24 found.

25 The other is you also said you thought you

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1 remembered a ledger in which you would have indicated
2 the contributions received and the amounts. And you
3 have indicated in the course of the deposition that you would
4 provide us with the information of the amounts and the dates
5 but with the names of persons whited out or in some other
6 way excised so that we receive amounts and dates, but not
7 names.

8
9 Is that your understanding of what we have
10 asked for?

11 A Yes.

12 Q And that you will attempt to produce. We
13 would also like to get copies of records for the COPITE
14 account.

15 Previously we asked you in interrogatories
16 submitted to you previously and answered by you for copies
17 of any check used by COPITE to pay for the New York Times
18 ad and any bills or receipts pertaining to payment of that
19 ad. At the time you were unable to produce these docu-
20 ments.

21 Can you explain why you didn't produce them?

22 A What was the date of that?

23 Q Excuse me for a minute.

24 (Discussion off the record.)

25 Q You asked me before when you had answered

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Kayatt-direct

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interrogatories part of which called for the production of documents, you answered these interrogatories on April 8, 1981 and the Commission had sent them to you in subpoena form on March 30, 1981. They had also been sent to you previously informally.

Do you have any further questions regarding that?

A No. Your question was why certain documents were not available at that time?

Q Right.

A As I mentioned, there had been a major move sometime in the latter part of last year, the early part of this year. And probably to this date we still do not have everything located, unpacked or whatever, just the essential documents and that we work with a very, very limited staff. And someplace along the line the papers that we are talking about should be in cartons and should be located.

Q At this point you will make an attempt to find the documents we have talked about this morning?

A Yes.

Q We have referred several times today to a New York Times ad which appeared on February 26, 1980. Did that ad appear in the New York Times on any other occasion?

A No, it didn't.

Q We have also talked previously about the fact

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1 that part of the money for that advertisement was paid in
2 terms of an offset of monies owed to Manhattan Media
3 Corporation and Our Town.
4

5 Other than that offset, did Manhattan Media
6 Corporation or Our Town give any money to COPITE?

7 A It couldn't had.

8 Q Why?

9 A The monies, the only monies that were expended
10 were the monies that were for the New York Times. The
11 monies that were collected were deducted from the amount
12 and the balance paid to the ad agency. So Our Town or any-
13 one else couldn't have given any funds.

14 Q I have no further questions now. Thank
15 you for coming today and answering these questions.

16 You have a right to see your deposition and
17 sign it before it becomes a part of the record.

18 Do you wish to have it sent to your
19 signature or do you wish to waive this right?

20 A No. I would like to have it sent for signature.
21 And in the event that there had been any inaccuracies of
22 my statements to you today, that I find might have been
23 in error or memory or, you know, where I said I wasn't
24 quite sure, I will make the notations and initial them.

25 Further, at this time I have a few statements.

1
2 Number one, I would like to make note that
3 during the questioning as asked as to a statement made in a
4 document, the statement being, "My efforts to see
5 that Lyndon LaRouche is defeated and the public is made
6 aware of his activities," et cetera, was part of a document
7 that was -- it was an affidavit in a lawsuit of LaRouche
8 versus Our Town. And, for the record, LaRouche has --
9 the case has been dismissed as well as another case that is
10 contemplated to be dismissed on Computron, which LaRouche
11 was part of.

12 And I will repeat that I feel that under the
13 circumstances, I do hope that the Commission realizes that
14 I did not act as a political committee, that, again, I
15 repeat, if I had to do it again, I don't think I would
16 have filed with the Commission. I might have done things,
17 you know, that you consider political or what have you.

18 But in the nature of Ed Kayatt being Ed Kayatt and how
19 I do things, I did not do this as a political committee
20 or in favor of any candidate running for any office,
21 including the President of the United States, as LaRouche
22 was running for at the time. That is my case.

23 Q By the way, with regard to the signing of
24 your deposition, both by virtue of the Rules of Civil
25 Procedure and by the Commission's regulations, if you do

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not sign it within thirty days of its being sent to you,
it will be deemed signed.

So whatever corrections you wish to make should
be made in that time period.

MS. CAUMAN: Thank you very much for coming
here today. We appreciate it.

(Whereupon the deposition was concluded.)

EDWARD R. KAYATT

Subscribed and sworn to before me
this _____ day of _____ 1981.

6204032577

C E R T I F I C A T E

STATE OF NEW YORK)

COUNTY OF NEW YORK)

I, JONATHAN SMITH, a Certified shorthand Reporter and Notary Public within and for the State of New York, do hereby certify:

That EDWARD R. KAYATT, the witness whose deposition is hereinbefore set forth, was duly sworn by me, and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 6 day of Jan. 1982.

Jonathan Smith

JONATHAN SMITH

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OUR

VOL. 10 - NO. 38

TOWN

DECEMBER 30 thru JANUARY 5, 1980

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Editorial

Taxpayer's money for fascism?

Carrying civil liberties to a bizarre extreme, the Federal Elections Commission announced Dec. 18 that Federal matching funds will be granted to Lyndon LaRouche in his campaign for President in 1980. This means that taxpayers' money will go toward furthering the propagation of the neo-Nazi, anti-semitic ideology espoused by LaRouche and his U.S. Labor Party.

The decision, made at a closed-doors meeting, seems strange in view of the litigation still going on in the courts over the FEC's denial of matching funds to LaRouche in 1976. The funds were denied on the basis of an FEC investigation which turned up serious questions as to the completeness of financial reports sub-

mitted by the LaRouche organization in its 1976 application. The FEC had to resort to a subpoena—resisted by the LaRouche people—to obtain the financial records of the organization.

The FEC action will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position.

We think the granting of the funds merits close inspection, and suggest a congressional investigation. We ask our readers to write their Congressmen demanding that Congress act to hold up the matching funds for LaRouche until a thorough investigation is conducted.

So that we can spread the word of this alarming situation to a wider audience, we are inviting donations toward the cost of a full-page advertisement in The New York Times. Phone us at 472-3535 if you can help.

"The use... of anti-Jewish hate propaganda, the injudicious anti-Semitic position to the American political bloodstream, adds an extra and insidious dimension to the bizarre conspiracy theories and political hallucinations of the LaRouchites."

—Anti-Defamation League, July 24, 1973

\$327,864.01 of your tax dollars has already been given to the United States Labor Party founder, Lyndon H. LaRouche, for his campaign for President of the United States.

Meeting behind closed doors on Dec. 18, the Federal Election Commission approved matching funds for the presidential campaign of Lyndon H. LaRouche, founder of the anti-Semitic U.S. Labor Party. As of last week, LaRouche has received \$327,864.01.

LaRouche's success with the FEC bolsters, to an alarming degree, his "autocratic" electoral strategy for becoming a significant influence in U.S. politics. Last July, LaRouche declared himself a Democrat and prepared to enter several presidential primaries in the New Hampshire contest. His efforts are comparable to those of the major candidates.

The aims and tactics of LaRouche's organization are exhaustively described in the on-going election point series by Dennis King in Our Town News, the bi-monthly weekly. Additional facts have been presented in a recent New York Times series and in the 15-page report released by the Anti-Defamation League last November.

But the most disturbing involvement in LaRouche's drive for national influence stem from the FEC's matching funds approval. Following the FEC decision, LaRouche bought national television advertising spots on ABC and NBC (Jan. 20 and 27). He soon peddled the party's extremist ideology and talked instead about "the peace, morality, the nation's need for a god-vested economy... and his own need for campaign donations."

The Jan. 27 LaRouche TV advertisement also emphasized his success in gaining matching funds, implying that the FEC's decision is proof of his political legitimacy.

LaRouche uses his matching funds to launch fund-raising appeals on television which lead to further matching funds and further television appeals—and all on a scale far out of proportion to his initial political support. Using this technique, LaRouche can theoretically receive up to \$65 million in Federal matching funds. The American public must not be deceived by LaRouche. In recent articles in USLP publications, LaRouche has described Asof's attack's murder of 16 million Jews as "mythical" and a "delusion of the American Zionist." He has warned his followers about the Elders of Zion, an alleged conspiracy of Jewish bankers to control the world. He has branded the "Brahm" as a "treasonous conspiracy against the United States," claiming that it "resurrects the tradition of Jews who demanded the crucifixion of Jesus Christ."

The USLP has slavishly followed the thoughts of Chairman LaRouche. It has joined with the Liberty Lobby (a longtime anti-Semitic organization) to harass the Anti-Defamation League of

Brahm Birth via a committee to "Clean Up the ADL" and nuisance lawsuits. The party has also attacked the Justice Dept's Nazi War Crimes prosecution unit, claiming it was established to "get LaRouche." An official party statement has denounced the Holocaust curriculum in New York City's public schools as "anti-Jewish" "disobedience" against any school which dares to teach about the genocidal crimes of the Nazis.

Some Informed Sources on LaRouche & Co.

... a small but well-financed extremist political group, the U.S. Labor Party, which has a history of violence and hate propaganda... The party literature attacks respected Jewish organizations and individuals. The party blames drug traffic on an elaborate international Zionist and British conspiracy—a conspiracy federal drug enforcement officials call "absolutely unfounded."

Along the way according to former party members and, in some cases to party publications, immoral party records and law enforcement officials—members of the USLP have included going to assaults at night meetings, taking courses in the use of knives and rifles at an "anti-terrorist" school and produced private intelligence reports on anti-apartheid groups in the United States for the Bureau of State Security of South Africa.

Discipline in the (NCLC) cause organization of the USLP is strict and disciplines from LaRouche's particular brand of cronyism are dealt with severely... The father of an NCLC member, who was attempting to persuade his daughter to leave the organization, was greeted one morning by a nurse who drove her attendant had been told "to act up its body," an unmitigable threat.

Members of (NCLC) groups have been disrupted and members have been assaulted. In order to avoid becoming the kind of "soft" organization it was this group to do, and as part of LaRouche's beliefs concerning psychology, the NCLC has subjected several of its own leading members to severe psychological "reprogramming," locking them in cells for several days to do so. These acts against its own members and others are consistent with the aggressive and highly antagonistic tone the NCLC takes towards persons it perceives to be its opponents. Members have acquired weapons, and efforts have been made to instruct members in military drill... It is reasonable to expect that acts of force and violence will continue and, perhaps, take different directions.

—Howard R. Tyler, Jr.
in his capacity as Acting Attorney General
of the United States August 19, 1973

The activities of LaRouche cannot be categorized as mere opportunism. Adolf Hitler began his rise to power with anti-Jewish sponsors. In other LaRouche's activities have included "drug assaults" on opponents. In our opinion, they represent a "danger of future attacks on Jews, Blacks, Catholics and other groups who despise the USLP ideology. The FEC's approval of matching tax dollars for LaRouche must be condemned by the public. LaRouche has a right to freedom of speech, but the right not have a right to use the taxpayer's money in pursuing his ethnic demagoguery.

What Can You Do?

1. Write your Congressman and Senator. Demand a review of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$3175) matching grant to LaRouche. These commissioners are Jean Adams, Thomas Harris, Frank Raiche, and Robert Tanner. All c/o Federal Election Commission, 1235 K St. N.W., Washington, D.C. 20543.
3. Help us raise the funds needed to place this ad and other ads in newspapers around the country. Send whatever amount you wish. Every bit helps. We have put a coupon in this ad for your convenience.

To COFFE
(Committee Organized for Informing The Electorate)
500 East 130th Street, New York, New York 10023

I will contact my Congressman and/or Senator, I am requesting a contribution to help defray the cost of this ad and similar ads in newspapers throughout the country.

Permission hereby granted for publication of this message

NAME _____

ADDRESS _____

Contribution Enclosed \$ _____ My check or Money Order to COFFE. This contribution is paid for by COFFE (Committee Organized for Informing The Electorate) and is not solicited by any candidate.

Activity of a certain kind is prohibited by the F.E.C. and is a violation of the laws of the Federal Election Commission. Citation: F.E.C.

EX-2 FRI
12/16/81 A

"The use . . . of anti-Jewish hate propaganda, the injection of anti-Semitic poison into the American political bloodstream, adds an extra and insidious dimension to the bizarre con-

spiracy theories and political hallucinations the LaRouchites."

—Anti-Defamation League, July 24, 1971

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anti-apartheid groups in the United States for the Bureau of State Security of South Africa.

—New York Times, October 7, 1971

LaRouche's success with the FEC bolsters, to an alarming degree, this would-be autocrat's electoral strategy for becoming a significant influence in U.S. politics. Last fall, LaRouche declared himself a Democrat and prepared to enter several Presidential primaries. In the New Hampshire contest, his efforts are comparable to those of the major candidates.

Discipline in the NCLC — cadre organization of the USLP is strict and dissenters from LaRouche's particular brand of orthodoxy are dealt with severely . . . The father of an NCLC member, who was attempting to persuade his daughter to leave the organization was greeted one morning by a hearse whose driver and attendant had been told "to pick up the body," an unmistakable threat.

—National Review, March 30, 1976

The aims and tactics of LaRouche's organization are exhaustively described in the on-going eleven part series by Dennis King in Our Town News, the Manhattan weekly. Additional facts have been presented in a recent New York Times series and in the 18-page report released by the Anti-Defamation League last November.

Meetings of (rival) groups have been disrupted and members have been assaulted. In order to avoid becoming the kind of "soft" organization it views these groups to be, and as part of LaRouche's beliefs concerning psychology, the NCLC has subjected several of its own doubting members to severe psychological "reprogramming," locking them in rooms for several days to do so. These acts against its own members and others are consistent with the aggressive and highly antagonistic tone the NCLC takes towards persons it perceives to be its opponents. NCLC members have acquired weapons, and efforts have been made to instruct members in military drill . . . It is reasonable to expect that acts of force and violence will continue and, perhaps, take different directions.

—Harold R. Taylor, Jr.

(in his capacity as Acting Attorney General of the United States) August 19, 1976

But the most disturbing developments in LaRouche's drive for national influence stem from the FEC's matching funds approval. Following the FEC decision, LaRouche bought national television advertising spots on ABC and NBC (Jan. 20 and 27). He soft peddled the party's extremist ideology and talked instead about world peace, morality the nation's need for a gold-based economy . . . and his own need for campaign donations.

The Jan. 27 LaRouche TV advertisement also emphasized his success in gaining matching funds, implying that the FEC's decision is proof of his political legitimacy.

The activities of LaRouche can not be dismissed as more eccentricity. Adolph Hitler began his rise to power with even fewer followers. Too often LaRouche's solutions have included "gang assaults" on opponents. In our opinion, these incidents are a harbinger of future attacks on Jews, Blacks, Catholics and anyone who disagrees with the USLP ideology. The FEC's approval of matching tax-dollars for LaRouche must be condemned by the public. LaRouche has a right to freedom of speech; he should not have a right to use the taxpayer's money in pursuing his ethnic demagoguery.

WHAT CAN YOU DO?

1. Write your Congressman and Senator. Demand a reversal of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$30,000) matching grant to LaRouche. These commissioners are Joan Aikens, Thomas Harris, Frank Reiche, and Robert Tiernan; all c/o Federal Election Commission, 1325 K St. NW, Washington D.C. 20463.
3. Help us raise the funds needed to place this ad and other ads in newspapers around the country. Send us \$1 or \$2 or more if you can afford it. Every bit helps. We have put a coupon in this ad for your convenience.

LaRouche uses his matching funds to launch fundraising appeals on television which lead to further matching funds and further television appeals — and all on a scale far out of proportion to his initial political support. Using this technique, LaRouche can theoretically receive up to \$6.5 million in Federal matching funds.

The American public must not be deceived by LaRouche. In recent articles in USLP publications, LaRouche has described Adolf Hitler's murder of 6 million Jews as "mythical" and a "delusion of the American Zionist." He has warned his followers about the Elders of Zion, an alleged conspiracy of Jewish bankers to control the world. He has branded the B'nai B'rith as a "treasonous conspiracy against the United States," claiming that it "resurrects the tradition of Jews who demanded the crucifixion of Jesus Christ."

The USLP has slavishly followed the thoughts of Chairman LaRouche. It has joined with the Liberty Lobby (a longtime anti-Semitic organization) to harass the Anti-Defamation League of B'nai B'rith via a committee to "Clean Up the ADL" and nuisance lawsuits. The party has also attacked the Justice Dept's Nazi War Crimes prosecution unit, claiming it was established to "get LaRouche." And an official party statement has denounced the Holocaust curriculum in New York City's public schools as "fifth," urging "disciplinary action" against any school which dares to teach about the genocidal crimes of the Nazis.

SOME INFORMED SOURCES ON LAROCHE & CO. . . . a small but well-financed extremist political group, the U.S. Labor Party which has a history of violence and hate propaganda . . . The party literature attacks respected Jewish organizations and individuals. The party blames drug traffic on an elaborate international Zionist and British conspiracy — a conspiracy federal drug enforcement officials call "absolutely unfounded."

—Detroit Free Press, August 26, 1979

Along the way according to former party members and, in some cases to party publications, internal party records and law enforcement officials — members of the (USLP) have initiated gang assaults at rivals' meetings, taken courses in the use of knives and rifles at an "anti-terrorist" school and produced private intelligence reports on

TO: COFITE (Committee Organized For Informing The Electorate) 500 East 82 Street, New York City, New York 10028 I will contact my Congressman and/or Senators. I am enclosing a contribution to help offset the cost of similar ads in newspapers throughout the country.

Permission Hereby Granted for Duplication of This Message

NAME _____

ADDRESS _____

Contribution Enclosed \$ _____. Make check or Money Order payable to COFITE. This communication is not authorized by any candidate. This advertisement is paid for by COFITE (Committee Organized For Informing The Electorate)

Feb 24 in Our Town

Ex. 3 FRI 12/16/81

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Et. 4 Pa I. D.
12/16/91 AS

OUR TOWN

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VOL. 19 • NO. 37

JANUARY 6 thru JANUARY 12, 1990

SCRUTINY NEEDED

Lyndon LaRouche's success in qualifying for federal matching funds in his bid for the Democratic Party nomination for President in 1980 points up the growing menace of the neo-nazi, anti-semitic ideology of his U.S. Labor Party.

We believe the activities of LaRouche and his cult, as detailed in the ten part series of articles by Dennis King published in Our Town in 1979, call for a full congressional investigation. We urge our readers to join us in calling on our representatives in Congress to see that such an investigation is launched. Write to:

- Senator Jacob Javits, 110 E. 45th St., NYC 10017.
- Senator Daniel P. Moynihan, 733 Third Ave., NYC 10017.
- Representative S. William Green, 1628 Second Ave., NYC 10028.
- Representative Theodore Weiss, 37 W. 65th St., NYC 10023.
- Representative Charles B. Rangel, 55 W. 125th St., NYC 10027.

For a wider public awareness of the threat to society represented by LaRouche and his followers, we propose a full-page advertisement in the New York Times. Contributions for this purpose may be sent to: Our Town, 500 E. 82nd St., NYC 10028. (On reverse side of check print, "New York Times Ad Fund.")

NOTICE

In order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible, we plan to take a half-page ad in the New York Times, rather than wait to collect enough money for a full-page ad as originally planned.

If anyone who contributed towards a full-page ad would like their money back, they may write to Our Town, 500 E. End St., NYC, for a refund. If this should leave insufficient funds to cover the cost of the half-page, we pledge to advance the difference so that the ad can be published. Further contributions are solicited.

EX. 5 FRI. D.
12/16/81

Our Town, January 27, 1980 Page 1

Et. L. FRIED
12/16/81 AL

FEBRUARY 3, 1980 / OUR TOWN /

NOTICE

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82040302584

BY T. F. AID.
12/16/71 J.

OUR TOWN, 5/11/80

62040362585

COFITE funds-

COFITE (The Committee Organized For Informing The Electorate) was created to inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric.

To date, COFITE has raised \$3,154. Of this amount approximately \$1,100 came in response to an ad placed in the Feb. 26 New York Times. Our Town readers have contributed about \$2,000.

The ad in the Times has cost COFITE \$8,615. This has resulted in a deficit of approximately \$5,500.

According to the Federal Elections Commission, LaRouche's campaign contributions through February, 1980, amounted to \$34,572 in New York State alone. This sum included only contributions of more than \$200.

Readers interested in spreading the word on the real LaRouche are asked to send their contributions to COFITE, 500 E. 82nd St., NYC 10028.

... Avenue for 12 years and the
... worse these past six months or so.
... down to bag a lot of refuse that was
... sidewalk and the street and hiding the
... pick-up day and no one seems to care
... ition rules. I have to say that the sys-
... ing works very well and the tenants
... making all this mess. But, guess who
... And it isn't even coming from my
... ave instituted a "Pig Of The Day".
... notices in the adjoining buildings.
... rkville to look like the South Bronx!

Patricia Donovan
Second Ave.

MISED

(Our Town, May 4) about sound
The 80's nightclub, we would like to
are of the steps we have taken to
re brought in to survey the situa-
removed the old sound system and
ctional, sound system with more
I lower sound levels reaching the
In addition, further acoustical
ed to keep the sound inside the
if responsibility to the community
every effort to meet its needs.

will be published only if they
s and telephone number of the
will omit the name. Letters
words. Commentary may be
on any issue vital to the
working in New York City.
cripts cannot be returned.)

... reports, all the Muggings and
... public's education and awareness.
... know we have no protection. Must we be armed to be able to
walk our streets? God forbid!

Ilen Ganz
Manhattan

GIVE ME YOUR TIRED.

Maybe I wasn't paying attention to the news lately; but
does somebody know how many Cuban refugees are going to
settle down in Washington, D.C., and Plains, Georgia?

S. P. Neves
East 88th St.

FREEDOM OF EXPRESSION

WNET has my total support for showing "Death of a Prin-
cess." We, as Americans, would be giving up our freedom of
speech and expression if we would give in to the oil blackmail
of religious leaders of a country because they didn't like
someone's opinion of their lifestyle.
That's what's so wonderful about this country. We can
voice so many views of one subject, leaving us the freedom of
choice to decide which view we ourselves accept. I refuse to
trade in my precious freedom for oil, and anyone who wants
to should stop, and take a good look at what they are giving
up, and what they will get in return.
Again, I support WNET on their stand for freedom of ex-
pression. One Russia is enough.

Joseph Zinzi, Jr.
Manhattan

COOPERATION ASKED

I am a responsible, mature adult female who bicycles from
my home near Prospect Park, Brooklyn, to work on East 21st
Street, Manhattan. I do not excuse bicyclists from common
courtesy or traffic laws. If pedestrians would also cooperate,
fewer might be hurt, and bikers might use offense as a defense
less frequently. No sane cyclist deliberately hits a pedestrian,
because the cyclist runs an equal risk of injury to himself or
herself, and possible damage to the bike as well.

472-8722

EX 8 PAIP
12/16/91 A.

referring to name
Under Delaware law, a privately new

... the recent quick decision of the UN Security Council to
pass a resolution criticizing the state of Israel, while at the
same time deliberately omitting the ruthless murder of
hundreds of innocent Israeli children, women and men by the
PLO terrorists, clearly proves that the cards are stacked
against her.

Can anyone blame Israel for being against the pro-PLO
Bank? Public opinion throughout the world must realize that
Israel will not receive any support from the members of the
Security Council, with the exception of the United States.
It is evident that the Security Council does not consider the
murder of Israeli people a violation of its rules.

Abraham Berkowitz
Flushing

COFITE funds

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The Electorate) was created to inform voters about the
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LaRouche, founder and leader of the U.S. Labor Party.
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This sum included only contributions of more than
\$200.
Readers interested in spreading the word on the real
LaRouche are asked to send their contributions to
COFITE, 500 E. 82nd St., NYC 10028.

Our Town
May 25, 1980

REPORT OF INDEPENDENT EXPENDITURES
OR CONTRIBUTIONS BY PERSONS

CP 4 FILED
12/16/81 M.

(To be used by an individual or a person other than political committee)

1. (a) Name (in full) COFITE Committee Organized To Inform The Electorate	2. Identification Number C 90002726 FEB 12 1980
(b) Address (number and street) 500 East 82 Street	3. This is an independent expenditure: <input type="checkbox"/> in support of Federal candidates. <input checked="" type="checkbox"/> in opposition to Federal candidates.
(c) City, State and ZIP Code New York, New York 10028	(e) Occupation
(d) Principal Place of Business above	

4. Type of Report (check appropriate box and complete)

(a) Amendment for _____ (which report) (d) October 10 Quarterly Report
 (b) April 10 Quarterly Report (e) January 31 Year End Report
 (c) July 10 Quarterly Report
 (f) Tenth day report preceding _____ election on _____ in the State of _____
 (primary, general or convention) (date)
 (g) Thirtieth day report following _____ election on _____ in the State of _____
 (primary, general or convention) (date)

5. This report covers the period January 21, 1980 through February 15, 1980

80 2 10 3 6 4 7 8 7

Complete either Line 6 or Line 7 whichever is appropriate. **CONTRIBUTIONS**

6. Full Name, Mailing Address and ZIP Code of Payee	Particular of Expenditure	Date (month, day, year)	Amount	Name and Office Sought of Federal Candidate
No contribution in excess of \$100.00	none to date		\$619.00	none

Complete either Line 6 or Line 7 whichever is appropriate. **EXPENDITURES**

7. Full Name, Mailing Address and ZIP Code of Payee	Particular of Expenditure	Date (month, day, year)	Amount	Name and Office Sought of Federal Candidate

8. TOTAL CONTRIBUTIONS \$ 619.00
 9. TOTAL EXPENDITURES \$ -0-

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestions of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Subscribed and sworn to before me this 19th day of Feb 1980

Signature: Edward R. Kavatt Date: Feb. 19, 1980
 Signature: Patricia [unclear]
 NOTARY PUBLIC

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. Section 437; or Section 441 (See reverse side of form).

'80 FEB . 6 PM 12:29

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

LYNDON H. LAROUCHE, JR.

Plaintiff

Index No.
16280/79

-against-

AFFIDAVIT

OUR TOWN, et al.

Defendants

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss:

ED KAYATT, being duly sworn, deposes and says:

1. I am the publisher of Our Town Newspaper.
2. Our Town Newspaper is a local newspaper distributed on the upper east side of New York, free of charge through apartment buildings and other public places such as banks and supermarkets.
3. DENNIS KING is a free lance writer who has written a series of articles based upon an investigation of LYNDON LAROUCHE. Those articles have found that Mr. LAROUCHE is a Nazi sympathizer and those facts elicited during the investigation were covered in news articles in the Our Town Newspaper.
4. During the investigation, it was learned that Mr. LAROUCHE had qualified for matching funds. As these funds come from taxpayer dollars, I believe that the public should be informed of that fact and I further believe that the facts as set forth in the news articles written by Mr. KING should be read by a larger number of New Yorkers, many of whom live outside the area of distribution of the newspaper.

82040362588

62040302589

5. I do not support and Our Town Newspaper does not support candidates from any particular party, but rather, after an investigation of a candidate's record, we attempt to determine which candidate we believe is best qualified for the position which he or she is seeking. In some instances, such as the one herein, it is determined that a particular candidate is in our opinion not qualified to hold public office. In that event, we attempt to elicit facts and to write based on those facts, articles which will be news articles and which will inform the general public of what that investigation has uncovered. My efforts to see that LYNDON LAROCHE is defeated and that the public is made aware of his activities in the past has nothing to do and is in no way connected with the political activities of any other candidate or any other party.

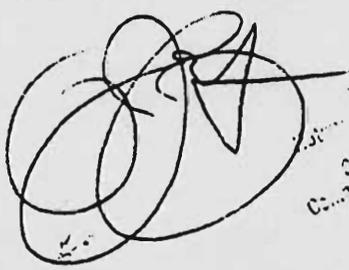
6. I have not collected contributions of \$1,000. I have collected contributions of \$614 which is far short of the \$1,000 set forth in the complaint.

WHEREFORE, it is respectfully requested that the Commission take no action in regard to the complaint herein.

Ed Kayatt

ED KAYATT

Sworn to before me this 4
day of February, 1980



J. BUTE
Notary Public, New York
No. 44-45-50
in Kings County
Commission Expires March 30, 1980

LYNDON E. LAROUCHE, JR.

Plaintiff

-against-

OUR TOWN, et al

Defendants

AFFIDAVIT

**Attorneys for SAXE, BACON & BOLAN, P.C.
Defendants**

**39 EAST 68th STREET
NEW YORK, N.Y. 10021
(212) 472-1400**

By: DAVID S. HELLER

Attorney(s) for Plaintiff

Service of a copy of the within

is hereby admitted.

Dated:

Attorney(s) for

PLEASE TAKE NOTICE

NOTICE OF ENTRY that the within is a (certified) true copy of a entered in the office of the clerk of the within named court on 19

NOTICE OF SETTLEMENT that an Order of which the within is a true copy will be presented for settlement to the Hon. one of the judges of the within named Court, at 19 . at M.

Dated:

**Attorneys for SAXE, BACON & BOLAN, P.C.
39 EAST 68th STREET
NEW YORK, N.Y. 10021**

To:

Attorney(s) for



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 11, 1981

Ms. Marilyn Smalls
United States Courthouse
Southern District Reporters
40 Centre Street, Room 441
New York, New York 10007-1596

Re: MUR 1137

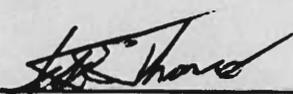
Dear Ms. Smalls:

As per your conversation with Anne Cauman on November 24, 1981, this is to confirm that we will be using the services of one of your court reporters at a deposition on Wednesday, December 16, 1981, at 11:00 a.m. in Room 18 of the United States Courthouse, 40 Centre Street, New York, New York.

If you have any questions, please call Anne Cauman at (202) 523-4000.

Sincerely,

Charles N. Steele

By: 
Scott E. Thomas
Assistant General Counsel

62040362591



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 1, 1981

Certified Mail
Return Receipt Requested

Jeffrey Cylkowski, Esq.
Saxe, Bacon & Bolan, P.C.
39 East 68th Street
New York, New York 10021

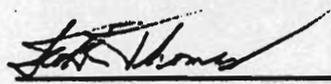
Re: MUR 1137

Dear Mr. Cylkowski:

As per your conversation with Anne Cauman on November 24, 1981, this is to confirm the rescheduling of Mr. Kayatt's deposition testimony pursuant to 11 C.F.R. § 111.15(c) from Monday, November 30, 1981, at 11:00 a.m. to Wednesday, December 16, 1981, at 11:00 a.m. in Room 18 of the United States Court-house, 40 Centre Street, New York, New York 10007.

Sincerely,

Charles N. Steele
General Counsel

By: 
Scott E. Thomas
Assistant General Counsel

MUR 1137 AC

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
 Show to whom and date delivered.....
 Show to whom, date and address of delivery.....
 RESTRICTED DELIVERY
 Show to whom and date delivered.....
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.....
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Jeffrey Cylkowski
 Saxe, Bacon & Bolan, P.C.
 39 E 68th St
 New York, N.Y. 10021

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 945540

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent


4. DATE OF DELIVERY
 12-4

5. ADDRESS (Complete only if registered)


6. UNABLE TO DELIVER BECAUSE:
 CLERK'S OFFICE

12-1-81

Chen

#1137

RECEIVED
GC# 6080
82 JAN 18 P12:03

January 7, 1981

Federal Election Commission

Re: Committee Organized For Informing The Electorate

Enclosed ledger sheets, bank statements, copies of check including a check from Manhattan Media Corp. which was in exchange for monies collected for New York Times advertisement.

Please note the following:

- a. COFITE checks signed by Sidney Frank, copies of which are enclosed. Sidney Frank, a close friend, was asked to sign checks so that someone other than myself would have control of funds collected and disbursed.
- b. Our Town, Manhattan Media Corporation and Ed Kayatt are synonomous in that I am the sole owner. Further, over the past eleven years of the publication of Our Town, I never had a personal checking account. All my personal expenses were paid by Our Town and Manhattan Media Corp. and charged against my salary. The reason for handling my salary in this fashion was to keep a cash flow in the business as we did not have working capital.
- c. The amount of \$500 which appears on ledger sheet and later debited from bank account, represents a check from Dennis King. King collected this amount from a "would be" contributor. There was a difference of opinion as to who should had gotten the funds, King for continuing his research on LaRouche or COFITE to help defray the cost of the Times ad. King changed his mind and stopped payment of subject check feeling that he should have the money.
- d. Although COFITE was "formed", it is still my contention that I did not act as a political committee. I believe that I was ill advised to file with the FEC.

Ed Kayatt

02040302

RECEIVED
FEB 18 1981

Suite 202
1751 Second Ave
NYC 10028
212-574-5500

MANHATTAN

We have a weekly distribution in excess of 111,000 covering the East Side of Manhattan from Fifth Avenue to the East River from 14th Street to 14th Street. An additional 25,000 copies are distributed on the West Side from Lincoln Towers to 58th Street, Central Park West to Riverside Drive. A total audited circulation of 136,000.

Audited by
Business Publications of Audit Circulation
Selected Market Audit Division.

For many years, East Siders have enjoyed the feature articles, the crusading journalism, dining, theatre and film reviews, humor and all that has come to represent fun reading and excellent reporting found in OUR TOWN. And now OUR TOWN has expanded to serve and entertain the West Side, too.

AND THAT'S GREAT NEWS FOR OUR OLD AND NEW ADVERTISERS!

OUR TOWN is on the move! From March 1978 to September 1978 Our Town's readership increased 50%. In a National Center Survey for Telephone Research Poll, OUR TOWN rated highest of New York's neighborhood publications with a rating of 25.0% (as compared to 10.5% for the Village Voice). It also rated just under the Daily News but ahead of the New York Post. With our increased circulation, our readership in our area of distribution should have us rated further ahead of the New York Post and ahead of the Daily News.

OUR TOWN is proud to announce the winning of over 30 awards in the 10 years we have been publishing. Our latest awards were First and Third Place for Community Service and Third Place for Investigative Reporting from the New York Press Association.

RATES

RATES SCHEDULE A

CONSECUTIVE WEEKS	*LINES	COST PER LINE	COST PER COLUMN IN
Open		\$2.41	\$33.74
Four	1,500	\$2.11	\$29.54
Eight	2,500	\$1.94	\$27.16
Thirteen	5,000	\$1.84	\$25.76
Twenty-six	10,000	\$1.80	\$25.20
Fifty-two	25,000	\$1.60	\$22.40
	50,000	\$1.40	\$19.60

RATE SCHEDULE B

CONSECUTIVE WEEKS	*LINES	COST PER LINE	COST PER COLUMN IN
Open		\$1.84	\$25.76
Four	1,500	\$1.64	\$22.96
Eight	2,500	\$1.45	\$20.30
Thirteen	5,000	\$1.38	\$19.32
Twenty-six	10,000	\$1.34	\$18.76
Fifty-two	25,000	\$1.20	\$16.80
	50,000	\$1.08	\$15.12
NATIONAL RATE		\$2.78	\$38.92

Center Section

RATES SCHEDULE A

CONSECUTIVE WEEKS	*LINES	COST PER LINE	COST PER COLUMN IN
Open		\$3.59	\$50.26
Four	1,500	\$3.16	\$44.24
Eight	2,500	\$2.90	\$40.60
Thirteen	5,000	\$2.76	\$38.64
Twenty-six	10,000	\$2.71	\$37.94
Fifty-two	25,000	\$2.40	\$33.60
	50,000	\$2.23	\$31.22

RATE SCHEDULE B

CONSECUTIVE WEEKS	*LINES	COST PER LINE	COST PER COLUMN IN
Open		\$2.76	\$38.64
Four	1,500	\$2.46	\$34.44
Eight	2,500	\$2.18	\$30.45
Thirteen	5,000	\$2.07	\$28.98
Twenty-six	10,000	\$2.01	\$28.14
Fifty-two	25,000	\$1.80	\$25.20
	50,000	\$1.62	\$22.68
NATIONAL RATE		\$4.17	\$58.38

RATE SCHEDULE A:

Restaurants, entertainment, services, branch operations, real estate and mail order.

RATE SCHEDULE B:

Local Retail.

All rates are based upon advance payment in full.

*Lineage available only to 4A Rated agencies.
Within 12 months.

ADDITIONAL SERVICES

Position and color services rates available upon request
Custom inserting available at \$60 per 1,000 with a 5,000 minimum

6 2 0 4 0 3 0 2 5 9 4

0 2 0 4 0 3 0 2 5 9 5

MISC. ITEMS

ALL YOU EVER WANTED TO KNOW ABOUT

OUR TOWN

Display Ads

Manhattan

Our town newspaper is a tabloid with a single page size 15 inches deep, 11 1/2 inches wide, containing six columns. Each column is 1 9/16 inches (or 9 1/2 picas) wide and 14 5/16 inches (or 200 agate lines - 14 agate lines to the inch) deep. Center pages are a four column format - 2 3/8 inches (14 1/2 picas) width per column. Center pages include such departments as entertainment, dining, fashion, beauty, home furnishing, running, tennis and fashion. Printed by photo offset on newsprint (Acceptable industry shrinkage)

MECHANICAL REQUIREMENTS

Headlines with solid area, artwork and/or type larger than one inch (one pica or 12 points) must have an 85% screen. Half-tones are to be 85 line screen.

PRODUCTION CHARGES

Advertisements and changes in advertisements not camera ready will be billed for typesetting, screens, half-tones, reverses and any other production activity required to produce camera ready art.

PUBLISHING DATE AND CLOSING DATE

Each issue has a Sunday publishing date, is printed the previous Wednesday and distributed through Saturday.

The last forms for display close Tuesday at 4 p.m. for camera ready with reservation placed by 5 p.m. the preceding Friday. Copy for ads to be made up must also be in Friday at 5 p.m.

REGULATIONS

All advertising subject to Publisher's normal terms and conditions as appear in our Town's standard contracts.

All advertising space must be paid in advance of insertion unless a satisfactory credit rating is established.

All advertising subject to the approval of Publisher.

Commissions apply to 4A rated agencies only.

Payments from accepted agencies are due within 30 days of invoice date. Publisher may at his discretion not allow commissions on overdue accounts.

SUBJECT TO CHANGE WITHOUT NOTICE

02040362596

COMM. ORGANIZED FOR
INFORMING THE ELECTORATE
500 EAST 92ND STREET
NEW YORK, N.Y. 10029

103

PAID CITIBANK April 1988 \$1000.00

PAY TO THE ORDER OF
Miller Advertising
one thousand and 00/100

DOLLARS

CITIBANK

Citibank, N.A.
First Ave. at 79th St.
New York, N.Y.
10021

FOR
Sidney Frank

⑆000103⑆⑆021000089⑆03003609911⑆⑆

COMM. ORGANIZED FOR
INFORMING THE ELECTORATE
500 EAST 92ND STREET
NEW YORK, N.Y. 10029

103

PAID CITIBANK April 1988 \$1000.00

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First Ave. at 79th St.
New York, N.Y.
10021

FOR
Sidney Frank

⑆000103⑆⑆021000089⑆03003609911⑆⑆

Miller

MILLER ADVERTISING AGENCY INC. 253 THIRD AVENUE | NEW YORK, N. Y. 10022 | TELEPHONE: (212) 688-1300

INVOICE NO. 7805-17

OUR TOWN NEWSPAPER
500 EAST 82ND ST
NEW YORK, N Y 10028

03/31/80

TERMS: NET

INSERTION DATE	PUBLICATION		LINES	TIMES	RATE	COST
03-28	N Y NEWS	DRIVE-8	4	1	8 00	32 00
					PUB SUBTOTAL	32 00
03-26	N Y TIMES	1 AD COFITE	FLAT	8032 00		8032 00
					PUB SUBTOTAL	8,032 00
						====
					INVOICE TOTAL	8,064 00

6204030259

Investigation/Inquiry Request

Customer Information

061057

534-5500
Contract No. DEC 21 AM 58

Account No.

03609911

Expense Code

0030

Date Received

12/17/81

Name: *Committee Organized for Informing the Electorate*
Address: *16 Ed. Mutt*

Submitter Information

OUR TOWN

Name: *1751 Second Ave*
Source: *NY NY 10028*

Location/Floor/Zone/Telephone No.

J.D. J. MURRAY

Dept./Div./Branch/Expense Code

0030

- 1. Telephone
- 2. Branch/Bank
- 3. Corres.
- 4. President
- 5. Other Mgmt.
- 6. High Balance

Product Type

- 1. Checking
- 2. R/C
- 3. Check/Plus
- 4. D/L/C
- 5. SCIL/PL.
- 6. P/P Sav.
- 7. C/C Sav.
- 8. Ready Sav.
- 9. Clubs
- 10. EFT
- 11. Mtg./MC/VISA
- 12. Other

Problem Type

- 1. Posted Twice
- 2. Misposted
- 3. Not Posted
- 4. Encoding Error
- 5. Interest
- 6. Photo Ck/DB
- 7. Photo Statement
- 8. Photo State/Cks.
- 9. Subpoena
- 10. Cert.
- 11. N.G. Ck.
- 12. Pay't
- 13. Ret. Check
- 14. CBC
- 15. Other

Photo

Statement or Multi

Charge

Waived

No. of Photos

Rule-Off Dates

11th OF each month

Reason

Never Received

Audit/Lost

Collection

Br. Inv. - Details:

Home Address Information:

Same

New Address

Diff. Address

Foreign Code Inc.

Photo	Date	Transaction	Amount	Batch Track Number

Miscellaneous Details

Copies of all Bank Statements for 1980 except 4/11/80, 6/11/80 and 10/14/80

Resolution Details

As far as I can determine the above account was not opened during Jan + Feb or domicile in another region. Attached find copies of statements.

Investigator Stamp
RESOLVED
DEC 27 1981
WALTER DREIER
ACTION

Letter - Original <input type="checkbox"/>	Adjustment Type/Amount/Date	Charge Amount	Checked By
WP # <input type="checkbox"/>			
D/C Notice <input type="checkbox"/>			
CBC Use Only	Tel. Rep.	Investigator	Source
		Product	Problem
		Statement Reason	Address Info.

8204036200

75 02

March 12, 1980

CITIBANK

03609911
COMMITTEE ORGANIZED FOR
INFORMING THE ELECTORATE
500 E 82 ST
NEW YORK NY

030 ----- 199

10028

31 30

2

FOR INQUIRIES PLEASE CALL: (212) 750-5000 PAGE 1 OF 1

Citibank Statement

AVG BAL \$1978 CHKS PD 0 CHKS DEP 190

DATE Order BUSINESS CHECKING ACCT Account No 03609911

DATE Description Fee Date DEBITS CREDITS Date Balance

DATE	Description	Fee	DATE	DEBITS	CREDITS	DATE	Balance
02-22	OPENING BALANCE		02-22			02-22	00
02-22	DEPOSIT		02-22		619 00	02-22	619 00
02-26	DEPOSIT		02-26		18 00	02-26	1 277 00
02-26	DEPOSIT		02-26		31 00	02-26	1 307 00
02-26	DEPOSIT		02-26		45 00	02-26	1 342 00
02-26	DEPOSIT		02-26		55 00	02-29	1 755 00
02-26	DEPOSIT		02-26		55 00	EOM	1 755 00
02-26	DEPOSIT		02-26		57 00	03-03	2 020 00
02-26	DEPOSIT		02-26		80 00	03-04	2 015 00
02-26	DEPOSIT		02-26		110 00	03-05	2 346 00
02-26	DEPOSIT		02-26		207 00	03-06	2 474 00
02-27	DEPOSIT		02-27		15 00	03-07	3 054 00
02-27	DEPOSIT		02-27		65 00	03-11	3 124 00
02-28	DEPOSIT		02-28		45 00	03-12	2 625 00
02-28	DEPOSIT		02-28		57 00		91061902181
02-28	DEPOSIT		02-28		83 00		91061902186
02-29	DEPOSIT		02-29		168 00		91061902194
02-29	EXPRESS DEPOSIT		02-29		45 00		91019088580
03-03	DEPOSIT		03-03		25 00		8910201802089
03-03	DEPOSIT		03-03		51 00		910130203899
03-03	DEPOSIT		03-03		67 00		910272101750
03-03	DEPOSIT		03-03		130 00		910130203883
03-04	CHARGE MEMO	13 00	03-04				910130203891
03-05	DEPOSIT		03-05		10 00		A911240205626
03-05	DEPOSIT		03-05		60 00		910161300454
03-05	DEPOSIT		03-05		67 00		910161300438
03-05	DEPOSIT		03-05		69 00		910042101981
03-05	DEPOSIT		03-05		125 00		910161300446
03-06	DEPOSIT ERROR		03-06		10 00		910042101976
03-06	EXPRESS DEPOSIT		03-06		118 00		8910170503823
03-07	DEPOSIT		03-07		580 00		8910170503814
03-11	DEPOSIT		03-11		25 00		910170104195
03-11	DEPOSIT		03-11		45 00		910260301902
03-12	DEPOSIT		03-12		20 00		910030800376
03-12	CHARGE MEMO	503 00	03-12				910211603227
03-12	SERVICE CHARGE	15 79	03-12				A911150504412

Batch Trace

- 910111306759
- 910022201776
- 910022201814
- 910022201744
- 910022201768
- 910022201752
- 910022201805
- 910022201760
- 910022201781
- 910022201797
- 910061701685
- 910061701675
- 910061902181
- 910061902186
- 910061902194
- 91019088580
- 8910201802089
- 910130203899
- 910272101750
- 910130203883
- 910130203891
- A911240205626
- 910161300454
- 910161300438
- 910042101981
- 910161300446
- 910042101976
- 8910170503823
- 8910170503814
- 910170104195
- 910260301902
- 910030800376
- 910211603227
- A911150504412

Kids check + charges

03-12-80	516 00	521
15 79		

CITIBANK

3 2 0 4 0 3 6 2 6

May 17 1980

05-12-80	1 103 00	34

CITIBA KO

H 03609911 030 ----- 499
 COMMITTEE ORGANIZED FOR
 INFORMING THE ELECTORATE
 500 E 82 ST
 NEW YORK NY 10028

R1 30 0

FOR INQUIRIES PLEASE CALL: (212) 750-5000 PAGE 1 OF 1

Citicard Statement					
AVG BAL	DATE	CHGS PD	CHGS DEP		
BUSINESS CHECKING ACCT					
DATE	DEBITS	CREDITS	DATE	AMOUNT	
04-15			04-15	198 36	
04-15		16 00	04-15	106 36	
04-25	14 00		04-25	92 10	
04-25		15 00	04-25	107 10	
05-01		13 00	05-01	120 10	
05-12		30 00	05-12	167 90	
05-12	6 20				

Account Balance	
Interest Earned	

910050404060
 910220404116
 910240808603
 500000000000

05-12-80	11 20	11 20

CITIBA KO

8 2 0 4 0 3 6 2 0 2

Check No.	07-10-80	35
Total	750 00	5 65
to: Mr. [Name]		48 67

July 10, 80

CITIBANK

H 03609911 030 --- --- 40.
 COMMITTEE ORGANIZED FOR
 INFORMING THE ELECTORATE
 500 E 82 ST
 NEW YORK NY 10028

R1 30 1

Previous Period	Accounting Code

FOR INQUIRIES PLEASE CALL: (212) 750-5000 PAGE 1 OF 1

Citicard Statement

Check No. or Description	DATE	AMOUNT	DEBIT	CREDIT	Balance
OPENING BALANCE	06-30				276 34
DEPOSITS	07-10	48 65			325 00
CHARGE FEND	07-10		30 00		295 00
SERVICE CHARGE	07-10		5 24		289 76
					271 30

Bank of America

516170785130
 30000000000000

Check No.	07-10-80	35
Total	750 00	5 65
to: Mr. [Name]		48 67

CITIBANK

Sept 1980

0360011
COMM-FRE PROVIDED FOR
IMPROVING THE ELECTRONIC
200 E 80 ST
NEW YORK NY

10028

FOR INFORMATION PLEASE CALL (212) 785-1000

8 2 0 4 0 3 6 2 6 0 5

Oct 1980

Ending Bal as of	11-12-80				28
Total Debits	No. 11	600 00	Total Credits	No. 1	3 69
Total Service Charges			Total Credits		
Total Other Charges			Total Credits		61 92

CITIBANK

Branch

H 03609911 030 ----- 358
 COMMITTEE ORGANIZED FOR
 INFORMING THE ELECTORATE
 500 E 82 ST
 NEW YORK NY 10028

R1 30 1

Previous Balance	Payments/Other Credits	Transf

Unpaid Payments

FOR INQUIRIES PLEASE CALL: (212) 750-5000 PAGE 1 OF 1

Citicard Statement

AVG BAL	\$105	CHKS PD	0	CHKS DEP	1
Checks Listed In:	DATE	DATE	BUSINESS CHECKING ACCT		Account No. 03609911
Check No. or Description	Date	Date	DEBITS	CREDITS	Pay Date
OPENING BALANCE	10-15				10-15
DEPOSIT	10-27			5 00	10-27
CHARGE MEMO	10-27		261 30		

Bank Trans

1611411312030
 A911240207567

Ending Bal as of	11-12-80				00
Total Debits	No. 11	261 30	Total Credits	No. 1	3 00
Total Service Charges	WAIVED	5 15	Total Credits		
Total Other Charges			Total Credits		

CITIBANK

1512 FIRST AVENUE
NEW YORK, NY

10021

Branch

030

----- 182

M

COMMITTEE ORGANIZED FOR
INFORMING THE ELECTORATE
500 E 82 ST
NEW YORK NY

10028

0

R1

30

FOR INQUIRIES PLEASE CALL: (212) 750-5000

PAGE

1 OF

1

AVG BAL		8702	CHKs PD	CHKs DEP	11
Checks Listed in	DATE	Order	BUSINESS CHECKING ACCT		Account Number
Check Number or Description / Fee	Date		DEBITS	CREDITS	Balance
OPENING BALANCE	05-13				1000.00
DEPOSIT	05-13			1000.00	2000.00
DEPOSIT	05-13			1000.00	3000.00
DEPOSIT	05-13			1000.00	4000.00
DEPOSIT	05-13			1000.00	5000.00
DEPOSIT	05-13			1000.00	6000.00
DEPOSIT	05-13			1000.00	7000.00
SERVICE CHARGE	06-11		6.36		6993.64
Closing Balance as of 06-11-80					233.59
Total Debits		No.	00	Total Credits	No.
Total Service Charges			6.36	"5% Checking" NOW	
Total Other Charges				Y-T-D Interest	

02040302608

5% and Savings					Savings Plan	
Description	Date	Debits	Credits	Balance	Previous Balance	
Total 5% Day-to-Day Savings					Payments/Other Credits	
Total 5.5% 90-Day Savings					Transfers/Other Debits	
					New Balance	
					Maximum Credit	
					Unpaid Principal	
					Credit Available	
					See enclosed for disclosure statement and current bill (if any).	
5% Interest Year-to-Date		5.5% Int. Year-to-Date				
Transfer from 5% to 5.5% occurs at		5.5% Int. Penalty Y-T-D				

3512 FIRST AVENUE
NEW YORK, NY

10028

Branch

030

879

COMMITTEE ORGANIZED FOR
INFORMING THE ELECTORATE
500 E 42 ST
NEW YORK NY

10028

R1 30

0

FOR INQUIRIES PLEASE CALL: (212) 750-5000 PAGE 1 OF 1

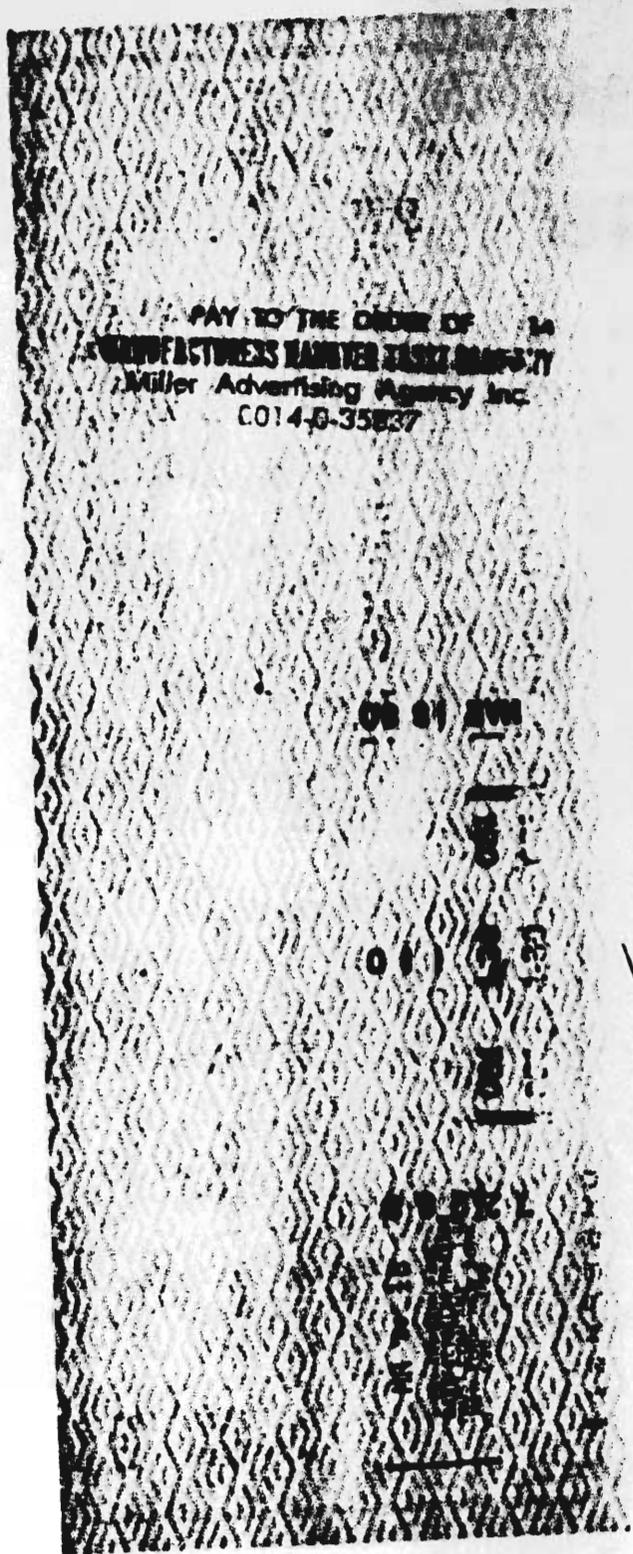
Check No.	DATE	AMOUNT	DEBITS	CREDITS	Account Number	Balance
OPENING BALANCE	07-12				07-12	261.30
SERVICE CHARGE	10-14	5.00			10-14	256.30
Closing Balance as of 10-14-80						256.30
Total Debits			5.00	Total Credits		0.00
Total Service Charges			5.00	"5% Checking" NOW		
Total Other Charges				Y-T-D Interest		

82040302609

Description	Date	Debits	Credits	Balance
Total 5% Day-to-Day Savings				
Total 5.5% 90-Day Savings				
5% Interest Year-to-Date			5.5% Int. Year-to-Date	
Transfer from 5% to 5.5% occurs at			5.5% Int. Penalty Y-T-D	

Checking Plus
Previous Balance
Payments/Other Credits
Withdrawals/Other Debits
New Balance
Minimum Credit
Unpaid Principal
Overdue Payments
See enclosed for disclosure statement and current bill (if any).

62040302610



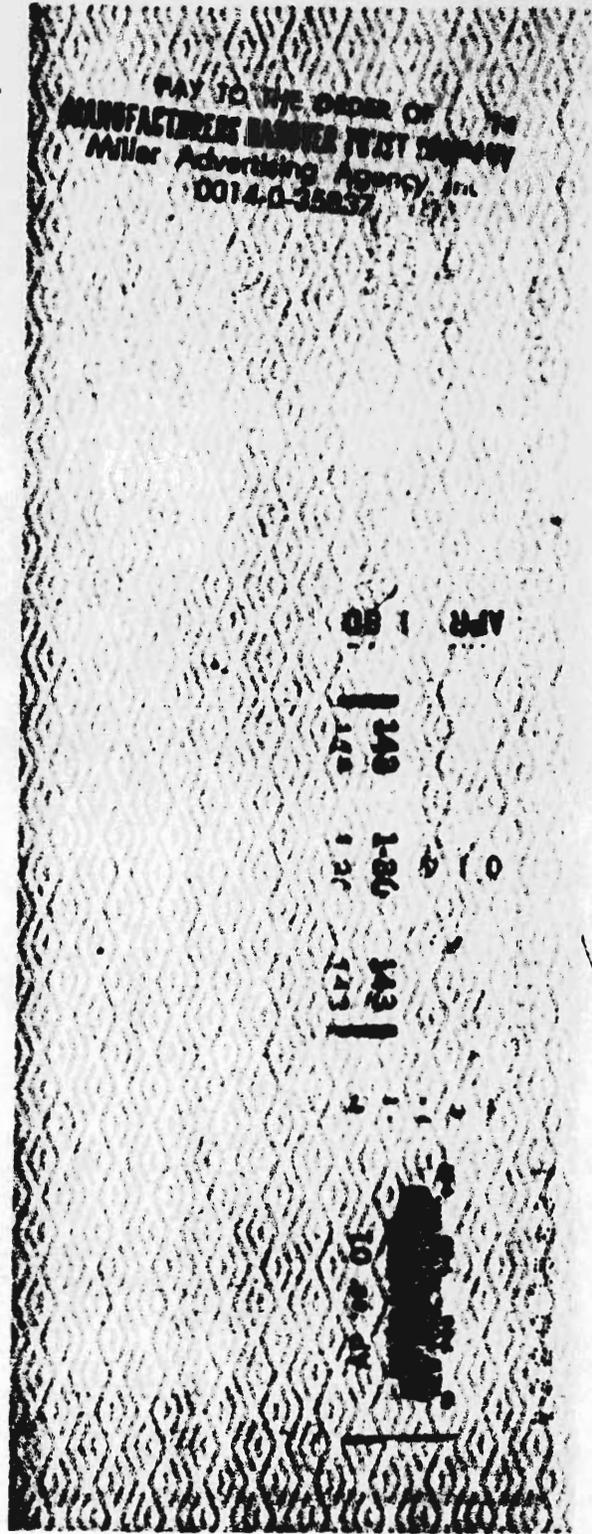
PAY TO THE ORDER OF
MANUFACTURERS HANDED TO THE BANK
Miller Advertising Agency Inc.
C014-0-35837

01 01 27

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01 01 27

62040362612



6 2 0 4 0 3 6 2 6 1 3

COMM. ORGANIZED FOR
INFORMING THE ELECTORATE
500 EAST 82ND STREET
NEW YORK, N.Y. 10028

103

PAID CITIBANK

April 10 1980

Miller Advertising
one thousand and 00/100

5000.00

DOLLARS

CITIBANK
60 Wall St.
New York, N.Y.
10038

Sedney Frank

FOR

⑆000103⑆ ⑆021000089⑆ 030/0360991⑆ ⑆0000100000⑆

6 2 0 4 0 3 0 2 6 1 4

JAMES J. CLEARY, JR. 137
 CAROL CLEARY

DO NOT WRITE IN THESE SPACES

Dec 31 1979 17043
 1100

Pay to the order of Our Town Dollars
Five Dollars and 00/100 \$ 5.00

Franklin Savings Bank
 of New York, N.Y.
 901 EIGHTH AVENUE, NEW YORK, N.Y. 10036

Memo Anti-Rouche James J. Cleary
 #: 2 260 704 30: 0 700 24 9 7 1 7 0 1 3 7

This check was never
 deposited in sheet I
 believe Cleary is
 a member of the
 LaRouche group -

NAME
ADDRESS
CITY

Our Town
~~500 6 8 2~~ 175 2nd Ave Rusty
Suite 202
NY NY 10028 473 7001
att. Ed Kayatt 860-2525

RATING:
CREDIT LIMIT:
SALESMAN: SF

MEMO	DATE	REFERENCE	DEBIT		CREDIT		BALANCE	OLD BALANCE	
	BALANCE FORWARD							39258	
	JAN 22 80	371		CSH	220.90	M	171.63	39258	
	JAN 22 80	371		CSH	165.60	L	6.08	171.63	
BK CR 6856	JAN 23 80	7,343			6.08	CR	.00	6.08	
<i>Post 32</i>	MAR 13 80	446		CSH	32.00	N	32.00	32.00	
	FEB 29 80	7,603	32.00	N			.00	32.00	
	MAR 17 80	453			2,000.00	U	2,000.00		
	APR 1 80	475			1,000.00	U	3,000.00		
	MAR 31 80	7,805	8,064.00	N			5,064.00	3,000.00	
	APR 15 80	7,849	51.00				5,095.00	5,064.00	
	MAY 2 80	516			51.00	O	5,064.00	5,095.00	
	MAY 20 80	8,100	93.00	P			5,157.00	5,064.00	
	JUN 30 80	603			93.00	P	5,064.00	5,157.00	
	JUL 18 80	8,197	244.77	Q			5,308.77	5,064.00	
	JUL 28 80	645			244.77	Q	5,064.00	5,308.77	
	AUG 26 80	8,336	78.78	R			5,142.78	5,064.00	
	SEP 3 80	694			78.78	R	5,064.00	5,142.78	
	OCT 30 80	8,577	85.25	A			5,149.25	5,064.00	
	NOV 10 80	797			85.25	S	5,064.00	5,149.25	
	NOV 30 80	8,769	54.25	U			5,118.25	5,064.00	
	DEC 31 80	8,854			4,391.74	CR	726.51	5,118.25	
	DEC 31 80	8,882	69.25	T			795.76	726.51	
	JAN 19 81	191		CSH	69.25	T	726.51	795.76	
CR AS PER ATT	JAN 31 81	8,900	35.00				761.51	726.51	
	JAN 31 81	9,004			726.51	CR	35.00	761.51	
	FEB 28 81	9,053	211.78				246.73	35.00	
	FEB 23 81	9,186	93.55				340.33	246.73	
	MAR 31 81	9,256	175.65				515.98	340.33	
	MAR 31 81	9,599	76.95				592.93	515.98	
	MAR 31 81	9,441	122.50				715.43	592.93	
	MAR 22 81	9,474	148.13				863.56	715.43	
	MAR 31 81	9,562	121.45				1,055.00	863.56	
	JUN 30 81	9598	113.75				1,168.75	1,055.00	

TOTALS END

02040302616

ACCOUNTS RECEIVABLE LEDGER

SHEET NO.

NAME
ADDRESS
CITY

OUR TOWN
500 E. 82ND ST.
NY NY 10028

Ed Kayett

*Rueky
472-1001*

RATING:

CREDIT LIMIT:

SALESMAN: SF

MEMO	DATE	REFERENCE	DEBIT		CREDIT		BALANCE	OLD BALANCE	
			BALANCE FORWARD ▶						
	SEP3078	5,123	119.00	B			119.00		
	SEP3078	5,124	708.00	B			827.00	119.00	
	JAN2479	5,508	37.60	a			864.60	827.00	
	JAN3179CSH	856			37.60	u	827.00	864.60	
	FEB 279CSH	861			827.00	B	.00	827.00	
	FEB2679	5,665	42.60	S			42.60	.00	
	MAR2379	5,806	183.20	C			225.80	42.60	
	MAR2779CSH	922			183.20	C	42.60	225.80	
	MAR3179	5,908	65.82	D			108.42	42.60	
	APR2079CSH	951			108.42	D	.00	108.42	
	APR2779	6,012	321.56	E			321.56	.00	
	MAY 279CSH	956			321.56	E	.00	321.56	
	APR3079	6,097	312.40	F			312.40	.00	
	MAY 179CSH	1,006			312.40	F	.00	312.40	
	JULY2179	6,349	45.60	G			45.60	.00	
	JUN2979CSH	1,036			45.60	G	.00	45.60	
	JUN3079	6,420	4,806.50	J			4,806.50	.00	
	JULY 179	6,400	270.12	J			5,076.62	4,806.50	
	JULY 179CSH	141			270.12	J	5,076.62	5,076.62	
	JULY 179	6,556	478.38	K			5,558.24	5,076.62	
	JULY 179	6,621	55.00	L			5,613.24	5,558.24	
	JULY 179	6,699	110.00	M			5,503.24	5,613.24	
	JULY 179	6,757	110.00	N			5,393.24	5,503.24	
	JULY 179	6,815	110.00	O			5,283.24	5,393.24	
	JULY 179	6,873	110.00	P			5,173.24	5,283.24	
	JULY 179	6,931	110.00	Q			5,063.24	5,173.24	
	JULY 179	6,989	110.00	R			4,953.24	5,063.24	
	JULY 179	7,047	110.00	S			4,843.24	4,953.24	
	JULY 179	7,105	110.00	T			4,733.24	4,843.24	
	JULY 179	7,163	110.00	U			4,623.24	4,733.24	
	JULY 179	7,221	110.00	V			4,513.24	4,623.24	
	JULY 179	7,279	110.00	W			4,403.24	4,513.24	
	JULY 179	7,337	110.00	X			4,293.24	4,403.24	
	JULY 179	7,395	110.00	Y			4,183.24	4,293.24	
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	JULY 179	7,569	110.00	AB			3,853.24	3,963.24	
	JULY 179	7,627	110.00	AC			3,743.24	3,853.24	
	JULY 179	7,685	110.00	AD			3,633.24	3,743.24	
	JULY 179	7,743	110.00	AE			3,523.24	3,633.24	
	JULY 179	7,801	110.00	AF			3,413.24	3,523.24	
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	JULY 179	7,975	110.00	AI			3,083.24	3,193.24	
	JULY 179	8,033	110.00	AJ			2,973.24	3,083.24	
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	JULY 179	8,149	110.00	AL			2,753.24	2,863.24	
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	JULY 179	8,265	110.00	AN			2,533.24	2,643.24	
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	JULY 179	8,555	110.00	AS			1,983.24	2,093.24	
	JULY 179	8,613	110.00	AT			1,873.24	1,983.24	
	JULY 179	8,671	110.00	AU			1,763.24	1,873.24	
	JULY 179	8,729	110.00	AV			1,653.24	1,763.24	
	JULY 179	8,787	110.00	AW			1,543.24	1,653.24	
	JULY 179	8,845	110.00	AX			1,433.24	1,543.24	
	JULY 179	8,903	110.00	AY			1,323.24	1,433.24	
	JULY 179	8,961	110.00	AZ			1,213.24	1,323.24	
	JULY 179	9,019	110.00	BA			1,103.24	1,213.24	
	JULY 179	9,077	110.00	BB			993.24	1,103.24	
	JULY 179	9,135	110.00	BC			883.24	993.24	
	JULY 179	9,193	110.00	BD			773.24	883.24	
	JULY 179	9,251	110.00	BE			663.24	773.24	
	JULY 179	9,309	110.00	BF			553.24	663.24	
	JULY 179	9,367	110.00	BG			443.24	553.24	
	JULY 179	9,425	110.00	BH			333.24	443.24	
	JULY 179	9,483	110.00	BI			223.24	333.24	
	JULY 179	9,541	110.00	BJ			113.24	223.24	
	JULY 179	9,599	110.00	BK			3.24	113.24	
	JULY 179	9,657	110.00	BL				3.24	
	JULY 179	9,715	110.00	BM					
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	JULY 179	9,831	110.00	BO					
	JULY 179	9,889	110.00	BP					
	JULY 179	9,947	110.00	BQ					
	JULY 179	10,005	110.00	BR					
	JULY 179	10,063	110.00	BS					
	JULY 179	10,121	110.00	BT					
	JULY 179	10,179	110.00	BU					
	JULY 179	10,237	110.00	BV					
	JULY 179	10,295	110.00	BW					
	JULY 179	10,353	110.00	BX					
	JULY 179	10,411	110.00	BY					
	JULY 179	10,469	110.00	BZ					
	JULY 179	10,527	110.00	CA					
	JULY 179	10,585	110.00	CB					
	JULY 179	10,643	110.00	CC					
	JULY 179	10,701	110.00	CD					
	JULY 179	10,759	110.00	CE					
	JULY 179	10,817	110.00	CF					
	JULY 179	10,875	110.00	CG					
	JULY 179	10,933	110.00	CH					
	JULY 179	10,991	110.00	CI					
	JULY 179	11,049	110.00	CJ					
	JULY 179	11,107	110.00	CK					
	JULY 179	11,165	110.00	CL					
	JULY 179	11,223	110.00	CM					
	JULY 179	11,281	110.00	CN					
	JULY 179	11,339	110.00	CO					
	JULY 179	11,397	110.00	CP					
	JULY 179	11,455	110.00	CQ					
	JULY 179	11,513	110.00	CR					
	JULY 179	11,571	110.00	CS					
	JULY 179	11,629	110.00	CT					
	JULY 179	11,687	110.00	CU					
	JULY 179	11,745	110.00	CV					
	JULY 179	11,803	110.00	CW					
	JULY 179	11,861	110.00	CX					
	JULY 179	11,919	110.00	CY					
	JULY 179	11,977	110.00	CZ					
	JULY 179	12,035	110.00	DA					
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	JULY 179	12,209	110.00	DD					
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	JULY 179	12,615	110.00	DK					
	JULY 179	12,673	110.00	DL					
	JULY 179	12,731	110.00	DM					
	JULY 179	12,789	110.00	DN					
	JULY 179	12,847	110.00	DO					
	JULY 179	12,905	110.00	DP					
	JULY 179	12,963	110.00	DQ					
	JULY 179	13,021	110.00	DR					
	JULY 179	13,079	110.00	DS					
	JULY 179	13,137	110.00	DT					
	JULY 179	13,195	110.00	DU					
	JULY 179	13,253	110.00	DV					
	JULY 179	13,311	110.00	DW					
	JULY 179	13,369	110.00	DX					
	JULY 179	13,427	110.00	DY					
	JULY 179	13,485	110.00	DZ					
	JULY 179	13,543	110.00	EA					
	JULY 179	13,601	110.00	EB					
	JULY 179	13,659	110.00	EC					
	JULY 179	13,717	110.00	ED					
	JULY 179	13,775	110.00	EE					

millier

MILLER ADVERTISING AGENCY INC. | 850 THIRD AVENUE | NEW YORK, N.Y. 10022 | TELEPHONE: (212) 688-1300

JAN 31 81

INVOICE NO. 900417

OUR TOWN
1751 2ND AV. SUITE 202
NY, NY 10028
ATT. ED KAYATT

TERMS: NET

8
INSERTION DATE PUBLICATION LINES TIMES RATE COST

CREDIT AS PER ATTACHED

726.51
726.51 CR
726.51

020403026

"v"

Miller

MILLER ADVERTISING AGENCY, INC. | 850 THIRD AVENUE | NEW YORK, N.Y. 10022 | TELEPHONE: (212) 688-1300

1751 Second Ave. (suite 202)
New York, N.Y. 10028

INVOICE NO. *8854.17*
Dec. 15 1980

TERMS: NET

INSERTION DATE PUBLICATION LINES TIMES RATE COST

Our Town

Credit #E50104 Feb. thru Sept. MM. May *cr.* 3719.71

Cr. #24392 July Septson *cr.* 48.00

CR #24375 July Met. Life *cr.* 97.30

Cr. #23930-23383-23431
#24352-#24285 -#24181 *Cr.* 422.71

Cr. #24463 Met. Life Aug. *Cr.* 103.38

total credit 4391.74 CR

OK

Cash

62040302619

Miller

MILLER ADVERTISING AGENCY INC. | 850 THIRD AVENUE | NEW YORK, N. Y. 10022 | TELEPHONE: (212) 688-1300

INVOICE NO. 7805: 17

OUR TOWN NEWSPAPER
500 EAST 82ND ST
NEW YORK, N. Y. 10028

03/31/80

TERMS: NET

INSERTION DATE	PUBLICATION	LINES	TIMES	RATE	COST
03-23	N Y NEWS	DRIVERS	4	1 8.00	32.00
				PUB. SUBTOTAL	32.00
02-26	N Y TIMES	* 1 AD COPITE	FLAT	8032.00	8032.00 <i>net</i>
				PUB. SUBTOTAL	8,032.00
				INVOICE TOTAL	8,064.00

*BILLED NET (N Y TIMES AD)

62040302620

62040362622

19 PAY ANY BANK, F. I. C. 1-8
CITIBANK, N.A.
NEW YORK, NEW YORK
1-8 UPLK MAN 19

022000PAID03609911

0701041 03030

19 PAY ANY BANK, F. I. C. 1-8
CITIBANK, N.A.
NEW YORK, NEW YORK
1-8 UPLK MAN 19

022000PAID03609911

0701041 03030

DOWN

NEW YORK'S

The newspaper that cares... about you and your community
EAST SIDE WEST SIDE COMMUNICATIONS CORPORATION
1751 Second Ave. New York, N.Y. 10028

2040302523

82 JAN 18 P12

First Class Mail

Federal Election

Commission

Let's:

Make Con. Kabaner

Legal Division

Washington,

D.C. 20463



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 5, 1981

Certified Mail
Return Receipt Requested

Lawrence M. Abramson, Esq.
Saxe, Bacon & Bolan, P.C.
39 East 68th Street
New York, New York 10021

Re: MUR 1137

Dear Mr. Abramson:

On September 10, 1980, the Federal Election Commission ("Commission") notified your clients that the Commission had found reason to believe that Edward R. Kayatt and the Committee Organized For Informing the Electorate ("COFITE") had violated 2 U.S.C. §§ 433 and 434 and that Manhattan Media Corporation, trading as Our Town, had violated 2 U.S.C. § 441b. As you are aware, an investigation of this matter is being conducted, and it has been determined that additional information from Mr. Kayatt is necessary.

Consequently, the Commission has issued the attached subpoena which requires Mr. Kayatt to appear and give sworn testimony on November 30, 1981, in Room 18 of the United States Courthouse, 40 Centre Street, New York, New York 10007. This testimony will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid \$30.00, plus mileage at the rate of 22.5 cents per mile. Mr. Kayatt will be given a check for his witness fee and mileage at the time of the deposition.

820403026224

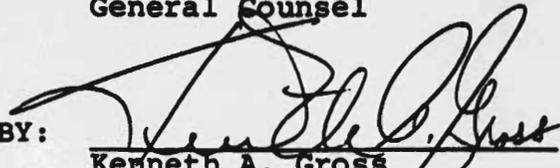
Letter to Lawrence M. Abramson
Page Two
MUR 1137

Please confirm Mr. Kayatt's scheduled appearance within two days of your receipt of this notification with Anne Cauman, the attorney handling this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

BY:


Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena

2040302625

MUR 1137 - AC

SENDER: Complete item 1, 2 and 3 and "RETURN TO" space on reverse.	
1. The following articles is enclosed (attach copy): <input type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.....	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Lawrence M. Abramson 9000, Bacon + Bolam, P.C. 29 East 68th St New York, N.Y. 10021	REGISTERED NO. CERTIFIED NO. INSURED NO. 943749
I have enclosed the article described above. SIGNATURE:  ADDRESS: Complete only if necessary. DATE OF DELIVERY: NOV 9 1981	
3. ADDRESS: Complete only if necessary. DATE OF DELIVERY: NOV 9 1981	
4. UNABLE TO DELIVER REASON: CLERK'S INITIALS	

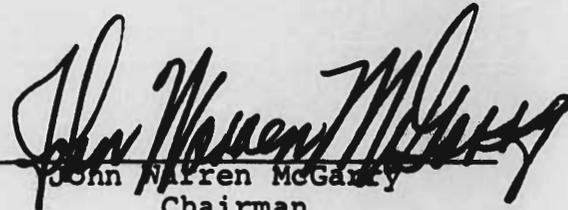
Form 3811, 2-79
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL
11-5-81

Subpoena to Appear for Deposition Upon Oral Examination

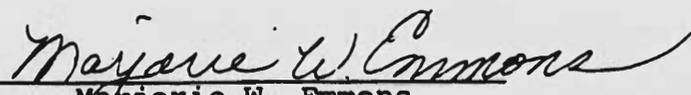
TO: Mr. Edward R. Kayatt
c/o Lawrence M. Abramson, Esq.
Saxe, Bacon & Bolan, P.C.
39 East 68th Street
New York, New York 10021

At the instance of the Federal Election Commission pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to the Commission's investigation in Matter Under Review 1137. Notice is hereby given that the deposition is to be taken at Room 18 of the United States Courthouse, 40 Centre Street, New York, New York 10007, beginning at 11:00 AM on November 30, 1981, and continuing each day thereafter as necessary.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., this *2nd* day of *Nov* 1981.


John Warren McGarty
Chairman
Federal Election Commission

ATTEST:


Marjorie W. Emmons
Secretary to the Commission

62040302626



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Certified Mail
Return Receipt Requested

Lawrence M. Abramson, Esq.
Saxe, Bacon & Bolan, P.C.
39 East 68th Street
New York, New York 10021

Re: MUR 1137

Dear Mr. Abramson:

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Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid \$30.00, plus mileage at the rate of 22.5 cents per mile. Mr. Kayatt will be given a check for his witness fee and mileage at the time of the deposition.

2040302627

Letter to Lawrence M. Abranson
Page Two
NUR 1137

Please confirm Mr. Kayatt's scheduled appearance within two days of your receipt of this notification with Anne Cauman, the attorney handling this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena

52040362628

ac --
11/4/81



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *mc*
FROM: MARJORIE W. EMMONS/JODY CUSTER *jc*
DATE: NOVEMBER 3, 1981
SUBJECT: SUBPOENA REGARDING MUR 1137

The attached subpoena which was Commission approved on November 2, 1981 by a vote of 6-0 has been signed and sealed this date.

2040362629

Attachment:
subpoena

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Manhattan Media Corporation)
Edward Kayatt)

MUR 1137

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 2, 1981, the Commission authorized by a vote of 6-0 issuance of the subpoena to Edward R. Kayatt and sending the cover letter to his counsel, Lawrence M. Abramson, (Attachments 1 and 2 to the General Counsel's October 28, 1981 memorandum).

Commissioners Aikens, Harris, McGarry, Reiche, Thomson and Tiernan voted affirmatively in this matter.

Attest:

11-2-81

Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

10-28-81, 2:01
10-29-81, 11:00

52040362630

October 21, 1981

MEMORANDUM TO: Marjorie W. Brown
FROM: Elissa V. Galt
SUBJECT: MW 1117

Please have the attached memo distributed to the Commission on a 48 hour tally basis. Thankyou.

12040362631



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

81 OCT 28 P 2: 01

October 28, 1981

MEMORANDUM

TO: The Commission
FROM: Charles N. Steele
General Counsel
BY: Kenneth A. Gross
Associate General Counsel *KAG*
SUBJECT: Authorization to Issue Subpoena
in Connection with MUR 1137

This matter arises out of a complaint filed by Citizens for LaRouche. It concerns anti-La Rouche advertisements which appeared in both the New York Times and Our Town, a weekly newspaper published by respondent Manhattan Media Corporation. Other respondents are the Committee Organized For Informing the Electorate (COFITE) and Edward R. Kayatt. Mr. Kayatt is the president of Manhattan Media Corporation, the publisher and editor of Our Town and the Chairman of COFITE.

The complaint basically alleged that respondents Manhattan Media Corporation and Edward Kayatt were acting as a "political committee" by soliciting funds in the editorial pages of Our Town to pay for an advertisement in the New York Times for the purpose of defeating Lyndon LaRouche in his campaign for the Democratic Presidential nomination. ^{1/} After the complaint was sent to the initial respondents, their attorney replied denying the allegations in the complaint largely on the basis of the news exception to expenditures contained in 2 U.S.C. § 431(9)(B)(i). However, this response also contained an affidavit from Mr. Kayatt in which he referred to his "...efforts to see that LYNDON LAROCHE is defeated and that the public is

^{1/} The complaint also included allegations against a free-lance reporter, Dennis King, who authored and helped to publicize a series of articles critical of LaRouche which appeared in Our Town. However, Mr. King's activities would appear to fall within the news exception to expenditures contained in 2 U.S.C. § 431(9)(B)(i), and the Commission found no reason to believe that Mr. King violated the Act.

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made aware of his activities in the past...." Soon afterwards, Mr. Kayatt filed an FEC Form 5, Report of Independent Expenditures, in the name of COFITE indicating that it had received \$619 in contributions and had made no expenditures. No further filings have been made on behalf of COFITE.

As exhibits to the complaint, the complainant included editorials from Our Town critical of the granting of matching funds to LaRouche. The complainant later sent the Commission several other excerpts from Our Town, all referring to raising money for an advertisement in the New York Times concerning LaRouche, and a copy of the advertisement which appeared in the New York Times on February 26, 1980. The General Counsel's Office also received from the Press Office a copy of an advertisement apparently identical in wording to the New York Times ad which appeared in the February 24 - March 1, 1980 edition of Our Town. Both ads state that LaRouche has been given over \$300,000 for his Presidential campaign. They mention that LaRouche is a Democratic candidate, discuss matching funds at some length, and also discuss LaRouche's alleged anti-semitism, comparing him to Hitler. Both ads state that they were paid for by COFITE. While early excerpts from Our Town referred to efforts by the paper to raise money for a New York Times ad, later excerpts referred to fundraising efforts by COFITE. They indicated that the New York Times advertisement had cost over eight thousand dollars and that COFITE had raised over three thousand dollars. A question thus raised was whether Manhattan Media Corporation had received contributions or subsidized or made expenditures in connection with the advertisements.

Based on the information then available, the Commission on September 3, 1980, found reason to believe that both Edward Kayatt and COFITE violated 2 U.S.C. §§ 433 and 434 for failure to register COFITE as a political committee and for failure to file required reports. The Commission also found reason to believe that Manhattan Media Corporation, trading as Our Town, had violated 2 U.S.C. § 441b by making contributions or expenditures in connection with a federal election.

In response to the reason to believe notification counsel for Mr. Kayatt and the Manhattan Media Corporation wrote an ambiguous letter indicating they were "willing to enter into 'informal' conciliation" but stating they were "unwilling and unable...to admit any violation...." The letter also stated "we are willing to produce whatever documents that you require."

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As the information available was not sufficient to make a further determination as to whether any violations had been committed, questions and requests for documents were sent to Mr. Kayatt through counsel. The cover letter indicated the Commission would consider "informal" conciliation after obtaining the additional information. For the next few months respondents' counsel kept promising to provide the requested information but failed to do so. The requests were reissued in subpoena form, and Mr. Kayatt finally responded. His response was inadequate to resolve the matter, however, in that his answers to some questions were ambiguous and in some instances seemingly contradictory. He also failed to include any of the subpoenaed documents, but indicated with regard to some of them that he was unable to find them.

In light of the subtleties of some of the areas in question and the vagueness of previous answers, the General Counsel's staff has determined that deposing Mr. Kayatt is likely to be the most effective way to settle remaining questions and obtain the information necessary to resolve this case. A deposition would provide for an opportunity to press for further information if confronted with vague responses (which seem likely in light of previous experience with these respondents).

Recommendation

Authorize the attached subpoena to Edward R. Kayatt and cover letter to his counsel, Lawrence M. Abramson

Attachments

- Copy of subpoena - 1
- Copy of letter - 1

2040362634

Subpoena to Appear for Deposition Upon Oral Examination

TO: Mr. Edward R. Kayatt
c/o Lawrence M. Abramson, Esq.
Saxe, Bacon & Bolan, P.C.
39 East 68th Street
New York, New York 10021

At the instance of the Federal Election Commission pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to the Commission's investigation in Matter Under Review 1137. Notice is hereby given that the deposition is to be taken at Room 18 of the United States Courthouse, 40 Centre Street, New York; New York 10007, beginning at _____ on November _____, 1981, and continuing each day thereafter as necessary.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., this _____ day of _____ 1981.

John Warren McGarry
Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Certified Mail
Return Receipt Requested

Lawrence M. Abramson, Esq.
Saxe, Bacon & Bolan, P.C.
39 East 68th Street
New York, New York 10021

Re: MUR 1137

Dear Mr. Abramson:

On September 10, 1980, the Federal Election Commission ("Commission") notified your clients that the Commission had found reason to believe that Edward R. Kayatt and the Committee Organized For Informing the Electorate ("COFITE") had violated 2 U.S.C. §§ 433 and 434 and that Manhattan Media Corporation, trading as Our Town, had violated 2 U.S.C. § 441b. As you are aware, an investigation of this matter is being conducted, and it has been determined that additional information from Mr. Kayatt is necessary.

Consequently, the Commission has issued the attached subpoena which requires Mr. Kayatt to appear and give sworn testimony on November , 1981, in Room 18 of the United States Courthouse, 40 Centre Street, New York, New York 10007. This testimony will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid \$30.00, plus mileage at the rate of 22.5 cents per mile. Mr. Kayatt will be given a check for his witness fee and mileage at the time of the deposition.

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Letter to Lawrence M. Abramson
Page Two
MUR 1137

Please confirm Mr. Kayatt's scheduled appearance within two days of your receipt of this notification with Anne Cauman, the attorney handling this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena

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COO
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Saxe, Bacon & Bolan, P.C.

APR 14 11:28

39 EAST 60th STREET
NEW YORK, NEW YORK 10021

JOHN GODFREY BAKE (1909 - 1963)
ROBERT H. BACON (1919 - 1962)

(212) 472-1400
CABLE: SAXUM

THOMAS A. BOLAN, P.C.
COUNSEL

... 17 WEST MAIN STREET
WESTCHESTER, PENNSYLVANIA 19380
(215) 688-7900

ROY M. COHN
STANLEY M. FRIEDMAN
DANIEL J. DRISCOLL
MICHAEL ROSEN
THOMAS A. ANDREWS
JOHN F. LANG****
THEODORE E. TEAH
LOUIS BIANCOONE*
LAWRENCE E. CAMPANELLI**
B. VINCENT CARLESIMO*
RUP L. TIPPENBERG
RICHARD J. SABATINI***
ANDREW M. LEVINE
LAWRENCE M. ABRAMSON

JOHN A. KISER
OF COUNSEL

April 8, 1981

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- *MEMBER OF NEW YORK AND NEW JERSEY BARS
- **MEMBER OF PENNSYLVANIA BAR ONLY
- ***MEMBER OF NEW YORK AND NEW MEXICO BARS
- ****MEMBER OF NEW YORK AND FLORIDA BARS

Charles N. Steele
General Counsel
Federal Election Commission
1325 K Street NW
Washington, DC. 20463

Re: MUR 1137

Dear Mr. Steele:

Pursuant to your request, enclosed please find the series of answers requested by your office of Edward R. Kayatt.

I apologise for the delay, which was the result of our firm moving to new offices.

If any additional information is necessary, please do not hesitate to contact me.

Thank you for your cooperation in this matter.

Very truly yours,
SAXE, BACON & BOLAN, P.C.

Lawrence M. Abramson

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GENERAL COUNSEL

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UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

In the Matter of:)	
)	
Edward R. Kayatt)	MUR 1137
Manhattan Media Corporation)	
t/a <u>Our Town</u>)	
Committee for Informing)	
the Electorate)	

EDWARD R. KAYATT, answering the eleven questions submitted by the Federal Election Commission, hereby states the following under oath:

3 2 0 4 0 3 5 2 6 3 9

1. Edward Kayatt, President
2. Only the advertisement which appeared in the New York Times and Our Town.
3. a. No
b. Yes, approximately \$2,300.00
c. Used towards payment of the New York Times ad.
4. We were informing the electorate that Mr. LaRouche was obtaining Federal Funding, with tax payers dollars.
5. a. Yes
b. see 3b
6. a. Approximately three weeks prior.
b. Cannot locate. Balance of approximately \$5,000.00 still due.
c. -0-

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- 7. Sec 10
- 8. Sec 11
- 9. No Degree
- 10. Sec 12
- 11. Sec 13

[Handwritten signature]

Sworn to before me this
8th day of April, 1961

[Handwritten signature]

NOTARY PUBLIC
STATE OF NEW YORK
No. 12-107703, Exp. 12/31/62
Commencement March 31, 1961

FRANKS BOND

"The use . . . of anti-Jewish propaganda, the injection of anti-Semitic poison into the American political bloodstream, adds an extra and insidious dimension to the bizarre con-

spiracy theory and political hallucinations the LaRouche's."

—Anti-Defamation League, July 24, 1971

\$327,864.01 of your tax dollars have already been given to the United States Labor Party founder, Lyndon H. LaRouche, for his campaign for President of the United States.

Meeting behind closed doors on Dec. 18, the Federal Elections Commission approved matching funds for the Presidential campaign of Lyndon Hermyle LaRouche, founder of the anti-Semitic U.S. Labor Party. As of last week, LaRouche has received \$327,864.01.

LaRouche's success with the FEC bolsters, to an alarming degree, this would-be autocrat's electoral strategy for becoming a significant influence in U.S. politics. Last fall, LaRouche declared himself a Democrat and prepared to enter several Presidential primaries. In the New Hampshire contest, his efforts are comparable to those of the major candidates.

The aims and tactics of LaRouche's organization are exhaustively described in the on-going eleven part series by Dennis King in Our Town News, the Manhattan weekly. Additional facts have been presented in a recent New York Times series and in the 18-page report released by the Anti-Defamation League last November.

But the most disturbing developments in LaRouche's drive for national influence stem from the FEC's matching funds approval. Following the FEC decision, LaRouche bought national television advertising spots on ABC and NBC (Jan. 20 and 27). He soft peddled the party's extremist ideology and talked instead about world peace, morality the nation's need for a gold-based economy . . . and his own need for campaign donations.

The Jan. 27 LaRouche TV advertisement also emphasized his success in gaining matching funds, implying that the FEC's decision is proof of his political legitimacy.

LaRouche uses his matching funds to launch fundraising appeals on television which lead to further matching funds and further television appeals — and all on a scale far out of proportion to his initial political support. Using this technique, LaRouche can theoretically receive up to \$6.5 million in Federal matching funds.

The American public must not be deceived by LaRouche. In recent articles in USLP publications, LaRouche has described Adolf Hitler's murder of 6 million Jews as "mythical" and a "delusion of the American Zionist." He has warned his followers about the leaders of Zion, an alleged conspiracy of Jewish bankers to control the world. He has branded the B'nai B'rith as a "treasonous conspiracy against the United States," claiming that it "resurrects the tradition of Jews who demanded the crucifixion of Jesus Christ."

The USLP has slavishly followed the thoughts of Chairman LaRouche. It has joined with the Liberty Lobby (a longtime anti-Semitic organization) to harass the Anti-Defamation League of B'nai B'rith via a committee to "Clean Up the ADL" and nuisance lawsuits. The party has also attacked the Justice Dept's Nazi War Crimes prosecution unit, claiming it was established to "get LaRouche." And an official party statement has denounced the Holocaust curriculum in New York City's public schools as "filth," urging "disciplinary action" against any school which dares to teach about the genocidal crimes of the Nazis.

SOME INFORMED SOURCES ON LAROUCHE & CO. . . . a small but well-financed extremist political group, the U.S. Labor Party which has a history of violence and hate propaganda . . . The party literature attacks respected Jewish organizations and individuals. The party blames drug traffic on an elaborate international Zionist and British conspiracy — a conspiracy federal drug enforcement officials call "absolutely unfounded."

—Detroit Free Press, August 26, 1979

Along the way according to former party members and, in some cases to party publications, internal party records and law enforcement officials — members of the (USLP) have initiated gang assaults at rivals' meetings, taken courses in the use of knives and rifles at an "anti-terrorist" school and produced private intelligence reports on

anti-apartheid groups in the United States for the Bureau of State Security of South Africa.

—New York Times, October 7, 1971

Discipline in the NCLC — cadre organization of the USLP is strict and dissenters from LaRouche's particular brand of orthodoxy are dealt with severely . . . The father of an NCLC member, who was attempting to persuade his daughter to leave the organization was greeted one morning by a hearse whose driver and attendant had been told "to pick up the body," an unmistakable threat.

—National Review, March 30, 1971

Meetings of (rival) groups have been disrupted and members have been assaulted. In order to avoid becoming the kind of "soft" organization it views these groups to be, and as part of LaRouche's beliefs concerning psychology, the NCLC has subjected several of its own doubting members to severe psychological "reprogramming," locking them in rooms for several days to do so. These acts against its own members and others are consistent with the aggressive and highly antagonistic tone the NCLC takes towards persons it perceives to be its opponents. NCLC members have acquired weapons, and efforts have been made to instruct members in military drill . . . It is reasonable to expect that acts of force and violence will continue and, perhaps, take different directions.

—Harold R. Taylor, Jr.

(in his capacity as Acting Attorney General of the United States)
August 19, 1976

The activities of LaRouche can not be dismissed as mere eccentricity. Adolph Hitler began his rise to power with even fewer followers. Too often LaRouche's solutions have included "gang assaults" on opponents. In our opinion, these incidents are a harbinger of future attacks on Jews, Blacks, Catholics and anyone who disagrees with the USLP ideology. The FEC's approval of matching tax-dollars for LaRouche must be condemned by the public. LaRouche has a right to freedom of speech; he should not have a right to use the taxpayer's money in pursuing his ethnic demagoguery.

WHAT CAN YOU DO?

1. Write your Congressman and Senator. Demand a reversal of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$30,000) matching grant to LaRouche. These commissioners are Joan Aikens, Thomas Harris, Frank Reiche, and Robert Tiernan; all c/o Federal Election Commission, 1325 K St. NW, Washington D.C. 20463.
3. Help us raise the funds needed to place this ad and other ads in newspapers around the country. Send us \$1 or \$2 or more if you can afford it. Every bit helps. We have put a coupon in this ad for your convenience.

TO: COFITE (Committee Organized For Informing The Electorate) 500 East 82 Street, New York City, New York 10028
I will contact my Congressman and/or Senators. I am enclosing a contribution to help defray the cost of similar ads in newspapers throughout the country.

Permission Hereby Granted for Duplication of This Message

NAME _____
ADDRESS _____
Contribution Enclosed \$ _____. Make check or Money Order payable to COFITE. This communication is not authorized by any candidate. This advertisement is paid for by COFITE (Committee Organized For Informing The Electorate).

EXHIBIT I

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 30, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Larry Abramson, Esquire
Saxe, Bacon and Bolan, P.C.
39 East 68th Street
New York, New York 10021

Re: MUR 1137

Dear Mr. Abramson:

On December 8, 1980, your office was provided with a series of questions which required the written answers of, and the production of certain documents by, your client Edward R. Kayatt.

I am advised that in telephone conversations on January 13 and March 4, 1981, you indicated to Vincent J. Convery, Jr., of my staff that a response would be forthcoming. To date, we have received none.

Since the Commission operates under a statutory requirement to process its investigations expeditiously, see 2 U.S.C. §437g(a)(8), it has issued the attached Order and Subpoena to compel Mr. Kayatt's response. His failure to comply with the Order and Subpoena may form the basis of enforcement action in U.S. District Court.

Sincerely,

Charles N. Steele
General Counsel

Enclosure

32040362642



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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RETURN RECEIPT REQUESTED

Larry Abramson, Esquire
Saxe, Bacon and Bolan, P.C.
39 East 68th Street
New York, New York 10021

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Sincerely,

Charles N. Steele
General Counsel

VSC
3-27-81

Enclosure

2040362643

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION
ORDER AND SUBPOENA

In the Matter of:)
Edward R. Kayatt)
Manhattan Media Corporation) MUR 1137
t/a Our Town)
Committee for Informing)
the Electorate)

To:
Edward R. Kayatt
c/o Larry Abramson, Esq.
Saxe, Bacon and Bolan, P.C.
39 East 68th Street
New York, New York 10021

PURSUANT to Section 437d(a)(1) of Title 2, United States Code, you are hereby ORDERED to submit sworn, notarized, written answers to the eleven questions listed on pages 1 through 3 of the attachment to this Order.

PURSUANT to Section 437d(a)(3) of Title 2, United States Code, you are SUBPOENAED to produce legible copies of all documents in your possession or control which are called for in the said questions.

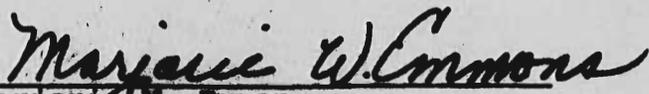
The aforementioned written answers and documents are required to be filed with the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, before the close of business on the tenth day following service of this SUBPOENA and ORDER.

2040302644

IN WITNESS THEREOF, the Chairman of the Federal Election Commission has on this 3rd day of March, 1981, set his signature and has caused the Seal of the Commission to be affixed.


John Warren Slocum
Chairman

ATTEST:


Marjorie W. Emmons
Secretary to the Commission

32040302645

QUESTIONS TO EDWARD R. KAYATT

1. State your name and the position you hold or held in:
a) Manhattan Media Corporation; b) Our Town newspaper;
c) the Committee Organized to Inform the Electorate
(COFITE).

2. In an affidavit dated February 4, 1980, you stated that:
"My efforts to see that Lyndon La Rouche is defeated ...
has nothing to do and is in no way connected with the
political activities of any other candidate or any other
party."

Please detail all "efforts" which you have taken, or are now,
taking "to see that Lyndon La Rouche is defeated." Specifically,
do such efforts include the formation of, and the activities
of, COFITE?

3. In your affidavit of February 4, 1980, you indicated, that to
that point, you had collected contributions of \$614.
 - a. Were the funds so collected to be used for the purpose
of making independent expenditures for or against any
Federal candidate? If so, which candidate?
 - b. Did you collect any contributions after February 4, 1980?
If so, in what amount?
 - c. What disposition have you made of all contributions you
have received?

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4. In an FEC Form 5 (Report of Independent Expenditures or Contributions by Persons), dated February 19, 1980, and filed with the Commission the same day, you, as Chairman of COFITE, indicated that that Committee was making an independent expenditure "in opposition to a Federal candidate." Identify that candidate.
5. In that same FEC Form 5, you indicated that, through February 15, 1980, COFITE had received contributions of \$619.
- a) Was the \$614 you earlier stated you had received included in the \$619 COFITE is reported to have received?
 - b) Has COFITE received contributions in addition to the initial \$619. If so, in what amount?
6. On or about February 26, 1980, a half-page advertisement, sponsored by COFITE, appeared in the New York Times.
- a) State the date on which COFITE ordered this ad.
 - b) State the date on which COFITE paid for this ad. Attach copies (both sides) of any instrument used by COFITE to pay for the ad.
 - c) State the amount of funds COFITE had on hand as of the date it paid for this ad.
 - d) State the cost of this ad.

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- e. State the terms of payment imposed by the New York Times. Attach copies of all bills, receipts, etc., pertaining to the ad.
7. If the cost of the New York Times advertisement was greater than the amount of funds held by COFITE, state who paid the balance of the cost of the advertisement. Was such balance paid to COFITE or to the New York Times? Attach copies (both sides) of any instrument used to pay such balance.
8. Has COFITE made any expenditures other than that for the New York Times ad? If so, please list them.
9. State, or attach schedules of, the advertising rates charged by Our Town during the period December 1979 through July 1980.
10. Attached as Exhibit I is a copy of an advertisement which appeared in Our Town on or about February 24, 1980. State the cost of this ad, and attach copies (both sides) of any instrument used to pay for it.
11. Attached as Exhibit II is a copy of a solicitation, entitled "COFITE funds" which appeared in Our Town on or about May 11, 1980. State the cost of this advertisement and attach copies of any instrument(s) used to pay for it.

2040362648

END OF QUESTIONS

"The use . . . of anti-Jewish hate propaganda, the injection of anti-Semitic poison into the American political bloodstream, adds an extra and insidious dimension to the bizarre con-

spiracy theory and political buffoonery of the LaRouche.

—Anti-Defamation League, July 24, 1971

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—National Review, March 30, 1971

Meetings of (rival) groups have been disrupted and members have been assaulted. In order to avoid becoming the kind of "soft" organization it views these groups to be, and as part of LaRouche's beliefs concerning psychology, the NCLC has subjected several of its own doubting members to severe psychological "reprogramming," isolating them in rooms for several days to do so. These acts against its own members and others are consistent with the aggressive and highly antagonistic tone the NCLC takes towards persons it perceives to be its opponents. NCLC members have acquired weapons, and efforts have been made to instruct members in military drill . . . It is reasonable to expect that acts of force and violence will continue and, perhaps, take different directions.

—Harold R. Taylor, Jr.

(in his capacity as Acting Attorney General of the United States) August 19, 1976

The activities of LaRouche can not be dismissed as mere eccentricity. Adolph Hitler began his rise to power with even fewer followers. Too often LaRouche's solutions have included "gang assaults" on opponents. In our opinion, these incidents are a harbinger of future attacks on Jews, Blacks, Catholics and anyone who disagrees with the USLP ideology. The FEC's approval of matching tax-dollars for LaRouche must be condemned by the public. LaRouche has a right to freedom of speech; he should not have a right to use the taxpayer's money in pursuing his ethnic demagoguery.

WHAT CAN YOU DO?

1. Write your Congressman and Senator. Demand a reversal of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$30,000) matching grant to LaRouche. These commissioners are Joan Alkens, Thomas Harris, Frank Reiche, and Robert Tiernan; all c/o Federal Election Commission, 1325 K St. NW, Washington D.C. 20463.
3. Help us raise the funds needed to place this ad and other ads in newspapers around the country. Send us \$1 or \$2 or more if you can afford it. Every bit helps. We have put a coupon in this ad for your convenience.

TO: COFITE (Committee Organized For Informing The Electorate)
500 East 82 Street, New York City, New York 10028
I will contact my Congressman and/or Senators. I am enclosing a contribution to help defray the cost of similar ads in newspapers throughout the country.

Permission Hereby Granted for Duplication of This Message

NAME _____

ADDRESS _____

Contribution Enclosed \$ _____. Make check or Money Order payable to COFITE. This communication is not authorized by any candidate. This advertisement is paid for by COFITE (Committee Organized For Informing The Electorate).

EXHIBIT I

12040302549

YOUR TIRED...

Not paying attention to the news lately, but how many Cuban refugees are going to Washington, D.C., and Plains, Georgia?

Ben Ganz
Manhattan

S. P. Neves
East 88th St.

Can anyone blame Israel for being against the pro-PLO Palestinians having total control of the land in the West Bank? Public opinion throughout the world must realize that Israel will not receive any support from the members of the Security Council, with the exception of the United States.

It is evident that the Security Council does not consider the murder of Israeli people a violation of its rules.

Abraham Berkowitz
Flushing

OF EXPRESSION

total support for showing "Death of a Princetonian, would be giving up our freedom of expression if we would give in to the oil blackmailers of a country because they didn't like one of their lifestyle.

so wonderful about this country. We can discuss of one subject, leaving us the freedom of which view we ourselves accept. I refuse to discuss freedom for oil, and anyone who wants to discuss it take a good look at what they are giving up will get in return.

WNET on their stand for freedom of expression is enough.

Joseph Zinzi, Jr.
Manhattan

QUESTION ASKED

Question: mature adult female who bicycles from Prospect Park, Brooklyn, to work on East 21st St. I do not excuse bicyclists from common laws. If pedestrians would also cooperate, bicyclists and bikers might use offense as a defense. A sane cyclist deliberately hits a pedestrian, puts an equal risk of injury to himself or damage to the bike as well.

COFITE funds

COFITE (The Committee Organized For Informing The Electorate) was created to inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric.

To date, COFITE has raised \$3,154. Of this amount approximately \$1,100 came in response to an ad placed in the Feb. 26 New York Times. Our Tower readers have contributed about \$2,000.

The ad in the Times has cost COFITE \$8,615. This has resulted in a deficit of approximately \$5,500.

According to the Federal Elections Commission, LaRouche's campaign contributions through February, 1980, amounted to \$34,572 in New York State alone. This sum included only contributions of more than \$200.

Readers interested in spreading the word on the real LaRouche are asked to send their contributions to COFITE, 500 E. 82nd St., NYC 10028.

12040302650



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *MW*
FROM: MARJORIE W. EMMONS/JODY CUSTER *jc*
DATE: MARCH 27, 1981
SUBJECT: ORDER AND SUBPOENA REGARDING
MUR 1137

The attached order and subpoena regarding MUR 1137,
approved by a vote of 6-0, has been signed and sealed
this date.

12040362651

ATTACHMENT:
Order and Subpoena

Saxe, Bacon & Bolan, P.C.

39 EAST 68TH STREET

NEW YORK, NEW YORK 10021



CERTIFIED

No. 0058347

MAIL

Charles N. Steele
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D.C. 20463

Certified Mail
Return Receipt Requested

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Edward R. Kayatt)
Manhattan Media Corporation)
t/a Our Town)
Committee for Informing)
the Electorate)

MUR 1137

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 27, 1981, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 1137 as contained in the Memorandum to the Commission, dated March 25, 1981:

1. Issue the subpoena and order to Edward R. Kayatt, attached to the above-named report.
2. Authorize the Office of the General Counsel to send the letter to counsel for Edward R. Kayatt, attached to the above-named report.

Attest:

3/27/81
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour vote basis:

3-25-81, 11:16
3-25-81, 4:00

12040362653

March 25, 1961

MEMORANDUM TO: Marjorie W. Hanson
FROM: Elissa T. Garr
SUBJECT: MUR 1137

Please have the attached Memo distributed to the Commission on a 48 hour tally basis. Thank you.

12040362654



FEDERAL ELECTION COMMISSION 81 MAR 25 11:16
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

March 25, 1981

MEMORANDUM

TO: THE COMMISSION

FROM: CHARLES N. STEELE
GENERAL COUNSEL *CS*

SUBJECT: REQUEST FOR ISSUANCE
OF ORDER AND SUBPOENA
IN MUR 1137

On November 13, 1980, the Commission voted to submit a series of written questions to Edward R. Kayatt, who is the president of Manhattan Media Corporation, editor of its publication, Our Town, and Chairman of the Committee Organized For Informing The Electorate (COFITE). (Kayatt, COFITE, and Manhattan Media trading as Our Town are respondents in this matter). Counsel for Mr. Kayatt received the questions on December 8, 1980.

Telephone conversations with counsel have produced repeated assurances that responses to the questions would be forthcoming. To date we have received nothing.

Therefore, it is recommended that the Commission exercise its authority under 2 U.S.C. § 437d(a)(1) and (3) to order Mr. Kayatt to submit written answers to its questions and subpoena him to produce the documents called for by those questions.

RECOMMENDATIONS:

1. Issue the attached subpoena and order to Edward R. Kayatt.
2. Authorize this office to send the attached letter to counsel for Edward R. Kayatt.

Attachments:

1. Subpoena and Order to E. R. Kayatt.
2. Proposed letter to L. Abramson, Esq.
3. Authorization sheet.

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UNITED STATES OF AMERICA -
FEDERAL ELECTION COMMISSION
ORDER AND SUBPOENA

In the Matter of:)
Edward R. Kayatt)
Manhattan Media Corporation) MUR 1137
t/a Our Town)
Committee for Informing)
the Electorate)

To:
Edward R. Kayatt
c/o Larry Abramson, Esq.
Saxe, Bacon and Bolan, P.C.
39 East 68th Street
New York, New York 10021

PURSUANT to Section 437d(a)(1) of Title 2, United States Code, you are hereby ORDERED to submit sworn, notarized, written answers to the eleven questions listed on pages 1 through 3 of the attachment to this Order.

PURSUANT to Section 437d(a)(3) of Title 2, United States Code, you are SUBPOENAED to produce legible copies of all documents in your possession or control which are called for in the said questions.

The aforementioned written answers and documents are required to be filed with the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, before the close of business on the tenth day following service of this SUBPOENA and ORDER.

Attachment 1

32040302656

IN WITNESS THEREOF, the Chairman of the Federal Election Commission has on this _____ day of March, 1981, set his signature and has caused the Seal of the Commission to be affixed.

John Warren McGarry
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

2040302657

QUESTIONS TO EDWARD R. KAYATT

1. State your name and the position you hold or held in:
a) Manhattan Media Corporation; b) Our Town newspaper;
c) the Committee Organized to Inform the Electorate
(COFITE).

2. In an affidavit dated February 4, 1980, you stated that:
"My efforts to see that Lyndon La Rouche is defeated ...
has nothing to do and is in no way connected with the
political activities of any other candidate or any other
party."

Please detail all "efforts" which you have taken, or are now,
taking "to see that Lyndon La Rouche is defeated." Specifically,
do such efforts include the formation of, and the activities
of, COFITE?

3. In your affidavit of February 4, 1980, you indicated, that to
that point, you had collected contributions of \$614.
 - a. Were the funds so collected to be used for the purpose
of making independent expenditures for or against any
Federal candidate? If so, which candidate?
 - b. Did you collect any contributions after February 4, 1980?
If so, in what amount?
 - c. What disposition have you made of all contributions you
have received?

32040362658

4. In an FEC Form 5 (Report of Independent Expenditures or Contributions by Persons), dated February 19, 1980, and filed with the Commission the same day, you, as Chairman of COFITE, indicated that that Committee was making an independent expenditure "in opposition to a Federal candidate." Identify that candidate.
5. In that same FEC Form 5, you indicated that, through February 15, 1980, COFITE had received contributions of \$619.
- a) Was the \$614 you earlier stated you had received included in the \$619 COFITE is reported to have received?
- b) Has COFITE received contributions in addition to the initial \$619. If so, in what amount?
6. On or about February 26, 1980, a half-page advertisement, sponsored by COFITE, appeared in the New York Times.
- a) State the date on which COFITE ordered this ad.
- b) State the date on which COFITE paid for this ad. Attach copies (both sides) of any instrument used by COFITE to pay for the ad.
- c) State the amount of funds COFITE had on hand as of the date it paid for this ad.
- d) State the cost of this ad.

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- e. State the terms of payment imposed by the New York Times. Attach copies of all bills, receipts, etc., pertaining to the ad.
7. If the cost of the New York Times advertisement was greater than the amount of funds held by COFITE, state who paid the balance of the cost of the advertisement. Was such balance paid to COFITE or to the New York Times? Attach copies (both sides) of any instrument used to pay such balance.
8. Has COFITE made any expenditures other than that for the New York Times ad? If so, please list them.
9. State, or attach schedules of, the advertising rates charged by Our Town during the period December 1979 through July 1980.
10. Attached as Exhibit I is a copy of an advertisement which appeared in Our Town on or about February 24, 1980. State the cost of this ad, and attach copies (both sides) of any instrument used to pay for it.
11. Attached as Exhibit II is a copy of a solicitation, entitled "COFITE funds" which appeared in Our Town on or about May 11, 1980. State the cost of this advertisement and attach copies of any instrument(s) used to pay for it.

END OF QUESTIONS

"The use . . . of anti-Jewish hate propaganda, the injection of anti-Semitism into the American political bloodstream, adds an extra and insidious dimension to the bizarre con-

spiracy theory and political hallucinations the LaRouche . . ."

—Anti-Defamation League, July 24, 1971

\$327,864.01 of your tax dollars have already been given to the United States Labor Party founder, Lyndon H. LaRouche, for his campaign for President of the United States.

Meeting behind closed doors on Dec. 18, the Federal Elections Commission approved matching funds for the Presidential campaign of Lyndon Hermyle LaRouche, founder of the anti-Semitic U.S. Labor Party. As of last week, LaRouche has received \$327,864.01.

LaRouche's success with the FEC bolsters, to an alarming degree, this would-be autocrat's electoral strategy for becoming a significant influence in U.S. politics. Last fall, LaRouche declared himself a Democrat and prepared to enter several Presidential primaries. In the New Hampshire contest, his efforts are comparable to those of the major candidates.

The aims and tactics of LaRouche's organization are exhaustively described in the on-going eleven part series by Dennis Klag in Our Town News, the Manhattan weekly. Additional facts have been presented in a recent New York Times series and in the 18-page report released by the Anti-Defamation League last November.

But the most disturbing developments in LaRouche's drive for national influence stem from the FEC's matching funds approval. Following the FEC decision, LaRouche bought national television advertising spots on ABC and NBC (Jan. 20 and 27). He soft peddled the party's extremist ideology and talked instead about world peace, morality the nation's need for a gold-based economy . . . and his own need for campaign donations.

The Jan. 27 LaRouche TV advertisement also emphasized his success in gaining matching funds, implying that the FEC's decision is proof of his political legitimacy.

LaRouche uses his matching funds to launch fundraising appeals on television which lead to further matching funds and further television appeals — and all on a scale far out of proportion to his initial political support. Using this technique, LaRouche can theoretically receive up to \$6.5 million in Federal matching funds.

The American public must not be deceived by LaRouche. In recent articles in USLP publications, LaRouche has described Adolf Hitler's murder of 6 million Jews as "mythical" and a "delusion of the American Zionist." He has warned his followers about the Elders of Zion, an alleged conspiracy of Jewish bankers to control the world. He has branded the B'nai B'rith as a "treasonous conspiracy against the United States," claiming that it "resurrects the tradition of Jews who demanded the crucifixion of Jesus Christ."

The USLP has slavishly followed the thoughts of Chairman LaRouche. It has joined with the Liberty Lobby (a longtime anti-Semitic organization) to harass the Anti-Defamation League of B'nai B'rith via a committee to "Clean Up the ADL" and nuisance lawsuits. The party has also attacked the Justice Dept's Nazi War Crimes prosecution unit, claiming it was established to "get LaRouche." And an official party statement has denounced the Holocaust curriculum in New York City's public schools as "filth," urging "disciplinary action" against any school which dares to teach about the genocidal crimes of the Nazis.

SOME INFORMED SOURCES ON LAROUCHE & CO. . . . a small but well-financed extremist political group, the U.S. Labor Party which has a history of violence and hate propaganda . . . The party literature attacks respected Jewish organizations and individuals. The party blames drug traffic on an elaborate international Zionist and British conspiracy — a conspiracy federal drug enforcement officials call "absolutely unfounded."

—Detroit Free Press, August 26, 1970

Along the way according to former party members and, in some cases to party publications, internal party records and law enforcement officials — members of the (USLP) have initiated gang assaults at rivals' meetings, taken courses in the use of knives and rifles at an "anti-terrorist" school and produced private intelligence reports on

anti-apartheid groups in the United States for the Bureau of State Security of South Africa.

—New York Times, October 7, 1971

Discipline in the NCLC — cadre organization of the USLP is strict and dissenters from LaRouche's particular brand of orthodoxy are dealt with severely . . . The father of an NCLC member, who was attempting to persuade his daughter to leave the organization was greeted one morning by a hearse whose driver and attendant had been told "to pick up the body," an unmistakable threat.

—National Review, March 30, 1971

Meetings of (rival) groups have been disrupted and members have been assaulted. In order to avoid becoming the kind of "soft" organization it views these groups to be, and as part of LaRouche's beliefs concerning psychology, the NCLC has subjected several of its own doubting members to severe psychological "reprogramming," locking them in rooms for several days to do so. These acts against its own members and others are consistent with the aggressive and highly antagonistic tone the NCLC takes towards persons it perceives to be its opponents. NCLC members have acquired weapons, and efforts have been made to instruct members in military drill . . . It is reasonable to expect that acts of force and violence will continue and, perhaps, take different directions.

—Harold R. Taylor, Jr.

(in his capacity as Acting Attorney General of the United States)
August 19, 1976

The activities of LaRouche can not be dismissed as more eccentricity. Adolph Hitler began his rise to power with even fewer followers. Too often LaRouche's solutions have included "gang assaults" on opponents. In our opinion, these incidents are a harbinger of future attacks on Jews, Blacks, Catholics and anyone who disagrees with the USLP ideology. The FEC's approval of matching tax-dollars for LaRouche must be condemned by the public. LaRouche has a right to freedom of speech; he should not have a right to use the taxpayer's money in pursuing his ethnic demagoguery.

WHAT CAN YOU DO?

1. Write your Congressman and Senator. Demand a reversal of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$30,000) matching grant to LaRouche. These commissioners are Joan Alkens, Thomas Harris, Frank Reiche, and Robert Tiernan; all c/o Federal Election Commission, 1325 K St. NW, Washington D.C. 20463.
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NAME _____

ADDRESS _____

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EXHIBIT I

1204030265

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Ben Ganz
Manhattan

YOUR TIRED...

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S. P. Neves
East 88th St.

OF EXPRESSION

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Manhattan

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It is evident that the Security Council does not consider the murder of Israeli people a violation of its rules.

Abraham Berkowitz
Flushing

COFITE funds

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To date, COFITE has raised \$3,154. Of this amount approximately \$1,100 came in response to an ad placed in the Feb. 26 New York Times. Our Town readers have contributed about \$2,000.

The ad in the Times has cost COFITE \$8,615. This has resulted in a deficit of approximately \$5,500.

According to the Federal Elections Commission, LaRouche's campaign contributions through February, 1980, amounted to \$34,572 in New York State alone. This sum included only contributions of more than \$200.

Readers interested in spreading the word on the real LaRouche are asked to send their contributions to COFITE, 500 E. 82nd St., NYC 10028.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Larry Abramson, Esquire
Saxe, Bacon and Bolan, P.C.
39 East 68th Street
New York, New York 10021

Re: MUR 1137

Dear Mr. Abramson:

On December 8, 1980, your office was provided with a series of questions which required the written answers of, and the production of certain documents by, your client Edward R. Kayatt.

I am advised that in telephone conversations on January 13 and March 4, 1981, you indicated to Vincent J. Convery, Jr., of my staff that a response would be forthcoming. To date, we have received none.

Since the Commission operates under a statutory requirement to process its investigations expeditiously, see 2 U.S.C. §437g(a)(8), it has issued the attached Order and Subpoena to compel Mr. Kayatt's response. His failure to comply with the Order and Subpoena may form the basis of enforcement action in U.S. District Court.

Sincerely,

Charles N. Steele
General Counsel

Enclosure

Attachment 2

32040362663



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUTHORIZATION

The undersigned Commissioners have voted to approve the issuance of the Subpoena and Order to Edward R. Kayatt in MUR 1137 and to forward that document to Attorney Larry Abramson, counsel to Mr. Kayatt.

John Warren McGarry

Thomas E. Harris

Date

Date

Frank P. Reiche

Vernon W. Thomson

Date

Date

Joan D. Aikens

Robert O. Tiernan

Date

Date

32040362664

Attachment 3



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

December 2, 1980

Larry Abramson, Esq.
Saxe, Bacon and Bolan, P.C.
39 East 68th Street
New York, New York 10021

Re: MUR 1137

Dear Mr. Abramson:

Pursuant to our telephone conversation of this morning, I am forwarding a copy of the "Questions to Edward R. Kayatt" which we failed to include in our letter of November 17, 1980.

Once again, I apologize for the oversight.

Sincerely,

Vincent J. Convery, Jr.
Vincent J. Convery, Jr.

52040302665

MUR 1137

1. The following services is requested (check one):
 Show to whom and date delivered.
 Show to whom, date and address of delivery.
 RESTRICTED DELIVERY
 Show to whom and date delivered.
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.

CONSULT POSTMASTER FOR FEES

2. ARTICLES ADDRESSED TO:
 Larry Abramson
 Saxe, Bacon & Bolan
 NYC 10021

3. ARTICLES DESCRIPTION:
 927443

4. I have received the article described above.
 SIGNATURE: *Vincent J. Convery, Jr.* DATE: 12/2/80

5. MAILING OFFICE: *NY*

6. MAILING OFFICE TELEPHONE: *212-750-1000*

7. MAILING OFFICE ADDRESS: *Convery - OSC*

DEC 8 1980

PS Form 3811, Jan. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

QUESTIONS TO EDWARD R. KAYATT

1. State your name and the position you hold or held in:
a) Manhattan Media Corporation; b) Our Town newspaper;
c) the Committee Organized to Inform the Electorate
(COFITE).

2. In an affidavit dated February 4, 1980, you stated that:
"My efforts to see that Lyndon La Rouche is defeated'...
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political activities of any other candidate or any other
party."

Please detail all "efforts" which you have taken, or are now taking "to see that Lyndon La Rouche is defeated." Specifically, do such efforts include the formation of, and the activities of, COFITE?

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 - c. What disposition have you made of all contributions you have received?

62040302666

4. In an FEC Form 5 (Report of Independent Expenditures or Contributions by Persons), dated February 19, 1980, and filed with the Commission the same day, you, as Chairman of COFITE, indicated that that Committee was making an independent expenditure "in opposition to a Federal candidate." Identify that candidate.

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6. On or about February 26, 1980, a half-page advertisement, sponsored by COFITE, appeared in the New York Times.

a) State the date on which COFITE ordered this ad.

b) State the date on which COFITE paid for this ad. Attach copies (both sides) of any instrument used by COFITE to pay for the ad.

c) State the amount of funds COFITE had on hand as of the date it paid for this ad.

d) State the cost of this ad.

32040362667

- 32040362668
- e. State the terms of payment imposed by the New York Times. Attach copies of all bills, receipts, etc., pertaining to the ad..

 7. If the cost of the New York Times advertisement was greater than the amount of funds held by COFITE, state who paid the balance of the cost of the advertisement. Was such balance paid to COFITE or to the New York Times? Attach copies (both sides) of any instrument used to pay such balance.

 8. Has COFITE made any expenditures other than that for the New York Times ad? If so, please list them.

 9. State, or attach schedules of, the advertising rates charged by Our Town during the period December 1979 through July 1980.

 10. Attached as Exhibit I is a copy of an advertisement which appeared in Our Town on or about February 24, 1980. State the cost of this ad, and attach copies (both sides) of any instrument used to pay for it.

 11. Attached as Exhibit II is a copy of a solicitation, entitled "COFITE funds" which appeared in Our Town on or about May 11, 1980. State the cost of this advertisement and attach copies of any instrument(s) used to pay for it.

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spiracy theories and political hallucinations of the LaRouches

—Anti-Defamation League, July 24, 1971

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The American public must not be deceived by LaRouche. In recent articles in USLP publications, LaRouche has described Adolf Hitler's murder of 6 million Jews as "mythical" and a "delusion of the American Zionist." He has warned his followers about the Elders of Zion, an alleged conspiracy of Jewish bankers to control the world. He has branded the B'nai B'rith as a "treasonous conspiracy against the United States," claiming that it "resurrects the tradition of Jews who demanded the crucifixion of Jesus Christ."

The USLP has slavishly followed the thoughts of Chairman LaRouche. It has joined with the Liberty Lobby (a longtime anti-Semitic organization) to harass the Anti-Defamation League of B'nai B'rith via a committee to "Clean Up the ADL" and nuisance lawsuits. The party has also attacked the Justice Dept's Nazi War Crimes prosecution unit, claiming it was established to "get LaRouche." And an official party statement has denounced the Holocaust curriculum in New York City's public schools as "slith," urging "disciplinary action" against any school which dares to teach about the genocidal crimes of the Nazis.

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—Harold R. Taylor, Jr.

(In his capacity as Acting Attorney General of the United States)
August 19, 1976

The activities of LaRouche can not be dismissed as more eccentricity. Adolph Hitler began his rise to power with even fewer followers. Too often LaRouche's solutions have included "gang assaults" on opponents. In our opinion, these incidents are a harbinger of future attacks on Jews, Blacks, Catholics and anyone who disagrees with the USLP ideology. The FEC's approval of matching tax-dollars for LaRouche must be condemned by the public. LaRouche has a right to freedom of speech; he should not have a right to use the taxpayer's money in pursuing his ethnic demagoguery.

WHAT CAN YOU DO?

1. Write your Congressman and Senator. Demand a reversal of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$30,000) matching grant to LaRouche. These commissioners are Joan Alkana, Thomas Harris, Frank Reiche, and Robert Tiernan; all c/o Federal Election Commission, 1325 K St. NW, Washington D.C. 20463.
3. Help us raise the funds needed to place this ad and other ads in newspapers around the country. Send us \$1 or \$2 or more if you can afford it. Every bit helps. We have put a coupon in this ad for your convenience.

TO: COFITE (Committee Organized For Informing The Electorate) 500 East 82 Street, New York City, New York 10028
I will contact my Congressman and/or Senators. I am enclosing a contribution to help defray the cost of similar ads in newspapers throughout the country.

Permission Hereby Granted for Duplication of This Message

NAME _____

ADDRESS _____

Contribution Enclosed? _____ Make check or Money Order payable to COFITE. This communication is not authorized by any candidate. This advertisement is paid for by COFITE (Committee Organized For Informing The Electorate).

EXHIBIT I

2040302669

YOUR TIRED. . .

Not paying attention to the news lately, but how many Cuban refugees are going to Washington, D.C., and Plains, Georgia?

S. P. Neves
East 88th St.

OF EXPRESSION

total support for showing "Death of a Princetonian, would be giving up our freedom of expression if we would give in to the oil blackmailers of a country because they didn't like one of their lifestyle.

So wonderful about this country. We can speak of one subject, leaving us the freedom of which view we ourselves accept. I refuse to give up freedom for oil, and anyone who wants to take a good look at what they are giving will get in return.

Let WNET on their stand for freedom of expression is enough.

Joseph Zinzi, Jr.
Manhattan

QUESTION ASKED

Question: mature adult female who bicycles from Prospect Park, Brooklyn, to work on East 21st St.
I do not excuse bicyclists from common laws. If pedestrians would also cooperate, and bikers might use offense as a defense, a sane cyclist deliberately hits a pedestrian, runs an equal risk of injury to himself or damage to the bike as well.

Can anyone blame Israel for being against the pro-PLO Palestinians having total control of the land in the West Bank? Public opinion throughout the world must realize that Israel will not receive any support from the members of the Security Council, with the exception of the United States.

It is evident that the Security Council does not consider the murder of Israeli people a violation of its rules.

Abraham Berkowitz
Flushing

COFITE funds

COFITE (The Committee Organized For Informing The Electorate) was created to inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric.

To date, COFITE has raised \$3,154. Of this amount approximately \$1,100 came in response to an ad placed in the Feb. 26 New York Times. Our Town readers have contributed about \$2,000.

The ad in the Times has cost COFITE \$8,615. This has resulted in a deficit of approximately \$5,500.

According to the Federal Elections Commission, LaRouche's campaign contributions through February, 1980, amounted to \$34,572 in New York State alone. This sum included only contributions of more than \$200.

Readers interested in spreading the word on the real LaRouche are asked to send their contributions to COFITE, 500 E. 82nd St., NYC 10028.

2040302670



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 17, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Joseph Caiazzo
Saxe, Bacon and Bolan, P.C.
39 East 68th Street
New York, New York 10021

Re: MUR 1137

Dear Mr. Caiazzo:

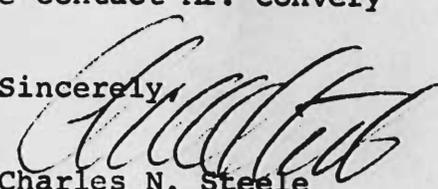
This will acknowledge receipt of your letter, dated September 23, 1980, to Vincent J. Convery, Jr., of this office.

You stated that your clients Manhattan Media Corporation, Our Town and Edward R. Kayatt are willing to enter into "informal" conciliation in an effort to resolve MUR 1137. While the Commission will consider "informal" conciliation prior to a finding of probable cause, the Commission believes in this case that additional information must first be obtained.

Accordingly, I request that Mr. Kayatt provide sworn and notarized responses to the questions on the attached pages. After the Commission receives and reviews this information, we will contact you regarding "informal" conciliation.

If you have any questions, please contact Mr. Convery at 202-523-4000.

Sincerely,


Charles N. Steele
General Counsel

32040302671

3 2 0 4 0 3 6 2 6 7 2

MUR-1137 Convery

Form 3811, Jan. 1978

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered.....
 - Show to whom, date and address of delivery.....
 - RESTRICTED DELIVERY
Show to whom and date delivered.....
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.....

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Joseph Caiazzo

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	97315	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY
11-19

5. ADDRESS (Complete only if requested)
91 : 116 52A0N0A

6. UNABLE TO DELIVER BECAUSE:

RECEIVED



★ GPO : 1978-000-000

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Joseph Caiazzo
Saxe, Bacon and Bolan, P.C.
39 East 68th Street
New York, New York 10021

Re: MUR 1137

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Sincerely,

Charles N. Steele
General Counsel

VJC
11-14-80

32040362673

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Manhattan Media Corporation)
(t/a Our Town))
Edward R. Kayatt)
COFITE (Committee Organized)
For Informing the Electorate)

MUR 1137

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's Executive Session on November 13, 1980, do hereby certify that the Commission decided by a vote of 4-0 to take the following actions in MUR 1137:

1. Reject Edward R. Kayatt's and Manhattan Media Corporation's request for "informal" conciliation.
2. Authorize the Office of General Counsel to send to Saxe, Bacon and Bolan, Attorneys, the letter approved by the Commission, along with questions submitted with the General Counsel's November 4, 1980 report in this matter.

Commissioners Aikens, Harris, McGarry, and Reiche voted affirmatively for the decision. Commissioners Friedersdorf and Tiernan were not present at the time of the vote.

Attest:

11-13-80

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

5 2 0 4 0 3 6 2 6 7 4

November 1, 1950

MEMORANDUM TO: Marjorie W. Neenan
FROM: Elissa T. Carr
SUBJECT: MIA 1137

Please have the attached Memo distributed to the Commission on a 48 hour tally basis. Thank you.

02040362675



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

80 NOV 4 AIO: 56

November 4, 1980

MEMORANDUM

TO: The Commission
FROM: Charles N. Steele
General Counsel *CNS*
SUBJECT: Questions for respondents - MUR 1137

BACKGROUND:

MUR 1137 was initiated by complaint from Citizens for La Rouché. Basically, it concerns anti-La Rouché advertisements which appeared in Our Town, a weekly newspaper published by respondent Manhattan Media Corporation, and an anti-La Rouché advertisement which appeared in the New York Times, having been purchased by respondent Committee Organized to Inform the Electorate (COFITE).

After being served with our RTB notice, counsel for respondents Manhattan Media and Edward Kayatt (president of Manhattan Media) advised that they were interested in conducting informal conciliation. (See Attachment 1) However, counsel's letter was vague and did not provide any information which would be of use in conciliation negotiations. The lack of information raises particular problems here. In this MUR the Commission found RTB against both Kayatt and Manhattan Media because we didn't have enough information to proceed against either of them exclusively.

Additionally, counsel indicated that his clients are "unwilling and unable in good conscience to admit any violation of the Federal election law."

DISCUSSION:

The Commission is not required to enter into any negotiations directed towards reaching a conciliation agreement unless and until it makes a finding of probable cause to believe. 11 C.F.R. § 111.18 (d).

32040302676

It is our opinion that (a) because we lack information basic to this case and (b) because respondents are unwilling to negotiate on an "admission" clause, the Commission should not entertain conciliation at this point. We feel that the Commission should proceed with its investigation under 2 U.S.C. § 437g(a)(2), and to this end have proposed a series of questions to be submitted to counsel for respondents.

RECOMMENDATION:

1. Reject Edward R. Kayatt's and Manhattan Media Corporation's request for "informal" conciliation.
2. Authorize Office of General Counsel to send to Saxe, Bacon and Bolan, Attorneys, the letter (with questions) at Attachment 2.

Attachments:

1. Ltr from counsel for respondents, 23 Sep 80
2. Posoped ltr, with questions, to counsel

32040362677

Convery
Saxe, Bacon & Bolan, P.C.

39 EAST 68TH STREET
NEW YORK, NEW YORK 10021

80 SEP 30 8:45

JOHN GODFREY SAXE (1909-1953)
ROGERS H. BACON (1919-1962)

(212) 472-1400
CABLE: SAXUM

THOMAS A. BOLAN, P.C.
COUNSEL

ROY M. COHN
STANLEY M. FRIEDMAN
DANIEL J. DRISCOLL
MICHAEL ROSEN
THOMAS A. ANDREWS
JOHN F. LANG
LOUIS BIANCONE*
LAWRENCE E. CAMPANELLI**
B. VINCENT CARLESIMO*
HOWARD FALCK HUSUM

JOHN A. KISER
OF COUNSEL

* MEMBER OF NEW YORK AND NEW JERSEY BARS
** MEMBER OF PENNSYLVANIA BAR ONLY

September 23, 1980

Vincent J. Convery, Jr., Esq.
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1137

Dear Mr. Convery:

Although our clients, Manhattan Media Corporation, Our Town, and Ed Kayatt, are willing to enter into "informal" conciliation in an attempt to resolve this matter, they are unwilling and unable in good conscience to admit any violation of the Federal Election law.

We do not believe that Mr. Kayatt failed to register "COFITE - Committee Organized For Informing the Electorate." The FEC's own preliminary findings state that on February 22, 1980 Mr. Kayatt filed a document with the Commission thereby registering "COFITE" as a "political committee."

Subsequent to registration COFITE proceeded to solicit contributions and make expenditures "in an attempt to see that Lyndon LaRouche is defeated," but prior to February 22, 1980 COFITE had not generated contributions nor made expenditures in a quantity sufficient to require registration.

With respect to Manhattan Media Corporation, the corporation has not made any contribution to COFITE, nor has it made any expenditures on COFITE's behalf.

Attachment 1

32040362678

Vincent J. Convery, Jr., Esq.
September 23, 1980
Page -2-

COFITE has made an expenditure of \$8,615.00 for an ad placed in the New York Times. This ad was partially paid with \$3,320 of COFITE's funds, the balance remains unpaid and is an outstanding obligation of COFITE.

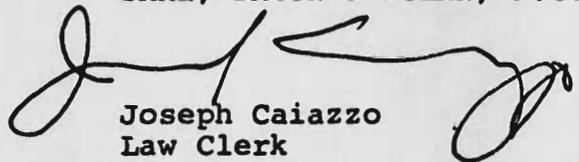
COFITE at present has no funds in its treasury. On advice of counsel it suspended acceptance of any further contributions last June, and this suspension will remain in effect until the FEC investigation is cleared up.

Since our clients are anxious to resume solicitation of funds and to clear up COFITE's debts, it is imperative that the FEC investigation be completed as quickly as possible.

In order to expedite the investigation, we are willing to produce whatever documents that you require. In order to make arrangements for your inspection of the relevant documents, please call Mr. Rick Sabbatini of our firm.

Very truly yours,

SAXE, BACON & BOLAN, P.C.


Joseph Caiazzo
Law Clerk

/lf

52040362679

Atch 1



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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Saxe, Bacon and Bolan, P.C.
39 East 68th Street
New York, New York 10021

Re: MUR 1137

Dear Mr. Caiazzo:

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You stated that your clients Manhattan Media Corporation, Our Town and Edward R. Kayatt are willing to enter into "informal" conciliation in an effort to resolve MUR 1137. However, you submitted no information upon which we could base conciliation discussions.

The Commission is of the view that, under the existing circumstances, informal processing of this matter will benefit neither party. At this time, then, we will proceed with our investigation pursuant to 2 U.S.C. § 437g(a)(2).

Accordingly, I request that Mr. Kayatt provide sworn and notarized responses to the questions on the attached pages. Having received the information requested therein, this office will prepare a brief which sets forth the factual and legal issues of the case and which contains a recommendation as to whether or not the Commission should find probable cause to believe that a violation has occurred. See 11 CFR § 111.16(a).

If you have any questions, please contact Mr. Convery at 202-523-4000.

Sincerely,

Charles N. Steele
General Counsel

32040362680

QUESTIONS TO EDWARD R. KAYATT

1. State your name and the position you hold or held in:
a) Manhattan Media Corporation; b) Our Town newspaper;
c) the Committee Organized to Inform the Electorate
(COFITE).

2. In an affidavit dated February 4, 1980, you stated that:
"My efforts to see that Lyndon La Rouche is defeated...
has nothing to do and is in no way connected with the
political activities of any other candidate or any other
party."

Please detail all "efforts" which you have taken, or are now taking "to see that Lyndon La Rouche is defeated." Specifically, do such efforts include the formation of, and the activities of, COFITE?

3. In your affidavit of February 4, 1980, you indicated, that to that point, you had collected contributions of \$614.
 - a. Were the funds so collected to be used for the purpose of making independent expenditures for or against any Federal candidate? If so, which candidate?
 - b. Did you collect any contributions after February 4, 1980? If so, in what amount?
 - c. What disposition have you made of all contributions you have received?

Atch 2

32040362681

4. In an FEC Form 5 (Report of Independent Expenditures or Contributions by Persons), dated February 19, 1980, and filed with the Commission the same day, you, as Chairman of COFITE, indicated that that Committee was making an independent expenditure "in opposition to a Federal candidate." Identify that candidate.
5. In that same FEC Form 5, you indicated that, through February 15, 1980, COFITE had received contributions of \$619.
- a) Was the \$614 you earlier stated you had received included in the \$619 COFITE is reported to have received?
 - b) Has COFITE received contributions in addition to the initial \$619. If so, in what amount?
6. On or about February 26, 1980, a half-page advertisement, sponsored by COFITE, appeared in the New York Times.
- a) State the date on which COFITE ordered this ad.
 - b) State the date on which COFITE paid for this ad. Attach copies (both sides) of any instrument used by COFITE to pay for the ad.
 - c) State the amount of funds COFITE had on hand as of the date it paid for this ad.
 - d) State the cost of this ad.

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Atch 2

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3
- e. State the terms of payment imposed by the New York Times. Attach copies of all bills, receipts, etc., pertaining to the ad.
7. If the cost of the New York Times advertisement was greater than the amount of funds held by COFITE, state who paid the balance of the cost of the advertisement. Was such balance paid to COFITE or to the New York Times? Attach copies (both sides) of any instrument used to pay such balance.
8. Has COFITE made any expenditures other than that for the New York Times ad? If so, please list them.
9. State, or attach schedules of, the advertising rates charged by Our Town during the period December 1979 through July 1980.
10. Attached as Exhibit I is a copy of an advertisement which appeared in Our Town on or about February 24, 1980. State the cost of this ad, and attach copies (both sides) of any instrument used to pay for it.
11. Attached as Exhibit II is a copy of a solicitation, entitled "COFITE funds" which appeared in Our Town on or about May 11, 1980. State the cost of this advertisement and attach copies of any instrument(s) used to pay for it.

END OF QUESTIONS

Atch 2

"The use . . . of anti-Jewish hate propaganda, the injection of anti-Semitic poison into the American political bloodstream, adds an extra and insidious dimension to the bizarre con-

spiracy theories and political hallucinations the LaRouches."

—Anti-Defamation League, July 24, 1971

\$327,864.01 of your tax dollars have already been given to the United States Labor Party founder, Lyndon H. LaRouche, for his campaign for President of the United States.

Meeting behind closed doors on Dec. 18, the Federal Elections Commission approved matching funds for the Presidential campaign of Lyndon H. LaRouche, founder of the anti-Semitic U.S. Labor Party. As of last week, LaRouche has received \$327,864.01.

LaRouche's success with the FEC bolsters, to an alarming degree, this would-be autocrat's electoral strategy for becoming a significant influence in U.S. politics. Last fall, LaRouche declared himself a Democrat and prepared to enter several Presidential primaries. In the New Hampshire contest, his efforts are comparable to those of the major candidates.

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—Detroit Free Press, August 26, 1979

Along the way according to former party members and, in some cases to party publications, internal party records and law enforcement officials — members of the (USLP) have initiated gang assaults at rivals' meetings, taken courses in the use of knives and rifles at an "anti-terrorist" school and produced private intelligence reports on

anti-apartheid groups in the United States for the Bureau of State Security of South Africa.

—New York Times, October 7, 1971

Discipline in the NCLC — cadre organization of the USLP is strict and dissenters from LaRouche's particular brand of orthodoxy are dealt with severely . . . The father of an NCLC member, who was attempting to persuade his daughter to leave the organization was greeted one morning by a hearse whose driver and attendant had been told "to pick up the body," an unmistakable threat.

—National Review, March 30, 1971

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—Harold R. Taylor, Jr.

(in his capacity as Acting Attorney General of the United States)
August 19, 1976

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WHAT CAN YOU DO?

1. Write your Congressman and Senator. Demand a reversal of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$30,000) matching grant to LaRouche. These commissioners are Joan Aikens, Thomas Harris, Frank Reiche, and Robert Tiernan; all c/o Federal Election Commission, 1325 K St. NW, Washington D.C. 20463.
3. Help us raise the funds needed to place this ad and other ads in newspapers around the country. Send us \$1 or \$2 or more if you can afford it. Every bit helps. We have put a coupon in this ad for your convenience.

TO: COFITE (Committee Organized For Informing The Electorate)
500 East 82 Street, New York City, New York 10028
I will contact my Congressman and/or Senators. I am enclosing a contribution to help defray the cost of similar ads in newspapers throughout the country.

Permission Hereby Granted for Duplication of This Message

NAME _____

ADDRESS _____

Contribution Enclosed \$_____. Make check or Money Order payable to COFITE. This communication is not authorized by any candidate. This advertisement is paid for by COFITE (Committee Organized For Informing The Electorate).

EXHIBIT I

Ben Ganz
Manhattan

YOUR TIRED. . .

It's not paying attention to the news lately, but how many Cuban refugees are going to Washington, D.C., and Plains, Georgia?

S. P. Neves
East 88th St.

OF EXPRESSION

total support for showing "Death of a Princess" would be giving up our freedom of expression if we would give in to the oil blackmailers of a country because they didn't like it of their lifestyle.

It's so wonderful about this country. We can talk about one subject, leaving us the freedom of which view we ourselves accept. I refuse to give up freedom for oil, and anyone who wants to take a good look at what they are giving up will get in return.

It's WNET on their stand for freedom of expression is enough.

Joseph Zinzi, Jr.
Manhattan

QUESTION ASKED

Question: mature adult female who bicycles from Prospect Park, Brooklyn, to work on East 21st St. I do not excuse bicyclists from common laws. If pedestrians would also cooperate, and bikers might use offense as a defense, a sane cyclist deliberately hits a pedestrian, runs an equal risk of injury to himself or damage to the bike as well.

Can anyone blame Israel for being against the pro-PLO Palestinians having total control of the land in the West Bank? Public opinion throughout the world must realize that Israel will not receive any support from the members of the Security Council, with the exception of the United States.

It is evident that the Security Council does not consider the murder of Israeli people a violation of its rules.

Abraham Berkowitz
Flushing

COFITE funds

COFITE (The Committee Organized For Informing The Electorate) was created to inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric.

To date, COFITE has raised \$3,154. Of this amount approximately \$1,100 came in response to an ad placed in the Feb. 26 New York Times. Our Town readers have contributed about \$2,000.

The ad in the Times has cost COFITE \$8,615. This has resulted in a deficit of approximately \$5,500.

According to the Federal Elections Commission, LaRouche's campaign contributions through February, 1980, amounted to \$34,572 in New York State alone. This sum included only contributions of more than \$200.

Readers interested in spreading the word on the real LaRouche are asked to send their contributions to COFITE, 500 E. 82nd St., NYC 10028.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

911197
GCC
3501

October 30, 1980

Edward R. Kayatt, Chairman
Committee Organized to Inform
the Electorate
500 East 82 Street
New York, New York 10028

10 NOV 12 P 2: 20

GENERAL COUNSEL

Re: MUR 1137

Dear Mr. Kayatt:

A review of our files indicates that your committee has not designated counsel in this matter. A letter, dated September 23, 1980, from Saxe, Bacon and Bolan, Attorneys at Law, suggests that that firm may be representing COFITE.

If COFITE is to be represented by counsel, a letter to that effect must be submitted. See 11 C.F.R. § 111.23(a). In this regard, you should forward a document which contains: (a) the name, address and phone number of counsel, and (b) a statement authorizing counsel to receive any and all notifications and communications from the Commission in COFITE's behalf.

Sincerely,

Charles N. Steele
General Counsel

October 31, 1980

This will serve as authorization for Lawrence Abramson, Esq., Saxe, Bacon, Boland, 39 East 68 Street, N.Y.C. 10021 to act in behalf of the aforementioned Committee and Chairman or any other individual involved with Committee.

Edward R. Kayatt

52040362686



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 30, 1980

Edward R. Kayatt, Chairman
Committee Organized to Inform
the Electorate
500 East 82 Street
New York, New York 10028

Re: MUR 1137

Dear Mr. Kayatt:

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Sincerely,

Charles N. Steele
Charles N. Steele
General Counsel

02040302687

FOR MAIL, MA 107

1. The following service is requested (check one):
 Return to return and date addressed.....
 Return to return, date and address of delivery.....
 RESTRICTED DELIVERY
 Send to return, date, and address of delivery 5.....

2. ADDRESS ADDRESSEE TO:
 E. R. Kayatt, Chairman
 COFITE
 NYC, NY 10028

3. AIRMAIL DESCRIPTION:
 REGISTERED NO. 977139
 RETURN NO. 977139

4. I have signed the article described above
 Name: Charles N. Steele
 Title: General Counsel
 Date: 10/30/80

5. ADDRESS CHANGE ONLY IF REQUESTED

6. SPECIAL TO DELIVER MESSAGE:

POSTAGE WILL BE PAID BY ADDRESSEE

NEW YORK, NY 10028

NOV 1 1980

MUR 1137 CONVERY



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Edward R. Kayatt, Chairman
Committee Organized to Inform
the Electorate
500 East 82 Street
New York, New York 10028

Re: MUR 1137

Dear Mr. Kayatt:

A review of our files indicates that your committee has not designated counsel in this matter. A letter, dated September 23, 1980, from Saxe, Bacon and Bolan, Attorneys at Law, suggests that that firm may be representing COFITE.

If COFITE is to be represented by counsel, a letter to that effect must be submitted. See 11 C.F.R. § 111.23(a). In this regard, you should forward a document which contains: (a) the name, address and phone number of counsel, and (b) a statement authorizing counsel to receive any and all notifications and communications from the Commission in COFITE's behalf.

Sincerely,

Charles N. Steele
General Counsel

MSC
10-30-80

62040302688

**OUR
TOWN**

**MANHATTAN
MEDIA
CORP
500 E. 82 ST.
NEW YORK, N.Y.
10028**



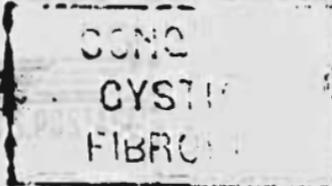
F. E. C.

Washington
D.C. 20543

10010

Saxe, Bacon & Bolan, P.C.

39 EAST 68TH STREET, NEW YORK, N. Y. 10021



63 SEP 23 P 4: 19

Vincent J. Convery, Jr., Esq.
Federal Election Commission
Washington, D.C. 20463

910357

2825

Saxe, Bacon & Bolan, P.C.

99 EAST 66TH STREET
NEW YORK, NEW YORK 10021

80 SEP 30 AM 45

JOHN GODFREY SAXE (1909-1983)
ROGERS H. BACON (1919-1982)

(212) 472-1400
CABLE: SAXUM

THOMAS A. BOLAN, P.C.
COUNSEL

ROY M. COHN
STANLEY M. FRIEDMAN
DANIEL J. DRISCOLL
MICHAEL ROSEN
THOMAS A. ANDREWS
JOHN F. LANG
LOUIS BIANCONI*
LAWRENCE E. CAMPANELLI**
B. VINCENT CARLESIMO*
HOWARD FALCK HUSUM

JOHN A. KISER
OF COUNSEL

* MEMBER OF NEW YORK AND NEW JERSEY BARS
** MEMBER OF PENNSYLVANIA BAR ONLY

September 23, 1980

Vincent J. Convery, Jr., Esq.
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1137

Dear Mr. Convery:

Although our clients, Manhattan Media Corporation, Our Town, and Ed Kayatt, are willing to enter into "informal" conciliation in an attempt to resolve this matter, they are unwilling and unable in good conscience to admit any violation of the Federal Election law.

We do not believe that Mr. Kayatt failed to register "COFITE - Committee Organized For Informing the Electorate." The FEC's own preliminary findings state that on February 22, 1980 Mr. Kayatt filed a document with the Commission thereby registering "COFITE" as a "political committee."

Subsequent to registration COFITE proceeded to solicit contributions and make expenditures "in an attempt to see that Lyndon LaRouche is defeated," but prior to February 22, 1980 COFITE had not generated contributions nor made expenditures in a quantity sufficient to require registration.

With respect to Manhattan Media Corporation, the corporation has not made any contribution to COFITE, nor has it made any expenditures on COFITE's behalf.

52040362691

Saxe, Bacon & Bolan, P.C.

Vincent J. Convery, Jr., Esq.
September 23, 1980
Page -2-

COFITE has made an expenditure of \$8,615.00 for an ad placed in the New York Times. This ad was partially paid with \$3,320 of COFITE's funds, the balance remains unpaid and is an outstanding obligation of COFITE.

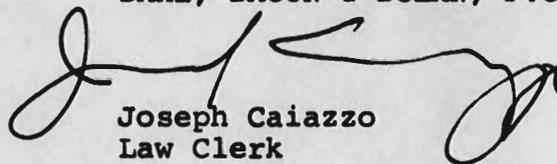
COFITE at present has no funds in its treasury. On advice of counsel it suspended acceptance of any further contributions last June, and this suspension will remain in effect until the FEC investigation is cleared up.

Since our clients are anxious to resume solicitation of funds and to clear up COFITE's debts, it is imperative that the FEC investigation be completed as quickly as possible.

In order to expedite the investigation, we are willing to produce whatever documents that you require. In order to make arrangements for your inspection of the relevant documents, please call Mr. Rick Sabbatini of our firm.

Very truly yours,

SAXE, BACON & BOLAN, P.C.


Joseph Caiazzo
Law Clerk

/lf

52040362692



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 10, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Joseph Caiazzo, Esquire
Saxe, Bacon & Bolan, P.C.
39 East 68th Street
New York, NY 10021

Re: MUR 1137

Dear Mr. Caiazzo:

It is my understanding that you are now representing respondents Manhattan Media Corporation, Our Town, Edward R. Kayatt, and Dennis King, upon the departure of Mr. Schuman from your firm.

The Federal Election Commission notified your clients on January 15, 1980, of a complaint which alleged that they may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ["the Act"]. A copy of the complaint was forwarded to your clients at that time.

The Commission acknowledges receipt of a response dated February 1, 1980, by Mr. Schuman on behalf of your clients.

The Commission notified Mr. Schuman and respondent King (who had not yet identified your firm as representing him) on February 7, 1980, of an amendment to the complaint. The Commission has not received any response to the amendment; of course, there was no obligation to respond.

On the basis of the allegations contained in the complaint, the response, the amendment to the complaint, and information ascertained by the Commission in the ordinary course of carrying out its supervisory responsibilities, the Commission determined on September 3, 1980, that there is reason to believe that respondent Manhattan Media Corporation (trading as Our Town) has violated 2 U.S.C. § 441b. On the same date, the Commission determined that

62040302693

Letter to Joseph Caiazzo, Esq.
Page Two

there is reason to believe that respondent Edward R. Kayatt has violated 2 U.S.C. §§ 433 and 434. A report on these Commission findings is attached for your information. You are of course encouraged to submit any factual or legal materials which you believe are relevant to the Commission's investigation and analysis of this matter. A description of Commission procedures is also attached for your information.

The Commission also considered the allegations of the complaint with respect to respondent Dennis King and determined on the same date that there was no reason to believe that Mr. King violated the Act. Accordingly, the Commission voted to close the file with respect to Mr. King.

If you have any questions, please contact Vincent J. Convery, Jr. the attorney assigned to this matter, at 202-523-4000.

Sincerely,

Max L. Friedersdorf
Max L. Friedersdorf
Chairman

2 2 0 4 0 3 0 2 6 9 4

PS Form 3811, Aug. 1978

REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered
 Show to whom, date, and address of delivery
 RESTRICTED DELIVERY
 Show to whom and date delivered
 RESTRICTED DELIVERY
Show to whom, date, and address of delivery. \$ _____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Joseph Caiazzo, Esq.
390 Belmont Bldg., N.C.
ARTICLE IDENTIFY MARK

REGISTERED NO. CERTIFIED NO. INSURED NO.
05C940

1. I have received the article described above.
SIGNATURE Address authorized agent
Joseph Caiazzo
DATE OF DELIVERY

3. ADDRESS (Complete only if requested)

4. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

SEP 16 1980
NEW YORK, NY

Saint Mary's 1187



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Joseph Caiazzo, Esquire
Saxe, Bacon & Bolan, P.C.
39 East 68th Street
New York, NY 10021

Re: MUR 1137

Dear Mr. Caiazzo:

It is my understanding that you are now representing respondents Manhattan Media Corporation, Our Town, Edward R. Kayatt, and Dennis King, upon the departure of Mr. Schuman from your firm.

The Federal Election Commission notified your clients on January 15, 1980, of a complaint which alleged that they may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ["the Act"]. A copy of the complaint was forwarded to your clients at that time.

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The Commission notified Mr. Schuman and respondent King (who had not yet identified your firm as representing him) on February 7, 1980, of an amendment to the complaint. The Commission has not received any response to the amendment; of course, there was no obligation to respond.

On the basis of the allegations contained in the complaint, the response, the amendment to the complaint, and information ascertained by the Commission in the ordinary course of carrying out its supervisory responsibilities, the Commission determined on September 3, 1980, that there is reason to believe that respondent Manhattan Media Corporation (trading as Our Town) has violated 2 U.S.C. § 441b. On the same date, the Commission determined that

52040302695

Letter to Joseph Cafazzo, Esq.
Page Two

there is reason to believe that respondent Edward R. Kayatt has violated 2 U.S.C. §§ 433 and 434. A report on these Commission findings is attached for your information. You are of course encouraged to submit any factual or legal materials which you believe are relevant to the Commission's investigation and analysis of this matter. A description of Commission procedures is also attached for your information.

The Commission also considered the allegations of the complaint with respect to respondent Dennis King and determined on the same date that there was no reason to believe that Mr. King violated the Act. Accordingly, the Commission voted to close the file with respect to Mr. King.

If you have any questions, please contact Vincent J. Convery, Jr. the attorney assigned to this matter, at 202-523-4000.

Sincerely,

VJC
9-5-80

62040362696

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE: September 10, 1980

MUR NO. 1137

RESPONDENTS: Manhattan Media Corporation
(t/a Our Town); Edward R.
Kayatt

STAFF MEMBER & TEL. NO.
Kevin H. Smith

(202) 523-4529

SOURCE OF MUR: Complaint Generated and Internally Generated

BACKGROUND

Respondent Kayatt is the president of Manhattan Media Corporation, a New York corporation which publishes a regular weekly newspaper known as Our Town; Mr. Kayatt also functions as the editor of Our Town.

Citizens for LaRouche, the principal campaign committee of Lyndon LaRouche, filed a complaint with the Commission against the above respondents alleging, inter alia, that respondent Kayatt was operating a "political committee" without so registering and reporting with the Commission, and that some of the advertisements critical of LaRouche were financed at least in part by the corporate funds of respondent Manhattan Media Corporation. The respondents filed a response to the complaint which included a sworn affidavit of Mr. Kayatt. An amendment to the complaint was also filed. The Commission also received relevant information in the normal course of carrying out its supervisory responsibilities, including a document filed with the Commission by COFITE - Committee Organized For Informing The Electorate and including newspaper clippings and advertisements on file in the Commission's Press Office.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. §§ 433 and 434 impose registration and reporting requirements upon any organization which is a "political committee," which term includes any "group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. § 431 (4)(A). Whether a financial transaction is a "contribution" or an "expenditure" depends upon whether it is done "for the purpose of influencing any election for Federal office." See 2 U.S.C. §§ 431(8) and (9).

62040362697

Respondent Kayatt's affidavit, dated February 4, 1980, refers to "my efforts to see that Lyndon LaRouche is defeated." On February 22, 1980, Mr. Kayatt filed a document with the Commission as chairman of a new organization known as "COFITE - Committee Organized For Informing The Electorate" which represented to the Commission that the organization would be making independent expenditures "in opposition to Federal candidate." COFITE purchased at least part of an advertisement in the February 26, 1980 issue of The New York Times highly critical of Lyndon LaRouche. Notices were printed both in the May 11-17 issue and in the May 25-31 issue of Our Town stating that the New York Times ad had cost \$8,615 and had generated an additional \$1,100 in contributions to COFITE; these notices also mentioned that Our Town readers had donated \$2,000. These facts and the legal analysis above indicated to the Commission that there was reason to believe that respondent Kayatt was operating a "political committee" without registering and reporting as such pursuant to 2 U.S.C. §§ 433 and 434.

3 2 0 4 0 3 6 2 6 9 8
The Commission took into account that many of the activities alleged in the complaint might well be excluded from the definition of "expenditure" because of the provisions of 2 U.S.C. § 431(9)(B)(i) excluding most news stories, commentaries, and editorials. However, the Commission concluded that many of the activities involved with respect to Mr. Kayatt appeared to go beyond the normal press operations of Our Town and that, using the New York Times ad as an example, those activities did not constitute news stories, commentaries, or editorials within the meaning of the exclusion. This conclusion was supported by the fact that Mr. Kayatt set up a separate organization to carry out many of these activities.

With respect to Manhattan Media Corporation, the Commission took note of Our Town's pledge in the January 27 - February 2 issue to advance any extra funds needed to purchase the half-page ad in the New York Times, which indeed was run less than one month later. The Commission also noted that the COFITE notice in both the May 11-17 and the May 25-31 issues of Our Town indicated that COFITE was approximately \$5,500 short of the cost of the ad. The Commission concluded that there was reason to believe at this stage of the proceedings that Manhattan Media Corporation had used its funds to partially finance the New York Times ad and perhaps others. 2 U.S.C. § 441b prohibits corporations from making contributions or expenditures in connection with a Federal election.

Based upon the foregoing analysis, the Federal Election Commission has found:

1. That there is reason to believe that Edward Kayatt has violated 2 U.S.C. §§ 433 and 434 by failing to register COFITE as a "political committee" and by failing to file the required reports.
2. That there is reason to believe that Manhattan Media Corporation, trading as Our Town, has violated 2 U.S.C. § 441b by making contributions or expenditures in connection with a federal election.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 10, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TREASURER
COFITE (Committee Organized For
Informing the Electorate)
500 East 82nd Street
New York, NY 10028

Re: MUR 1137

Dear Treasurer:

On the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission determined, on September 3, 1980, that there is reason to believe that your committee violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a "political committee." A report on the Commission's finding is attached for your information. You are encouraged to submit any factual or legal materials which you believe are relevant to the Commission's investigation and analysis of this matter. A description of Commission procedures is enclosed for your information.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Vincent J. Convery, Jr., the attorney assigned to this matter, at 202-523-4000.

Sincerely,

Max L. Friedersdorf
Max L. Friedersdorf
Chairman

Enclosures (2)

3 2 0 4 0 3 6 2 6 9 9

62040302700

PS Form 3811, Aug. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● **SENDER** Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse

1. The following service is requested (check one).
 Show to whom and date delivered. _____
 Show to whom, date, and address of delivery. _____
 RESTRICTED DELIVERY
 Show to whom and date delivered. _____
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
Treasurer (COTTE)
500 East 82nd Street
New York, NY 10028

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	182966	

(Always obtain signature of addressee or agent)

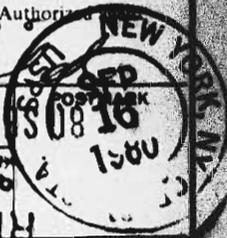
I have received the article described above.
 SIGNATURE Addressee Authorized Agent

4. DATE OF DELIVERY
 85 P 3:58

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS



RECEIVED

MUR-1137 Conery Smith



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TREASURER
COFITE (Committee Organized For
Informing the Electorate)
500 East 82nd Street
New York, NY 10028

Re: MUR 1137

Dear Treasurer:

On the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission determined, on September 3, 1980, that there is reason to believe that your committee violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a "political committee." A report on the Commission's finding is attached for your information. You are encouraged to submit any factual or legal materials which you believe are relevant to the Commission's investigation and analysis of this matter. A description of Commission procedures is enclosed for your information.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Vincent J. Convery, Jr., the attorney assigned to this matter, at 202-523-4000.

Sincerely,

WJC
9-5-80

Enclosures (2)

62040302701

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE: September 10, 1980

MUR NO. 1137
STAFF MEMBER & TEL. NO.

RESPONDENTS: COFITE (Committee Organized
For Informing The Electorate)

Kevin H. Smith (202) 523-4529

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

COFITE is an organization which, on February 22, 1980, filed with the Commission a form entitled "Report of Independent Expenditures or Contributions By Persons" (FEC Form 5). This report lists Edward Kayatt as the organization's chairman and indicates that it will make independent expenditures "in opposition to Federal candidate." The report does not indicate that any expenditures had yet been made by COFITE, but that it had received \$619 in contributions. In an affidavit prepared less than three weeks prior to the filing of that report, Mr. Kayatt had referred to "my efforts to see that Lyndon LaRouche is defeated." On February 26, the day of the New Hampshire primary and two days after COFITE's report had been filed, a COFITE advertisement appeared in the New York Times highly critical of LaRouche. A few months later, COFITE placed notices in Our Town, a Manhattan weekly newspaper, stating that the ad had cost COFITE \$8,615 and had generated approximately \$1,100 in additional contributions; the notices, which appeared in both the May 11-17 and the May 25-31 issues, also stated that approximately \$2,000 had been raised from Our Town readers.

The above facts were ascertained by the Commission in the normal course of carrying out its supervisory responsibilities.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. §§ 433 and 434 impose registration and reporting requirements upon any organization which is a "political committee," which term includes any "group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. § 431(4)(A). Whether a financial transaction is a "contribution" or an "expenditure" depends upon whether it is done "for the purpose of influencing any election for Federal office." See 2 U.S.C. §§ 431(8) and (9).

Based upon the facts recited above and an examination of the various COFITE advertisements, the Commission concluded that there was reason to believe that COFITE's purpose was to influence the

62040302702

Presidential primary elections and that it had both received and spent over \$1,000 for that purpose.

Based upon the foregoing analysis, the Federal Election Commission has found:

That there is reason to believe that COFITE has violated 2 U.S.C. §§ 433 and 434 by failing to register as a "political committee" and by failing to file the required reports.

62040362703

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
(MUR 1137
Manhattan Media Corporation)
(t/a Our Town))
Edward R. Kayatt)
Dennis King)
COFITE (Committee Organized)
For Informing the Electorate))

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on September 3, 1980, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 1137:

1. Find REASON TO BELIEVE that Edward Kayatt has violated 2 U.S.C. §§ 433 and 434 by failing to register COFITE as a "political committee" and by failing to file the required reports.
2. Find REASON TO BELIEVE that COFITE has violated 2 U.S.C. §§ 433 and 434 by failing to register as a "political committee" and by failing to file the required reports.
3. Find NO REASON TO BELIEVE that Dennis King has violated the Act by the acts alleged in the complaint.

(Continued)

02040302704

CERTIFICATION

Page

MUR 1137

First General Counsel's Report

Dated: August 29, 1980

4. Find REASON TO BELIEVE that Manhattan Media Corporation, trading as Our Town, has violated 2 U.S.C. § 441b by making contributions or expenditures in connection with a federal election
5. Send the letters (2) and notifications (2) as attached to the above-named report.

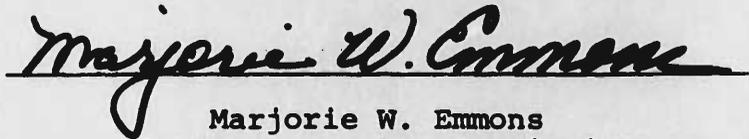
Voting for this determination were Commissioners

Aikens, Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

9/4/80

Date



Marjorie W. Emmons
Secretary to the Commission

Received in Office of the Commission Secretary: 8-29-80, 10:27
Circulated on 48 hour vote basis: 8-29-80, 2:00

52040302705

August 29, 1946

MEMORANDUM TO: Marjorie W. Howard

FROM: Jane Colgrove

SUBJECT: MR 1137

Please have the attached First General Council's report on MR 1137 distributed to the Commission on a 48 hour tally basis.

Thank you.

62040362706

RECEIVED
FEDERAL ELECTION COMMISSION OFFICE OF THE
1325 K Street, N.W. COMMISSION SECRETARY
Washington, D.C. 20003

FIRST GENERAL COUNSEL **89 AUG 29 AIO: 27**
REPORT

DATE AND TIME OF TRANSMITTAL _____ MUR# 1137
BY OGC TO THE COMMISSION AUG 29 1980 DATE COMPLAINT RECEIVED
BY OGC _____
STAFF MEMBER Smith

COMPLAINT'S NAME: Citizens for LaRouche

RESPONDENT'S NAME: Manhattan Media Corporation (t/a Our Town);
Edward R. Kayatt; Dennis King; COFITE
(Committee Organized For Informing the
Electorate)

RELEVANT STATUTES: 2 U.S.C. §§ 431(4), 431(8), 431(9), 433, 434,
441b

INTERNAL REPORTS CHECKED: COFITE "C" Index; Press Office

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

This matter arises in part from a complaint filed by Citizens for LaRouche and in part from information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities. The complaint (Exhibit I) basically alleged that respondents Manhattan Media Corporation, Kayatt, and King, were acting as a "political committee" in that they solicited funds in the editorial pages of Our Town, a Manhattan weekly newspaper, such funds to be used for an advertisement in the New York Times which, according to the complaint, would be for the purpose of defeating Lyndon LaRouche in his campaign for the Democratic presidential nomination. Manhattan Media Corporation is a New York corporation which publishes Our Town. Edward R. Kayatt is the president of Manhattan Media Corporation and the editor/publisher of Our Town. Dennis King is a free-lance reporter who writes for Our Town and who authored a series of articles critical of LaRouche. The complaint further alleged that the anticipated New York Times advertisement would be partially financed by corporate funds, presumably those of Manhattan Media Corporation.

Among the materials attached to the complaint were copies of two Our Town editorials. The first, from the December 30 - January 5, 1980 issue, is entitled "Taxpayer's money for fascism?" and generally

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criticizes the Commission for granting matching funds to LaRouche whom it accuses of espousing a "neo-Nazi, anti-semitic ideology." It calls for a congressional investigation of the Commission's action and asks readers to write their Congressmen demanding a hold on the matching funds pending a further investigation. At the end of the editorial, it invites donations toward the cost of a full-page advertisement in the New York Times "so that we can spread the word of this alarming situation to a wider audience." The editorial does not expressly advocate the defeat of LaRouche and appears to be primarily directed towards a Congressional investigation of the Commission's action; it does, however, complain that the Commission's decision "will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position." The affidavit of James Cleary, submitted with the complaint, states that he telephoned respondent Kayatt after reading the first editorial and that Kayatt advised that the anticipated advertisement would cost approximately \$16,000 and that checks should be made payable to "Our Town" and should bear the notation "New York Times Ad Fund." Kayatt also urged Cleary to contact various government officials regarding the Commission's action.

The second relevant editorial, appearing in the January 6 - 12, 1980 issue, is entitled "Scrutiny Needed" and generally states that LaRouche's receipt of matching funds "points up the growing menace of the neo-nazi, anti-semitic ideology of his U.S. Labor Party." The editorial then goes on to urge readers to call on Congress to launch a full investigation into "the activities of LaRouche and his cult." The last paragraph of this second editorial again solicits contributions for a full-page advertisement in the New York Times "for a wider public awareness of the threat to society represented by LaRouche and his followers," and asks that the checks be sent to Our Town bearing the notation "New York Times Ad Fund." This editorial does not expressly advocate the defeat of LaRouche and appears to be primarily directed toward the perceived necessity for a Congressional investigation of LaRouche.

The original complaint was duly forwarded to respondents. Prior to receiving their response, the Commission received additional material from complainant which was treated as an amendment to the complaint and which was forwarded to respondents with an opportunity to respond thereto. The amendment (Exhibit II) enclosed a clipping from the January 27 - February 2, 1980, issue of Our Town. This was labeled "NOTICE" and advised that "we" (i.e., Our Town) planned to take a half-page ad in the New York Times rather than wait until enough money was collected for a full page ad; this "NOTICE" also solicited further contributions and gave prior contributors the opportunity to obtain a refund if they did not wish their money to be used for a half-page ad. The "NOTICE" also states, "If this should leave insufficient funds to cover the cost of the half-page, we pledge to advance the difference so that the ad can be published." The "NOTICE" does not state what the proposed New York Times ad would say but indicates that the ad would be placed "[i]n order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible." The "NOTICE" does not expressly advocate the defeat of LaRouche.

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On the day after this office received the above amendment, we received a response (Exhibit III) from respondent's attorney to the original complaint. The attorney's letter addresses itself to the series of news articles run by Our Town and to its editorial comments on LaRouche and on the Commission's actions, maintaining that those activities are exempted from the coverage of the Act. The letter does not appear to have addressed itself to the proposed New York Times advertisement, except that in discussing 2 U.S.C. § 441b it generally refers to "permissible and non-partisan corporation speech and activities"; it is not clear that this general reference even refers to the proposed New York Times ad as opposed to the Our Town "news stories." Attached to the letter, however, is an affidavit of respondent Kayatt. Mr. Kayatt explained that Our Town had run a series of articles based upon respondent King's investigation of LaRouche and that during that investigation it had learned of LaRouche's qualification for matching funds. Kayatt stated that he felt the public should be so informed and that "the facts as set forth in the news articles written by Mr. King should be read by a larger number of New Yorkers, many of whom live outside the area of distribution of the newspaper." He further explained that Our Town sometimes determines that a particular candidate is not qualified to hold public office and, in that event, attempts to elicit facts and to write news articles based upon those facts to inform the general public. Kayatt then makes the following statement: "My efforts to see that LYNDON LAROCHE is defeated and that the public is made aware of his activities in the past has nothing to do and is in no way connected with the political activities of any other candidate or any other party." The affidavit does not make clear whether the "efforts" referred to encompass the proposed New York Times advertisement or merely the news articles and editorials previously run in Our Town. The affidavit states at the end that Kayatt has collected contributions of \$614.00, "far short of the \$1,000 set forth in the complaint."

The respondents have filed no response to the "amendment" concerning the January 27 "NOTICE." While awaiting such a response, this office received another letter from complainant enclosing an identical "NOTICE" clipped from the February 3-9, 1980, issue of Our Town. We did not forward a copy of this to respondents because of its identical nature. While continuing to await the expiration of the 15-day period from our forwarding of the "amendment" to respondents, complainants sent us another letter enclosing a third "NOTICE" clipped from the February 17-23, 1980 issue of OUR TOWN, once again identical to the previous two "notices"; this material was also not forwarded to respondents.

Two days after the publication of the third "NOTICE," respondent Kayatt prepared an FEC Form 5 (Report of Independent Expenditures Or Contributions By Persons) which was filed with the Commission on February 22, 1980, on behalf of "COFITE - Committee Organized To Inform The Electorate" having the same address as Our Town; the report was forwarded in an Our Town business envelope. This material is

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attached hereto as Exhibit IV. The report is somewhat confusing in that it reports that COFITE had received \$619.00 in under-\$100 contributions during the period of January 21 - February 15, 1980; the Kayatt affidavit, dated February 4, 1980, had stated that \$614.00 had already been collected by him as of that date. The report indicated that no expenditures had been made "to date," but indicated in Item 3 that "[t]his is an Independent Expenditure in opposition to Federal candidate." In Item 6, in the space marked "Name and office Sought of Federal Candidate," the report stated "none." The Reports Analysis Division advised this office of this filing and also furnished us with a copy of a clipping (Exhibit V) received by the Commission's Press Office which was an advertisement published in the February 24 - March 1, 1980 issue of Our Town which advertisement stated that it was "paid for by COFITE (Committee Organized For Informing The Electorate)." We do not know whether Our Town actually charged for the space and, if so, how much it charged. The advertisement headlines the amount of matching funds received by LaRouche and generally emphasizes the extent to which LaRouche has politically benefited from those funds. The advertisement contains a series of quotations from various newspapers, magazines and individuals, all of which contain derogatory references to LaRouche. It then exhorts the reader to write members of Congress and members of the Commission to demand a reversal of the matching funds decision. It also solicits contributions "to help defray the cost of similar ads in newspapers throughout the country." The advertisement does not expressly advocate the defeat of LaRouche.

Until recently, this office had no information as to whether COFITE or Our Town had placed advertisements in the New York Times or in any newspapers other than Our Town. We had also repeatedly checked the Public Records office to see if COFITE had reported receiving any additional funds which would total more than \$1,000; as recently as May 30, 1980, a check of COFITE's "C" Index revealed no filings subsequent to its original filing received February 22, 1980. However, in checking with the Press Office to see if any New York Times ad had appeared with COFITE or Our Town sponsorship, we found that although the Press Office did not have the clipping, they did have the most recent issue of Our Town, dated May 25-31, 1980, which contained a notice (Exhibit VI) by COFITE stating that it had placed an ad in the February 26 issue of the New York Times which had cost \$8,615. The notice further stated that the ad had generated approximately \$1,100 and that Our Town readers had contributed about \$2,000. The notice explains that this has left COFITE with a deficit of approximately \$5,500. The notice does not explain how COFITE had been able to purchase an \$8,615 ad with at most \$2,000 of pre-ad contributions. It solicits further contributions from "[r]eaders interested in spreading the word on the real LaRouche." This latest notice also states the purpose of COFITE as follows:

"COFITE (The Committee Organized For Informing The Electorate) was created to inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic

presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric."

Prior to this notice, it had appeared from the prior editorials, notices, advertisements, and solicitations, that respondent Kayatt's activities, both through his corporately-owned Our Town and through his committee, COFITE, had been directed towards seeking legislative and/or administrative action to reverse the Commission's decision on granting matching funds to LaRouche. It had also appeared that his activities had not gone beyond the pages of Our Town and had not involved the receipt or expenditure of more than \$1,000. This notice not only contradicts those earlier appearances, but also sheds new light on the reference by Kayatt's February affidavit to "my efforts to see that LYNDON LAROCHE is defeated." The fact that the New York Times ad was apparently published less than one month after the "NOTICE" appearing in the January 27 - February 2 issue of Our Town (Exhibit I), had pledged to "advance the difference so that the ad can be published" suggests the strong possibility that respondent Kayatt may have advanced over \$5,000 of Manhattan Media Corporation (trading as Our Town) funds in support of those "efforts."

As this report was being prepared to reflect the new information, we received another communication from complainants (Exhibit VII) enclosing a copy of the half-page at which appeared in the February 26 issue of the New York Times and a notice from COFITE which had appeared in the May 11-17 issue of Our Town. That notice is identical to the notice in the May 25-31 issue (Exhibit VI) and the text of the New York Times ad is identical to that of the advertisement which had appeared in the February 24-March 1 issue of Our Town (Exhibit V).

LEGAL ANALYSIS

At the outset, it should be made clear that this case does not present the question of whether an "independent expenditure," as defined by 2 U.S.C. § 431(17), has been made by any of the respondents; none of the communications or solicitations involved expressly advocated the defeat of Lyndon LaRouche. The fact that COFITE chose to register itself on an independent expenditure form is legally irrelevant to the issue. There is therefore no possible violation of 2 U.S.C. § 434(c)(2) or § 441d(a). There are two issues at this stage of the proceeding: (1) whether there is reason to believe that any or all of the respondents are a "political committee" as defined by 2 U.S.C. § 431(4)(A); and (2) whether there is reason to believe that Manhattan Media Corporation has made a "contribution or expenditure" prohibited by 2 U.S.C. § 441b. This office concludes that the answer to both questions is in the affirmative.

A. The "Political Committee" Issue

2 U.S.C. §§ 433 and 434 impose registration and reporting requirements upon any organization which is a "political committee."

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That term is defined to include any "group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. § 431(4)(A). Both "contribution" and "expenditure" are defined to cover only acts taken "for the purpose of influencing any election for Federal office." The courts have placed a limiting construction on these statutory standards such that the "political committee" obligations may only be imposed, with respect to groups acting independently of candidates or parties, upon "committees soliciting contributions or making expenditures the major purpose of which is the nomination or election of candidates." United States v. National Committee for Impeachment, 469 F.2d 1135 (2d Cir. 1972). Accord, ACLU v. Jennings, 366 F. Supp. 1041 (D.D.C. 1973), vacated as moot sub. nom. Staats v. ACLU, 422 U.S. 1030 (1975). The Supreme Court cited these limiting constructions as having avoided the vagueness problems which would otherwise plague the "for the purpose of influencing" standard. See Buckley v. Valeo, 424 U.S. 1, 79 (1976). Expenditures of political committees so construed, the Court said, "are, by definition, campaign related." Id.

Applying those standards to the facts as they appear at this preliminary stage of the procedures, it should first be made clear that none of the activities of any of the respondents, insofar as they involve the writing, editing, and publishing in the pages of Our Town of articles and of writings purporting to set forth the opinions of the editors or management personnel of Our Town, may be considered as "expenditures" for the purpose of applying the "political committee" standard. This is so both because of the standards outlined above and especially because of the provisions of 2 U.S.C. § 431(9)(B)(i) specifically exempting news stories, commentaries, and editorials, from the definition of "expenditure" unless the publication is owned or controlled by a political party, political committee, or candidate.^{1/} However, the acts of at least some of the respondents appear to go beyond the publication of articles and editorials in Our Town and those acts require separate analysis.

The Our Town editorials and notices attached as exhibits solicit contributions from the reader for communications other than in the pages of Our Town. Respondent COFITE (chaired by respondent Kayatt) appears to have purchased advertisements both in Our Town and in the New York Times at least partly with funds solicited from the public. These financial activities are not covered by the exemption for news stories and editorials and are therefore "expenditures", depending upon their major purpose. At this point in the proceedings, we have two indications of the purpose of respondent Kayatt and of respondent

^{1/} It appears that the individual and corporate respondents were involved with the newspaper business, specifically Our Town, before the alleged activities giving rise to this complaint. Therefore, even if the other activities of respondents would give rise to "political committee" status, that would not remove their activities in publishing an established newspaper such as Our Town from the protection of the exemption. To hold otherwise would endanger all established newspapers every time their editors chose to become independently involved in the operation of a "political committee."

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COFITE. Respondent Kayatt's affidavit (see Exhibit III) refers to "my efforts to see that Lyndon LaRouche is defeated and that the public is made aware of his activities in the past." The recent Our Town notice (Exhibit VI) states that COFITE "was created to inform voters about the real neo-Nazi, anti-semitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party." It then makes specific reference to LaRouche's candidacy and campaign:

"LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric."

As suggested in the factual section of this report, the earlier activities of respondents Kayatt and King, through Our Town, appeared to be for the purpose of seeking a reversal of the Commission's matching funds decision with respect to LaRouche. However, considering the Kayatt affidavit and the subsequent formation of COFITE, it appears to this office that there is reason to believe that the purpose changed as the activities went beyond the pages of Our Town and that COFITE has both received "contributions" of over \$1,000 and has made "expenditures" of over \$1,000, and therefore became a "political committee" subject to the registration and reporting requirements. Respondent Kayatt, as the apparent founder and admitted chairman of COFITE, appears at this point to be the individual responsible for COFITE's decision not to register and report as a "political committee." This office does not feel, however, that there are sufficient allegations or facts concerning respondent Dennis King's purposes, his financial transactions, if any, and his relationship to COFITE, if any, to give rise to a reason to believe that he has violated the Act.

Respondent Manhattan Media Corporation, owner and publisher of Our Town 2/, had pledged to advance funds to meet the cost of the New York Times advertisement and had solicited funds for the ad before the formation of COFITE. Considering those facts and the apparent COFITE deficit of approximately \$5,500 after the New York Times ad, it is the opinion of this office that there is reason to believe that Manhattan Media Corporation loaned, advanced, or in some manner made funds available to COFITE, or made payment directly to the New York Times, for the February 26 advertisement. However, it does not appear appropriate to analyze this allegation in the context of the "political committee" issue since if the corporation's financial activity would give rise to "political committee" status, it would ipso facto indicate a violation of 2 U.S.C. § 441b prohibiting any "contributions

2/ Our Town does not appear to have a legal existence of its own but instead appears to be merely a name through which Manhattan Media Corporation conducts its newspaper publishing business. The two are therefore considered as one for our purposes.

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or expenditures" by a corporation. This allegation will therefore be analyzed in that context only.

In summary, we conclude that there is reason to believe that respondents Kayatt and COFITE violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a "political committee" after receiving "contributions" over \$1,000 and making "expenditures" in excess of \$1,000. This conclusion relates solely to their activities in soliciting, collecting, and expending funds for advertisements, and in forming and operating COFITE. We further conclude that there is no reason to believe that respondent King has violated the Act based upon the activities alleged in the complaint.

B. The Corporate "Contribution or Expenditure" Issue

As mentioned in the preceding section, this office concludes that there is reason to believe that Manhattan Media Corporation advanced, loaned or made funds available to COFITE for the New York Times advertisement on February 26, 1980, or paid money directly to the New York Times to cover prt of the cost. This raises the issue of whether, if that proves to be true, it was prohibited by 2 U.S.C. § 441b.

There are three distinct statutory definitional categories of financial transctions prohibited to corporations:

- (1) "Contributions" as defined by 2 U.S.C. § 431(8) (see 2 U.S.C. § 441b(a));
- (2) "Expenditures" as defined by 2 U.S.C. § 431(9) (See 2 U.S.C. § 441b(a)); and
- (3) "Contributions or expenditures" as defined by 2 U.S.C. § 441b(b)(2), supplemented by the broader definition of that phrase in 11 C.F.R. § 114.1(a)(1).

Analyzing the alleged corporate activity first under categories (1) and (2), one is again faced with examining whether the transaction was made "for the purpose of influencing any election for Federal office." See 2 U.S.C. §§ 431(8),(9). Although it is difficult to ascertain the "purpose" of a corporate act, corporations do act through their officers and one might therefore consider that respondent Kayatt, as president of Manhattan Media Corporation, if he indeed directed the expending of corporate funds to help finance an advertisement which was also financed by an organization (COFITE) of which he was chairman, did so for the same purpose for which COFITE expended its funds. Therefore, the Kayatt affidvit's language - "to see that Lyndon LaRouche is defeated" - is probative of Manhattan Media Corporation's purpose as well as COFITE's.

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In Ash v. Cort, 496 F.2d 416 (3d Cir. 1974) rev'd other grounds 422 U.S. 66 (1975), the court analyzed a series of corporate advertisements using the "purpose of influencing" test derived at that time from former 18 U.S.C. § 591. The advertisements in question were directed towards countering allegedly untrue anti-business statements which, although his name was not mentioned, were quotations of Senator McGovern who was a candidate for President. The corporation also encouraged the formation of "truth squads" to counter similar statements throughout the campaign. This is strikingly similar to the stated purpose of COFITE "to reveal the truth behind the campaign rhetoric." See Exhibit VI. In Ash v. Cort, the Third Circuit stated as follows:

The definition of expenditures in § 591 requires a partisan purpose; we assume here that where a communication is the expenditure's direct product, the partisan purpose must appear from the communication's content, viewed in light of the surrounding circumstances.

Id. at 425n.9. 3/ The court made clear that the partisanship of the statements is a factual dispute. The communication in this case, the New York Times advertisement, contains an extensive litany of negative statements and quotations about LaRouche and accuses him of attempting to hide his true beliefs from the electorate. The surrounding circumstances include the preceding Kayatt affidavit and also the COFITE filing of a Form 5 (Exhibit IV), shortly before the advertisement, on which was checked off "in opposition to Federal candidate." Also part of the surrounding circumstances was Our Town's pledge in the January 27 - February 2 "NOTICE" (Exhibit II) to advance any extra funds needed to purchase the New York Times ad noting that the ad would be placed "[i]n order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible." Those circumstances, coupled with the timing of the ad on the day of the New Hampshire primary, lead this office to conclude that, even under the "purpose of influencing" standard of prohibited corporate activity, there is reason to believe that Manhattan Media Corporation made "contributions" or "expenditures" in connection with the 1980 Presidential primary election.

The conclusion reached above obviates the need to determine, at this state in the proceedings, whether Manhattan Media Corporation's alleged partial financing of the ad would, regardless of purpose, come

3/ It must again be noted tht this approach, permitting inquiry into "surrounding circumstances" of a communication, is based upon an entirely different standard than the very restricted analysis required when the issue is whether or not the "independent expenditure" sections have been violated. See FEC v. C.L.I.T.R.I.M., 616 F.2d 45 (2d Cir. 1980) (en banc). As noted previously in this report, there is no contention here that those sections have been violated and they are not involved here in any way.

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with the special supplemental category of prohibited "contributions or expenditures" defined by 2 U.S.C. § 441b(b)(2) and expanded by 11 C.F.R. § 114.1(a)(1). 4/ The Commission therefore need not decide whether if the corporation's "purpose" was other than to influence an election, it nonetheless made a "payment ... to any ... person in connection with any election." 11 C.F.R. § 114.1(a)(1).

Based upon the foregoing analysis, this office concludes that there is reason to believe that Manhattan Media Corporation has violated 2 U.S.C. § 441b by helping to finance the February 26 advertisement in The New York Times.

RECOMMENDATIONS

1. Find reason to believe that Edward Kayatt has violated 2 U.S.C. §§ 433 and 434 by failing to register COFITE as a "political committee" and by failing to file the required reports.
2. Find reason to believe that COFITE has violated 2 U.S.C. §§ 433 and 434 by failing to register as a "political committee" and by failing to file the required reports.
3. Find no reason to believe that Dennis King has violated the Act by the acts alleged in the complaint.
4. Find reason to believe that Manhattan Media Corporation, trading as Our Town, has violated 2 U.S.C. § 441b by making contributions or expenditures in connection with a federal election.

4/ It should be noted that the corporate advertisements in Ash v. Cort, supra, were not considered by the Third Circuit to have come within the special "contributions or expenditures" definition in what was then 18 U.S.C. § 610, apparently based upon the fact that nothing of value had been given "to any candidate, campaign committee, or political party or organization." See Ash v. Cort, supra at 424-25. However, 11 C.F.R. § 114.1(a)(1) has added "any other person" to the list of prohibited recipients, which would, of course, encompass the alleged recipient here - The New York Times. The Regulations were not before the court in Ash v. Cort.

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5. Send the attached letters (2) and notifications (2).

Attachments

- Exhibit I - The Complaint
 - Exhibit II - Amendment to Complaint
 - Exhibit III - Response to Complaint
 - Exhibit IV - Form 5 Filed by COFITE
 - Exhibit V - Advertisement from February 24 - March 1, 1980,
issue of Our Town
 - Exhibit VI - "NOTICE" from May 25 - 31, 1980, issue of Our Town
 - Exhibit VII - Letter dated May 30, 1980, with enclosures, from
Complainants
- Letters (2) and Notifications (2)

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CITIZENS FOR LAROUCHE

Lyndon H. LaRouche
DEMOCRAT FOR PRESIDENT

Warren J. Zimmerman
NATIONAL CAMPAIGN DIRECTOR

'80 JAN 11 AM 11 58

January 8, 1980

Robert O. Tiernan, Chairman
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Tiernan:

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Enclosed please find a copy of a complaint we are filing with the Commission entitled Citizens for LaRouche v. Our Town et al.

The complaint charges the respondents with acting in violation of FEC laws, namely that they are operating as an unregistered political committee.

If there are further questions please feel free to contact me at Citizen for LaRouche headquarters. I can be reached at 212-247-8820, ext. 633.

Thank you for your cooperation.

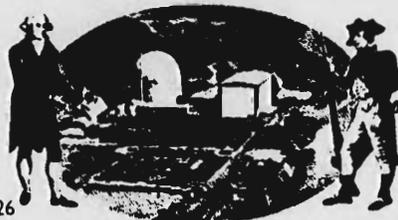
Sincerely,

Felice Merritt Gelman,
Treasurer, Citizens for
LaRouche

FM:bs

enc.

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DETROIT: 1249 Washington Blvd., Suite 626, Michigan 48226
NEW YORK: Box 976 Radio City Station, New York 10019

MANCHESTER: 967 Elm Street, Suite 403, N. H. 03101
P.O. Box 296, New Hampshire 03105

EXHIBIT I - 1

CITIZENS FOR LAROCHE,

Complainant

-against-

OUR TOWN, MANHATTAN MEDIA CORPORATION,
EDWARD KAYATT, and DENNIS KING

Respondents

:
:
: BEFORE THE FEDERAL
ELECTION COMMISSION
:
:
:

I.

SUMMARY

This complaint sets forth a prima facie case that demonstrates that the respondents are an unregistered political committee whose (sole) purpose is the defeat of Democratic Party presidential candidate Lyndon H. LaRouche, Jr. in his first electoral test of the 1980 campaign: the Democratic Party primary in New Hampshire on February 26, 1980.

The facts set forth below will show that respondents, a corporation and a group of anti-LaRouche activists employed by the said corporation, solicited contributions to print anti-LaRouche advertisements in the New York Times, and have printed and caused to be distributed anti-LaRouche literature.

Respondents have willfully, knowingly and maliciously violated the plain terms of the Federal Election Campaign Act (hereinafter FECA) by soliciting, accepting and expending contributions to campaign for the defeat of LaRouche while failing to register as a political committee with

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the Commission as required by 2 U.S.C. 433 or to disclose their contributors and expenditures as required by 2 U.S.C. 434.

Respondents have launched and coordinated a nationwide attack against Democratic Party contender LaRouche. As of this date respondents have caused to be published no less than 10 slanderous articles on LaRouche written by respondent Dennis King, and a number of like-minded editorials written by respondent Edward Kayatt. On August 23, 1979, LaRouche filed a lawsuit against respondents for libel per se. See LaRouche v. Our Town, Index No. 16280/79, Supreme Court of the State of New York, County of New York. (Exhibit A)

In its concluding section, the complaint describes the relief sought herein, including an order (or conciliation agreement by the Commission) that:

1. requires such further registration and reporting by respondents as is required by the law,
2. prohibits further contributions to the unregistered committee in excess of the statutory limits,
3. requires return of any such contributions that have already been made and,
4. includes any other such relief that the Commission may find justified under the circumstances.

This complaint is filed on behalf of Citizens for LaRouche, P.O. Box 976, Radio City Station, New York, N.Y. 10019. Complainant asks leave to amend this complaint if necessary, based on new information contained in upcoming issues of Our Town and/or any other relevant information

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may obtain during the pendency of this proceeding.

II.

RESPONDENTS

OUR TOWN, is on information and belief, a newspaper published by Manhattan Media Corporation, a New York corporation.

MANHATTAN MEDIA CORPORATION, is on information and belief, the publisher of Our Town with offices at 500 East 82nd Street, New York, N.Y.

EDWARD KAYATT, is on information and belief, the publisher and editor of Our Town.

DENNIS KING, is on information and belief, a person who writes for Our Town.

III.

COUNT ONE

THE RESPONDENTS ARE A POLITICAL COMMITTEE AND ARE PART OF A COORDINATED CAMPAIGN TO DEFEAT LAROCHE BUT HAVE FAILED TO REGISTER WITH THE COMMISSION AS REQUIRED BY 2 U.S.C. 433 OR TO DISCLOSE EXPENDITURES AS REQUIRED BY 2 U.S.C. 434.

1. BACKGROUND

2 U.S.C. 431(d) defines a political committee as "any committee, club, association or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000."

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Section 431(3) defines contribution as:

a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of--

(A) influencing the nomination for election or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party; or

(B) influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of the President of the United States.

Expenditure is defined as "a purchase, payment...or gift of money or anything of value" made for these same purposes.

2 U.S.C. 433 requires each political committee which anticipates receiving contributions or making expenditures in excess of \$1,000 during a calendar year to register with the Commission within 10 days of its formation and to disclose its officers, address, affiliated organizations, etc.

In Advisory Opinion 1979-41, the Commission made it clear that any group spending more than \$1,000 to influence the presidential nomination is a political committee subject to reporting and other such requirements, without regard to other purposes of the group or whether or not it expressly supports a particular candidate.

The facts below will sufficiently demonstrate that respondents violated the law in their operations as an unregistered political committee.

In the December 30--January 5, 1980, issue of Our Town a front-page editorial entitled "Taxpayers money for fascism?"

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attacks not only the integrity and name of LaRouche but attacks the Commission for certifying Federal matching funds to the candidate. Again, this editorial and yet another editorial in the January 6--12, 1980 issue of Our Town, entitled "Scrutiny Needed", appear after a five-month long series on LaRouche by respondent Dennis King. It is not at all appropriate at this time nor in this forum to review the history and merits of the LaRouche v. Our Town case; however, these two boxed front-page editorials were not paid for, and were underwritten by the corporate respondents, and openly solicit campaign contributions.

The first editorial cited above states in relevant part:

"Carrying civil liberties to a bizarre extreme, the Federal Election Commission announced December 18 that Federal matching funds will be granted to Lyndon LaRouche in his campaign for President in 1980...

The FEC action will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position.

We think the granting of the funds merits close inspection, and suggest a congressional investigation. We ask our readers to write their Congressmen demanding that Congress act to hold up the matching funds for LaRouche until a thorough investigation is conducted.

So that we can spread the word of this alarming situation to a wider audience, we are inviting donations toward the cost of a full-page advertisement in the New York Times. Phone us at 472-3333 if you can help."

(Emphasis in the original)

(See Exhibit B)

On Saturday, December 29, 1979, an investigator for Citizens for LaRouche called the phone number published in the above-cited editorial and spoke to respondent Kayatt, who appears to be coordinating the intake of contributions for the New York Times ad and for other as yet unknown purposes.

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(See Exhibit C --Cleary Affidavit). The caller, James Cleary, was told by respondent Kayatt to write a check payable to Our Town and was further instructed to make a notation on the back of said check indicating that the money was to be used for the "New York Times Ad Fund." Cleary was then told by respondent Kayatt that he had already received money in the mail from donors and had received about two dozen phone calls from people who wanted to pledge money to aid respondents campaign to stop LaRouche from receiving Federal matching funds. Respondent Kayatt informed Cleary that the cost of the ad -- which he expected would be placed in the New York Times by mid-January -- would be \$16,000. On Monday, December 31, 1979 Cleary enclosed a \$5.00 check made out to Our Town and further followed the instructions he received from respondent Kayatt.

On Friday, January 4, 1980 Complainant received a copy of the January 6 -- 12 issue of Our Town which featured a front-page boxed editorial entitled "Scrutiny Needed". Said editorial in addition to calling for a Congressional investigation of LaRouche's certification by the Commission of matching funds also prints the same instructions to their readership that respondent Kayatt had previously given to Cleary. The editorial states in relevant part:

"For a wider awareness of the threat to society represented by LaRouche and his followers, we propose a full-page advertisement in the New York Times.

Contributions for this purpose may be sent to:
Our Town, 500 E. 82nd St., NYC 10028. (On reverse
side of check print, 'New York Times Ad Fund.')

(See Exhibit D)

It is known by complainant that even before these direct solicitations by respondents for contributions to their "Stop LaRouche" campaign, that they had been using other forums to encourage citizens to send money to respondent King to continue his crusade against LaRouche. More specifically, on October 23, 1979, respondent King appeared on WBAI-Radio, a New York City radio station, and was interviewed from midnight to approximately 3:00 A.M. by the show's moderator Lenny Lopate about LaRouche and his supporters (See Exhibit E, affidavit by Jeffrey Steinberg). First, respondent King stated (in a perverted and false manner) the reasons why he wishes to campaign against LaRouche:

"Already the LaRouchies have the best record of any such groups in terms of the local electoral politics and if LaRouche walks away with a quarter of a million or half a million votes he's opened the door to all that crazy right-wing Dallas money. Its just going to pour into his coffers...the international money, those neo-nazis over there in West Germany already know about him...And then there's the nazis down there in Latin America, Paraguay and Argentina...And if he produces a significant vote, then they're going to start sending him money. And then he's gonna take off."

If one examines the compendium of articles respondent King has written on LaRouche, quite aside from the various slanderous characterizations, lies and half-truths about the candidate and organizations he is (or is not) associated with, it is plain that respondent King's effort is a campaign

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subsidized by the other respondents, for the defeat of LaRouche in the upcoming presidential primaries. A short while after respondent King made the above remarks he demonstrated the campaign nature of his enterprise, as opposed to any journalistic intent, by openly soliciting funds and contributions, and admitted that respondent Our Town was underwriting this campaign:

"I'm in much need of funds for continuing the fight. This series has been 7 articles so far...Much to be done, much information to be uncovered to the public. Our Town newspaper is a small community paper. It doesn't have the resources on its own to sustain this fight fully and therefore I'm calling on readers here to send donations to me to help me with the research effort. Send those donations to Our Town...Mark it 'Attention Dennis King' and make clear in the envelope that the check is for his efforts...for continuing the NCLC series." (Emphasis added)

As the Commission knows, NCLC or the National Caucus of Labor Committees, is a voluntary political association whose founder was Lyndon H. LaRouche. The Commission, indeed, takes the position that NCLC is itself a political campaign committee identified with LaRouche. While complainant disputes this, it is clear that respondents shared the Commission's opinion and campaign against NCLC as a "surrogate" for LaRouche.

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IV.
RELIEF

2 U.S.C. 437g(a)(2) provides that, upon receiving a valid complaint, the Commission, if it has reason to believe that a violation has occurred, shall notify the persons involved in the alleged violation and shall make an expeditious investigation of the complaint's allegations. ✓

If the Commission is unable to correct or prevent the violation through informal methods provided under 2 U.S.C. 437g(a)(5)(A), the Commission may institute in United States District Court a civil action for relief, including a permanent or temporary injunction or other such order and a civil penalty not exceeding the greater of \$5,000 or the amount of any contribution or expenditure involved in the violation. 2 U.S.C. 437g(a)(5)(B).

Generally the Act provides a period of not less than 30 days for the conciliation process. In cases of complaints filed within 45 days of an election, however, the conciliation period can be shortened to not less than half the number of days between the date of the finding of reason to believe that a violation has occurred and the date of the election involved. 2 U.S.C. 431(a) defines election inter alia, as "a convention or caucus of a political party which has authority to nominate a candidate."

Finally, 2 U.S.C. 441j sets out the penalties for knowing and willful violations of any of the provisions of

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the Act which involve the making, receiving or reporting of any contribution or expenditure of more than \$1,000.

Complainant has set forth clear evidence that respondents are in fact operating as an unregistered political committee in clear violation of the Act. The evidence shows that this violation has been knowingly, willfully and maliciously committed to prevent LaRouche from gaining the vote due to him at the upcoming New Hampshire Democratic Party primary on February 26, 1980 and may continue thereafter. The New Hampshire primary is widely perceived as an important national test for the Democratic nomination. For this reason complainant requests that the Commission process the instant complaint well before the primary and further, consider the possibility of processing said complaint before mid-January, the period in which respondents intend to consummate their crime by placing a full-page ad, paid for with unreported and corporate contributions, condemning LaRouche's candidacy and integrity, all in direct violation of the Act. Complainant further requests that the Commission use both its statutory enforcement and general administrative powers to fashion an appropriate remedy, and to make public at the earliest possible date its enforcement policy and intentions with respect to the fact situations described herein. Complainant's specific prayer for relief with respect to respondents is set forth below.

Based on all of the foregoing, Complainant asks the Commission to find no reason to believe that the violations.

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alleged herein have occurred; to conduct an expeditious investigation using its subpoena power; to make a prompt finding that respondents are acting as an unregistered political committee and that violations of the Act have occurred; and to promulgate through an expedited conciliation agreement process, or obtain, through petitioning the United States District Court for the District of Columbia, an order that:

- (1) requires such further registration and reporting as is required by law;
- (2) prohibits further contributions to respondents, who are operating as an unregistered political committee;
- (3) requires the return of any such contributions that have already been made; and
- (4) includes any other such relief that the Commission may find justified under the circumstances.

VERIFICATION

The undersigned counsel for the complainant swear that the allegations and other facts in the complaint are true and correct to the best of their knowledge, information, and belief.

62040362729

BY *Helene Merritt Selman*
Treasurer, Citizens for LaRouche

Sworn to before me this
7 day of Jan 1980

David S. Heller
NOTARY PUBLIC

DAVID S. HELLER
NOTARY PUBLIC - STATE OF NEW YORK
31-4620080
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES 3/30/81

32040362730

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

LYNDON H. LAROUCHE, JR.,

Plaintiff,

-against-

OUR TOWN, MANHATTAN MEDIA CORPORATION
and DENNIS KING,

Defendants.

x

:

:

:

:

:

x

COMPLAINT

Index No.

16280/79

LYNDON H. LAROUCHE, JR., by and through his attorney
DAVID S. HELLER, complaining of the defendants hereby alleges
as follows:

FIRST: LYNDON H. LAROUCHE, JR., is a citizen of
the State of New York.

SECOND: Defendant OUR TOWN is a newspaper published
by Manhattan Media Corporation, a New York corporation.

THIRD: Defendant DENNIS KING is a person who writes
for OUR TOWN.

FOURTH: Defendant MANHATTAN MEDIA CORPORATION is the
publisher of OUR TOWN, with offices at 500 E. 82nd Street,
New York, N.Y.

FIFTH: Defendants in the August 26, 1979 issue of
OUR TOWN published, or caused to be published, distributed and
disseminated to the general public at large the accusation that
LYNDON H. LAROUCHE, JR. was planning to commit mass murder,
describing plaintiff as a

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S. HELLER
NEY AT LAW

EXHIBIT A

I-14

"56 year old fuchrer . . . a ruthless hateronger who advocates the 'Final Solution' against American Jews"

and further stating concerning LaRouche's Jewish associates that

"LaRouche promises them immunity from the coming NCLC directed Holocaust if they thoroughly and completely repudiate their Jewishness".

SIXTH: These statements have the meaning literally, in context and in the common understanding that plaintiff is planning murder, liquidation or similar genocide against the American Jewish population, comparable to Hitler's mass murder of European Jews.

SEVENTH: These statements are false and are libelous per se in that they accuse plaintiff of a felony, to wit: preparing, conspiring and engaging in a plot to commit the murder of literally millions of persons.

EIGHTH: These statements are false.

NINTH: These statements are false to defendants' own knowledge and such statements were made in complete and total disregard of their lack of truthfulness and with the intent to damage, disgrace, discredit and harm plaintiff.

TENTH: Plaintiff was damaged in his reputation by reason of said statements and is and will be brought into disgrace and discredited thereby and has, does and will suffer humiliation, disgrace and monetary loss as well as psychological pain and anguish as a result of such statements having been published by defendants..

ELEVENTH: Said publication was made with the sole intent and purpose of harming plaintiff, directing hatred, obliquely, pain, disgrace and humiliation upon him and arousing and/or signaling persons who read the same to attack, kill or otherwise disable plaintiff in order to prevent the "Holocaust" that defendants' falsely accuse plaintiff of planning. Plaintiff is thereby entitled to punitive or exemplary damages.

WHEREFORE, plaintiff demands judgment against the defendants as follows:

1. Damages in the amount of \$10,000,000.00.
2. Punitive damages in the amount of \$10,000,000.00
3. His costs, disbursements and attorneys fees incurred in bringing this action and
4. Such other and further relief as may be necessary and proper in the circumstances.

Dated: New York, New York
August 23, 1979

DAVID S. HELLER
Attorney for Plaintiff
Office and P.O. Address
304 W. 58th Street, Fifth Floor
New York, New York 10019
(212) 247-7488

HELLER
YATLAW

I-16

32040352733

OUR

VOL. 10 • NO. 38

TOWN

DECEMBER 30 thru JANUARY 5, 1980

Editorial

Taxpayer's money for fascism?

Carrying civil liberties to a bizarre extreme, the Federal Elections Commission announced Dec. 18 that Federal matching funds will be granted to Lyndon LaRouche in his campaign for President in 1980. This means that taxpayers' money will go toward furthering the propagation of the neo-Nazi, anti-semitic ideology espoused by LaRouche and his U.S. Labor Party.

The decision, made at a closed-doors meeting, seems strange in view of the litigation still going on in the courts over the FEC's denial of matching funds to LaRouche in 1976. The funds were denied on the basis of an FEC investigation which turned up serious questions as to the completeness of financial reports sub-

mitted by the LaRouche organization in its 1976 application. The FEC had to resort to a subpoena—resisted by the LaRouche people—to obtain the financial records of the organization.

The FEC action will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position.

We think the granting of the funds merits close inspection, and suggest a congressional investigation. We ask our readers to write their Congressmen demanding that Congress act to hold up the matching funds for LaRouche until a thorough investigation is conducted.

So that we can spread the word of this alarming situation to a wider audience, we are inviting donations toward the cost of a full-page advertisement in The New York Times. Phone us at 472-3333 if you can help.

EXHIBIT B

I-17

32040362734

AFFIDAVIT

I, JAMES CLEARY, do hereby depose and say the following is true:

1. On Saturday, December 29, 1979, I received a copy of the December 30--January 5, 1979 issue of Our Town, which featured a front-page editorial entitled "Taxpayer's money for fascism?" After demanding that Congress act to "hold up the matching funds for LaRouche until a thorough investigation is conducted," the editorial added: "So that we can spread the word of this alarming situation to a wider audience, we are inviting donations toward the cost of a full-page advertisement in the New York Times. Phone us at 472-3333 if you can help." (Emphasis in the original)

2. In an investigatory capacity for Citizen's for LaRouche, I decided to find out more about Our Town's intentions by calling the published number.

3. I spoke to Edward Kayatt, the publisher and editor of Our Town who told me the following:

4. First Kayatt confirmed that they were asking for money for the New York Times ad. When I asked him to whom I should make the check out to Kayatt replied "Our Town" and gave me the precise address (500 E. 82nd Street, New York, N.Y. 10028). He further instructed me ^{to}/mark the reverse side of the check with "New York Times Ad Fund." When I asked him how much they were going to need to buy the ad, Kayatt

EXHIBIT C

I-18

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replied: "Somewhere close to \$16,000." After telling me to write to Congressman Ted Weiss and Senator Jacob Javits, the President of the United States as well as the congressional committee which oversees the FEC's appropriation he informed me that his office had received about two dozen phone calls from people pledging money and that one check had come in. Kayatt informed me that he expected to place the ad in the New York Times some time in mid-January.

5. On Monday, January 31, 1979, I enclosed a check for \$5.00 made out to Our Town and mailed it to their business address.

James Cleary
JAMES CLEARY

Sworn to before me this
7 day of Jan 1980.

David S. Heller

NOTARY PUBLIC

DAVID S. HELLER
NOTARY PUBLIC - STATE OF NEW YORK
31-4620080
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES 3/30

EXHIBIT C

I-19

52040362736

OUR TOWN

VOL. 10 • NO. 37

JANUARY 6 thru JANUARY 12, 1980

3 2 0 4 0 3 6 2 7 3 7

SCRUTINY NEEDED

Lyndon LaRouche's success in qualifying for federal matching funds in his bid for the Democratic Party nomination for President in 1980 points up the growing menace of the neo-nazi, anti-semitic ideology of his U.S. Labor Party.

We believe the activities of LaRouche and his cult, as detailed in the ten part series of articles by Dennis King published in Our Town in 1979, call for a full congressional investigation. We urge our readers to join us in calling on our representatives in Congress to see that such an investigation is launched. Write to:

Senator Jacob Javits, 110 E. 45th St., NYC 10017.

Senator Daniel P. Moynihan, 733 Third Ave., NYC 10017.

Representative S. William Green, 1628 Second Ave., NYC 10028.

Representative Theodore Weiss, 37 W. 65th St., NYC 10023.

Representative Charles B. Rangel, 55 W. 125th St., NYC 10027.

For a wider public awareness of the threat to society represented by LaRouche and his followers, we propose a full-page advertisement in the New York Times. Contributions for this purpose may be sent to: Our Town, 509 E. 82nd St., NYC 10028. (On reverse side of check print, "New York Times Ad Fund.")

EXHIBIT D

I-20

AFFIDAVIT

I, JEFFREY STEINBERG, do hereby depose and say the following is true:

1. I am a security consultant for the LaRouche campaign.

2. In that capacity, I have been monitoring the effects of the Our Town series on the physical safety of democratic party presidential candidate Lyndon H. LaRouche. Since the series began LaRouche and/or his campaign workers have been subject to death threats, physical attacks and other forms of harassment.

3. On October 23, 1979 Dennis King was interviewed by Lenny Lopate for about three hours on a New York City radio station WBAI. I was able to tape most of the show including the following excerpts which are taken from the closing part of the interview:

DENNIS KING: "The second thing I want to say is that this investigation into the Labor Committees requires really massive effort. I'm in much need of funds for continuing the fight. This series has been seven articles so far...Much to be done, much information to be uncovered to the public. Our Town newspaper is a small community paper. It doesn't have the resources on its own to sustain this fight fully and therefore I'm calling on readers here to send donations to me to help with the research effort. Send those donations to Our Town, 500 East 82nd Street, New York City, 10028... Mark it 'Attention: Dennis King' and make clear in the envelope that the check is for his efforts, for continuing the NCLC series..."

EXHIBIT E

I-21

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4. These remarks had been previously preceded by a series of slanders against LaRouche's person and the nature of his campaign as well as his supporters. King's call for donations came in the context of his desire to reverse the potential success of LaRouche's campaign:

"Already the LaRouchies have the best record of any such groups in terms of the local electoral politics and if LaRouche walks away with a quarter of a million or half a million votes he's opened the door to all that crazy right-wing Dallas money. Its just going to pour into his coffers -- and not just that --the international money. Those neo-nazis over there in West Germany already know about him...And then there's the nazis down there in Latin America, Paraguay and Argentina. Don't think they're not watching LaRouche...They know who he already is, that he's their boy, and they're waiting to see if he can produce the goods. And if he produces a significant vote, then they're going to start sending him the money. And then he's gonna take off."

5. Subsequent to the above-cited WBAI-Radio interview I learned that King has been giving forums to private groups and associations to "spread the word" on LaRouche. I do not as yet know whether King has been paid for these "lectures"; nor do I know whether he has been actively soliciting contributions for his effort to stop the LaRouche campaign.

Sworn to before me this

7 day of Jan 1980

Jeffrey Stinberg
JEFFREY STINBERG

David S. Heller
NOTARY PUBLIC

DAVID S. HELLER
NOTARY PUBLIC - STATE OF NEW YORK
31-4620080
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES 3/30 81

I-22

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02/27/80
874

CITIZENS FOR LAROUCHE

Lyndon H. LaRouche
DEMOCRAT FOR PRESIDENT

Warren J. Zimmerman
NATIONAL CAMPAIGN DIRECTOR

11 MAR 1980
K. Smith
CGE1:1

January 31, 1980

Robert O. Tiernan, Chairman
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Tiernan:

I am enclosing additional information for use in a complaint we filed with the Commission in early January entitled Citizens for LaRouche v. Our Town et al. Attached please find a copy of a front-page "Notice" in the January 27, 1980 issue of the newspaper Our Town which for the third time openly solicits money to place an advertisement in the New York Times against Democratic contender for president, Lyndon H. LaRouche.

Secondly, I have just received information that Our Town reporter and respondent in the abovementioned complaint, Dennis King is actively circulating slanders against LaRouche to the New Hampshire State Democratic Committee for the purpose of insuring Mr. LaRouche's defeat at the polls during the February 26, 1980 Democratic Party primary in that State.

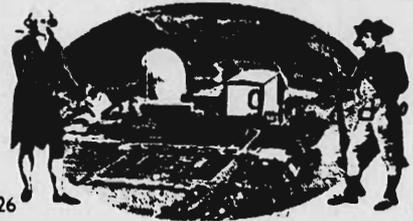
It is therefore important that the Commission act expeditiously in its investigation of the allegations set forth in the complaint, namely that the respondents are actively, maliciously and wilfully acting in violation of laws under FECA and will continue to do so unless the Commission uses its enforcement powers.

You should be aware of the fact that I sent a copy of the complaint to the New York Times at the same time that I sent the complaint to the Commission.

Thank you.

Sincerely,
Felice Merritt Gelman
Felice Merritt Gelman, Treasurer

FMG:rr



30 FEB 5

rec'd
HHS 2/5/80

DETROIT: 1249 Washington Blvd., Suite 626, Michigan 48226
NEW YORK: Box 976 Radio City Station, New York 10019

MANCHESTER: 967 Elm Street, Suite 403, N. H. 03101
P.O. Box 296, New Hampshire 03105

EXHIBIT II - 1

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NOTICE

In order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible, we plan to take a half-page ad in the New York Times, rather than wait to collect enough money for a full-page ad as originally planned.

If anyone who contributed towards a full-page ad would like their money back, they may write to Our Town, 500 E. 82nd St., NYC, for a refund. If this should leave insufficient funds to cover the cost of the half-page, we pledge to advance the difference so that the ad can be published. Further contributions are solicited.

Our Town, January 27, 1980 Page 1

II-2

292

Saxe, Bacon & Bolan, P.C.

RECEIVED
FEDERAL ELECTION COMMISSION

39 EAST 65TH STREET
NEW YORK, NEW YORK 10021

80 FEB 6 PM 12:20

JOHN GODFREY SAXE (1909-1983)
ROGERS H. BACON (1919-1982)

(212) 472-1400
CABLE: SAXUM

THOMAS A. BOLAN, P.C.
COUNSEL

ROY M. COHN
STANLEY M. FRIEDMAN
DANIEL J. DRISCOLL
MICHAEL ROSEN
THOMAS A. ANDREWS
ROY R. KULCSAR
JOHN F. LANG
JEFFREY A. SHUMAN
LOUIS BIANCONE*
LAWRENCE E. CAMPANELLI**
GARY I. ELIAS***
B. VINCENT CARLESIMO*
HOWARD FALCK HUSUM

February 1, 1980

006189

* MEMBER OF NEW YORK AND NEW JERSEY BARS
** MEMBER OF PENNSYLVANIA BAR ONLY
*** MEMBER OF NEW YORK AND FLORIDA BARS

52040302742

Charles N. Steele
Federal Election Commission
Washington, D. C. 20463

RE: MUR 1137

Dear Mr. Steele:

I am writing this letter in response to a copy of a complaint received in the matter of Citizens for LaRouche v. Our Town, Manhattan Media Corporation, Edward Kayatt and Dennis King.

I would first like to point out to the Commission that the gravaman of the complaint herein is based primarily on news articles published in Our Town Newspaper, copies of which are annexed hereto as Exhibit "A". Those articles are presently the subject of a civil suit in Supreme Court of New York, LaRouche v. Our Town, index number 16280/79. A copy of the complaint therein was annexed to the complaint of the complainant herein. It is respectfully contended that Mr. LaRouche has chosen his course and that that course is by way of civil action and that action is presently pending. In the event that the Commission should determine that in addition to the relief sought in the civil complaint, Mr. LaRouche is entitled to an opportunity to request further relief from this Commission, the respondents contest that the allegations as set forth in the complaint do not warrant any sanctions being imposed upon them.

EXHIBIT III

The respondents admit the allegations set forth in Section II of the complaint herein. The respondents deny having received contributions or of having made expenditures during the calendar year in an aggregate amount exceeding \$1,000. As to the allegations that the articles in the Our Town Newspaper are constructively or otherwise expenditures embraced by the definition of Section 431(3), it is clear that news stories are of general concern to the public and therefore exempt from the definition. An examination of the request discloses that they are of a factual nature and meant as news stories and not editorials. In any event, Section 441(b) which precludes corporations from making contributions in connection with candidate elections, does not cover the situation herein.

Section 441(b) is not a blanket prohibition against corporation free speech on general issues of public concern and a dichotomy between permissible and non-partisan corporation speech and activities (2 U.S.C. §431(f) and impermissible partisan corporation speech and activities (2 U.S.C. §441(b)) is inherent in the statute and the Commission's regulations relating to Section 441(b). Furthermore, the Commission has repeatedly ruled that news stories are not covered by the Act. Our Town Newspaper is a small newspaper with a history of political freedom in that it attempts to recommend and endorse those candidates from any party which it deems best qualified to serve in public office.

In the particular instance of Mr. LaRouche, the articles portray a fairly convincing portrait of Mr. LaRouche as a Nazi sympathizer and as part of Our Town's endeavor to inform its reading public of the true facts regarding Mr. LaRouche, it has run a series of almost twelve informative articles. In fact, those articles that resulted in, or have been joined by articles appearing in the New York Times. Quite clearly, the newspaper has as one of its obligations, a duty to inform the public regarding the history and qualifications of candidates not only seeking public office, but seeking matching funds from taxpayer dollars.

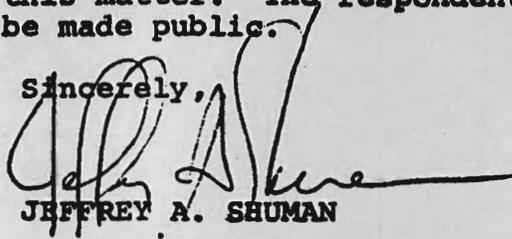
Surely, it would not be considered that when a newspaper such as the New York Times, the Daily News or the New York Post gives its endorsement to a candidate and sets forth its reasons, that it is not seeking to influence an election. However, it would be ludicrous to then conclude that these companies or individuals which endorse a specific candidate and thereby advocate a defeat of other candidates running for the same office, are committees or other organizations which must register with the Commission.

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Furthermore, as set out in the affidavit of Mr. Kayatt, the intention of the respondents is to inform the general public as to facts about a particular candidate which it is deemed are relevant and necessary for the public to know.

Wherefore, it is respectfully requested that the complaint herein be found to be without merit and the facts as set forth in the complaint are without foundation and that no action will be taken against the respondents in this matter. The respondents further request that this matter be made public.

Sincerely,



JEFFREY A. SHUMAN

JAS:AM

Enc.

cc: Ed Kayatt
Dennis King

2040302744

80 FEB 6 PM 12:24

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

LYNDON H. LAROUCHE, JR.

Plaintiff

Index No.
16280/79

-against-

AFFIDAVIT

OUR TOWN, et al.

Defendants

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss:

ED KAYATT, being duly sworn, deposes and says:

- 1. I am the publisher of Our Town Newspaper.
- 2. Our Town Newspaper is a local newspaper distributed

on the upper east side of New York, free of charge through apartment buildings and other public places such as banks and supermarkets.

3. DENNIS KING is a free lance writer who has written a series of articles based upon an investigation of LYNDON LAROUCHE. Those articles have found that Mr. LAROUCHE is a Nazi sympathizer and those facts elicited during the investigation were covered in news articles in the Our Town Newspaper.

4. During the investigation, it was learned that Mr. LAROUCHE had qualified for matching funds. As these funds come from taxpayer dollars, I believe that the public should be informed of that fact and I further believe that the facts as set forth in the news articles written by Mr. KING should be read by a larger number of New Yorkers, many of whom live outside the area of distribution of the newspaper.

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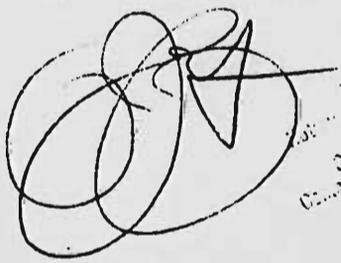
5. I do not support and Our Town Newspaper does not support candidates from any particular party, but rather, after an investigation of a candidate's record, we attempt to determine which candidate we believe is best qualified for the position which he or she is seeking. In some instances, such as the one herein, it is determined that a particular candidate is in our opinion not qualified to hold public office. In that event, we attempt to elicit facts and to write based on those facts, articles which will be news articles and which will inform the general public of what that investigation has uncovered. My efforts to see that LYNDON LAROCHE is defeated and that the public is made aware of his activities in the past has nothing to do and is in no way connected with the political activities of any other candidate or any other party.

6. I have not collected contributions of \$1,000. I have collected contributions of \$614 which is far short of the \$1,000 set forth in the complaint.

WHEREFORE, it is respectfully requested that the Commission take no action in regard to the complaint herein.

Ed Kayatt
ED KAYATT

Sworn to before me this 4
day of February, 1980



J. BUTT
Notary Public
in and for the County of
Litchfield, State of New York
Commission Expires March 30, 1980

LYNDON H. LAROUCHE, JR.

Plaintiff

-against-

OUR TOWN, et al

Defendants

AFFIDAVIT

Attorneys for **SAXE, BACON & BOLAN, P.C.**
Defendants

39 EAST 68th STREET
NEW YORK, N.Y. 10021
(212) 472-1400

7
4
2

To: DAVID S. HELLER

Attorney(s) for Plaintiff

Service of a copy of the within is hereby admitted.

Dated:

Attorney(s) for

PLEASE TAKE NOTICE

that the within is a (certified) true copy of a
NOTICE OF entered in the office of the clerk of the within named court on 19
ENTRY

that an Order of which the within is a true copy will be presented for settlement to the Hon.
NOTICE OF one of the judges of the within named Court.
SETTLEMENT at
on 19 , at M.

Dated:

Attorneys for **SAXE, BACON & BOLAN, P.C.**
39 EAST 68th STREET
NEW YORK, N.Y. 10021

To:

Attorney(s) for

III - 6

**REPORT OF INDEPENDENT EXPENDITURES
 OR CONTRIBUTIONS BY PERSONS**

(To be used by an individual or a person other than political committee)

1. (a) Name (in full) COFITE Committee Organized To Inform The Electorate	2. Identification Number C 90002726 BU FEB 80
(b) Address (number and street) 500 East 82 Street	3. This is an Independent Expenditure: <input type="checkbox"/> In support of Federal candidate. <input checked="" type="checkbox"/> In opposition to Federal candidate.
(c) City, State and ZIP Code New York, New York 10028	
(d) Principal Place of Business above	(e) Occupation

4. Type of Report (check appropriate box and complete)

(a) <input type="checkbox"/> Amendment for _____ (which report)	(d) <input type="checkbox"/> October 10 Quarterly Report
(b) <input type="checkbox"/> April 10 Quarterly Report	(e) <input type="checkbox"/> January 31 Year End Report
(c) <input type="checkbox"/> July 10 Quarterly Report	
(f) <input type="checkbox"/> Tenth day report preceding _____ election on _____ in the State of _____ (primary, general or convention) (date)	
(g) <input type="checkbox"/> Thirtieth day report following _____ election on _____ in the State of _____ (primary, general or convention) (date)	

5. This report covers the period **January 21, 1980** through **February 15, 1980**

Complete either Line 6 or Line 7 whichever is appropriate. **CONTRIBUTIONS**

6.

Full Name, Mailing Address and ZIP Code of Payee	Particular of Expenditure	Date (month, day, year)	Amount	Name and Office Sought of Federal Candidate
No contribution in excess of \$100.00	none to date		\$619.00	none

Complete either Line 6 or Line 7 whichever is appropriate. **EXPENDITURES**

7.

Full Name, Mailing Address and ZIP Code of Payee	Particular of Expenditure	Date (month, day, year)	Amount	Name and Office Sought of Federal Candidate

8. TOTAL CONTRIBUTIONS \$ **619.00**

9. TOTAL EXPENDITURES \$ **-0-**

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestions of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Signature: Edward R. Kayatt Date: Feb. 19, 1980
 Edward R. Kayatt, Chairman

Subscribed and sworn to before me this 19th day of Feb 19 80
 My Commission expires: _____
 Notary Public: Patricia Campbell

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. Section 437g or Section 441j (See reverse side of form).

For further information Contact: Federal Election Commission
 1325 K Street, N.W.
 Washington, D.C. 20463
 800-424-9530

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.

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EXHIBIT IV - 1

FORN

MANHATTAN
MEDIA
CORP
500 E. 82 ST.
NEW YORK, N.Y.
10028

Certified Mail

Return Receipt Requested

Federal Election Commission

1325 K Street NW

Washington, D.C.

20463

CERTIFIED MAIL
No. 809457

RETURN RECEIPT REQUESTED

2-11

62040362749

"The use . . . of Jewish hate propaganda, the injection of anti-Semitic poison into the American political bloodstream, adds an extra and insidious dimension to the bizarre con-

spiraculous theories and political hallucinations of the LaRouchites."

—Anti-Defamation League, July 24, 1971

\$327,864.01 of your tax dollars have already been given to the United States Labor Party founder, Lyndon H. LaRouche, for his campaign for President of the United States.

Meeting behind closed doors on Dec. 18, the Federal Elections Commission approved matching funds for the Presidential campaign of Lyndon Hermyle LaRouche, founder of the anti-Semitic U.S. Labor Party. As of last week, LaRouche has received \$327,864.01.

LaRouche's success with the FEC bolsters, to an alarming degree, this would-be autocrat's electoral strategy for becoming a significant influence in U.S. politics. Last fall, LaRouche declared himself a Democrat and prepared to enter several Presidential primaries. In the New Hampshire contest, his efforts are comparable to those of the major candidates.

The aims and tactics of LaRouche's organization are exhaustively described in the on-going eleven part series by Dennis King in Our Town News, the Manhattan weekly. Additional facts have been presented in a recent New York Times series and in the 18-page report released by the Anti-Defamation League last November.

But the most disturbing developments in LaRouche's drive for national influence stem from the FEC's matching funds approval. Following the FEC decision, LaRouche bought national television advertising spots on ABC and NBC (Jan. 20 and 27). He soft peddled the party's extremist ideology and talked instead about world peace, morality the nation's need for a gold-based economy . . . and his own need for campaign donations.

The Jan. 27 LaRouche TV advertisement also emphasized his success in gaining matching funds, implying that the FEC's decision is proof of his political legitimacy.

LaRouche uses his matching funds to launch fundraising appeals on television which lead to further matching funds and further television appeals — and all on a scale far out of proportion to his initial political support. Using this technique, LaRouche can theoretically receive up to \$6.5 million in Federal matching funds.

The American public must not be deceived by LaRouche. In recent articles in USLP publications, LaRouche has described Adolf Hitler's murder of 6 million Jews as "mythical" and a "delusion of the American Zionist." He has warned his followers about the Elders of Zion, an alleged conspiracy of Jewish bankers to control the world. He has branded the B'nai B'rith as a "treasonous conspiracy against the United States," claiming that it "resurrects the tradition of Jews who demanded the crucifixion of Jesus Christ."

The USLP has slavishly followed the thoughts of Chairman LaRouche. It has joined with the Liberty Lobby (a longtime anti-Semitic organization) to harass the Anti-Defamation League of B'nai B'rith via a committee to "Clean Up the ADL" and nuisance lawsuits. The party has also attacked the Justice Dept's Nazi War Crimes prosecution unit, claiming it was established to "get LaRouche." And an official party statement has denounced the Holocaust curriculum in New York City's public schools as "filth," urging "disciplinary action" against any school which dares to teach about the genocidal crimes of the Nazis.

SOME INFORMED SOURCES ON LAROUCHE & CO. . . . a small but well-financed extremist political group, the U.S. Labor Party which has a history of violence and hate propaganda . . . The party literature attacks respected Jewish organizations and individuals. The party blames drug traffic on an elaborate international Zionist and British conspiracy — a conspiracy federal drug enforcement officials call "absolutely unfounded."

—Detroit Free Press, August 26, 1979

Along the way according to former party members and, in some cases to party publications, internal party records and law enforcement officials — members of the (USLP) have initiated gang assaults at rivals' meetings, taken courses in the use of knives and rifles at an "anti-terrorist" school and produced private intelligence reports on

anti-apartheid groups in the United States for the Bureau of State Security of South Africa.

—New York Times, October 7, 1971

Discipline in the NCLC — cadre organization of the USLP is strict and dissenters from LaRouche's particular brand of orthodoxy are dealt with severely . . . The father of an NCLC member, who was attempting to persuade his daughter to leave the organization was greeted one morning by a hearse whose driver and attendant had been told "to pick up the body," an unmistakable threat.

—National Review, March 30, 1971

Meetings of (rival) groups have been disrupted and members have been assaulted. In order to avoid becoming the kind of "soft" organization it views these groups to be, and as part of LaRouche's beliefs concerning psychology, the NCLC has subjected several of its own doubting members to severe psychological "reprogramming," locking them in rooms for several days to do so. These acts against its own members and others are consistent with the aggressive and highly antagonistic tone the NCLC takes towards persons it perceives to be its opponents. NCLC members have acquired weapons, and efforts have been made to instruct members in military drill . . . It is reasonable to expect that acts of force and violence will continue and, perhaps, take different directions.

—Harold R. Taylor, Jr.

(in his capacity as Acting Attorney General of the United States) August 19, 1976

The activities of LaRouche can not be dismissed as mere eccentricity. Adolph Hitler began his rise to power with even fewer followers. Too often LaRouche's solutions have included "gang assaults" on opponents. In our opinion, these incidents are a harbinger of future attacks on Jews, Blacks, Catholics and anyone who disagrees with the USLP ideology. The FEC's approval of matching tax-dollars for LaRouche must be condemned by the public. LaRouche has a right to freedom of speech; he should not have a right to use the taxpayer's money in pursuing his ethnic demagoguery.

WHAT CAN YOU DO?

1. Write your Congressman and Senator. Demand a reversal of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$30,000) matching grant to LaRouche. These commissioners are Joan Aikens, Thomas Harris, Frank Reiche, and Robert Tiernan: all c/o Federal Election Commission, 1325 K St. NW, Washington D.C. 20463.
3. Help us raise the funds needed to place this ad and other ads in newspapers around the country. Send us \$1 or \$2 or more if you can afford it. Every bit helps. We have put a coupon in this ad for your convenience.

TO: COFITE (Committee Organized For Informing The Electorate) 500 East 82 Street, New York City, New York 10028
I will contact my Congressman and/or Senators. I am enclosing a contribution to help defray the cost of similar ads in newspapers throughout the country.

Permission Hereby Granted for Duplication of This Message

NAME _____

ADDRESS _____

Contribution Enclosed \$_____. Make check or Money Order payable to COFITE. This communication is not authorized by any candidate. This advertisement is paid for by COFITE (Committee Organized For Informing The Electorate).

Feb 24 in Our Town

32040302750

EXHIBIT V

On Second Avenue for 12 years and counting. I'm sure these past six months or so, it's down to bag a lot of refuse that was sidewalk and the street and hiding the trash. I have to say that the system is working very well and the tenants are making all this mess. But, guess who did it? It isn't even coming from my notices in the adjoining buildings. It's a thrill to look like the South Bronx!

Patricia Donovan
Second Ave.

MISSED

(Our Town, May 4) about sound in the 80's nightclub, we would like to see if the steps we have taken to remove the old sound system and install a lower sound system with more in addition, further acoustical treatment to keep the sound inside the club. Responsibility to the community every effort to meet its needs.

will be published only if they are of interest to the community. Letters should be sent to the editor. Letters on any issue vital to the community in New York City cannot be returned.

reports, all the Muggings and Failed Muggings for the public's education and awareness. We, the People, ought to know we have no protection. Must we be armed to be able to walk our streets? God forbid!

GIVE ME YOUR TIRED...

Ben Ganz
Manhattan

Maybe I wasn't paying attention to the news lately, but does somebody know how many Cuban refugees are going to settle down in Washington, D.C., and Plains, Georgia?

S. P. Neves
East 88th St.

FREEDOM OF EXPRESSION

WNET has my total support for showing "Death of a Princess." We, as Americans, would be giving up our freedom of speech and expression if we would give in to the oil blackmail of religious leaders of a country because they didn't like someone's opinion of their lifestyle. That's what's so wonderful about this country. We can voice so many views of one subject, leaving us the freedom of choice to decide which view we ourselves accept. I refuse to trade in my precious freedom for oil, and anyone who wants to should stop, and take a good look at what they are giving up, and what they will get in return. Again, I support WNET on their stand for freedom of expression. One Russia is enough.

Joseph Zinzi, Jr.
Manhattan

COOPERATION ASKED

I am a responsible, mature adult female who bicycles from my home near Prospect Park, Brooklyn, to work on East 21st Street, Manhattan. I do not excuse bicyclists from common courtesy or traffic laws. If pedestrians would also cooperate, fewer might be hurt, and bikers might use offense as a defense less frequently. No sane cyclist deliberately hits a pedestrian, because the cyclist runs an equal risk of injury to himself or herself, and possible damage to the bike as well.

The recent quick decision of the UN Security Council to pass a resolution criticizing the state of Israel, while at the same time deliberately omitting the ruthless murder of hundreds of innocent Israeli children, women and men by the PLO terrorists, clearly proves that the cards are stacked against her.

Can anyone blame Israel for being against the pro-PLO Palestinians having total control of the land in the West Bank? Public opinion throughout the world must realize that Israel will not receive any support from the members of the Security Council, with the exception of the United States. It is evident that the Security Council does not consider the murder of Israeli people a violation of its rules.

Abraham Berkowitz
Flushing

COFITE funds

COFITE (The Committee Organized For Informing The Electorate) was created to inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric.

To date, COFITE has raised \$3,154. Of this amount approximately \$1,100 came in response to an ad placed in the Feb. 26 New York Times. Our Town readers have contributed about \$2,000.

The ad in the Times has cost COFITE \$8,615. This has resulted in a deficit of approximately \$5,500. According to the Federal Elections Commission, LaRouche's campaign contributions through February, 1990, amounted to \$34,572 in New York State alone. This sum included only contributions of more than \$200.

Readers interested in spreading the word on the real LaRouche are asked to send their contributions to COFITE, 500 E. 82nd St., NYC 10028.

Our Town

May 25, 1980

referring to *Our Town*, a privately held newspaper under Delaware law.

472-9200

EXHIBIT A

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Citizens for LaRouche

Box 976, Radio City Station, New York, N.Y. 10019

RECEIVED

6CC #1611

'80 JUN 9 PM 12:04

May 30, 1980

Federal Election Commission
Office of Legal Counsel
Washington, D. C. 20463

Re: CFL v. Our Town

Attn: Tom Whitehead

09 JUN 9 P 2: 03

GENERAL COUNSEL

Dear Mr. Whitehead:

On May 14 a member of my staff spoke to Mr. Ken Gross of your office who informed her that you were in charge of the above matter.

It is my understanding that although the 90 day statutory limit on the investigation of Respondents has passed, the case is not yet closed. Therefore I am sending you further information germane to the action. Enclosed please find a copy of an appeal by COFITE (The Committee Organized For Informing the Electorate) soliciting funds to "inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche..." in the May 11 edition of Our Town. Also enclosed is a copy of the half-page advertisement placed in the New York Times on Feb. 26 by Respondents.

Respondent Dennis King continues to give "lectures throughout New York City -- not as a member of the belatedly registered COFITE Committee -- but as an investigative reporter. King is actively soliciting Jewish groups in particular to take action against LaRouche including putting up picket lines. King's continuing activities has already elicited a "response" from one terrorist group, the Jewish Defense League, which has repeatedly threatened to take LaRouche's life.

Therefore a more expeditious response from the Commission would be appreciated.

Sincerely yours

Felice Gelman
Felice Gelman
Treasurer

FG:sr

attachments

*rec'd KRS
6/9/80*

EXHIBIT VII - 1

32040362752

OUR TOWN, 5/11/80

COFITE funds-

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"The use... of anti-Jewish hate propaganda, the injection of anti-Semitic poison into the American political bloodstream, adds an extra and insidious dimension to the bizarre conspiracy theories and political hallucinations of the LaRouchites."

—Anti-Defamation League, July 24, 1977

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LaRouche's success with the FEC bolsters, to an alarming degree, his would-be autocrat's electoral strategy for becoming a significant influence in U.S. politics. Last fall, LaRouche declared himself a Democrat and prepared to enter several Presidential primaries. In the New Hampshire contest, his efforts are comparable to those of the major candidates.

The aims and tactics of LaRouche's organization are exhaustively described in the on-going eleven part series by Dennis King in Our Town News, the Manhattan weekly. Additional facts have been presented in a recent New York Times series and in the 15-page report released by the Anti-Defamation League last November.

But the most disturbing developments in LaRouche's drive for national influence stem from the FEC's matching funds approval. Following the FEC decision, LaRouche bought national television advertising spots on ABC and NBC (Jan. 20 and 27). He soft peddled the party's extremist ideology and talked instead about world peace, morality, the nation's need for a gold-based economy... and his own need for campaign donations.

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B'nai B'rith via a committee to "Clean Up the ADL" and nuisance lawsuits. The party has also attacked the Justice Dept's Nazi War Crimes prosecution unit, claiming it was established to "get LaRouche." An official party statement has denounced the Holocaust curriculum in New York City's public schools as "vain," urging "disciplinary action" against any school which dares to teach about the genocidal crimes of the Nazis.

Some Informed Sources on LaRouche & Co.

... a small but well-financed extremist political group, the U.S. Labor Party, which has a history of violence and hate propaganda... The party literature attacks respected Jewish organizations and individuals. The party blames drug traffic on an elaborate international Zionist and British conspiracy—a conspiracy federal drug enforcement officials call "absolutely unfounded."

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—New York Times, October 7, 1978

Discipline in the (NCLC)—a cadre organization of the USLP is strict, and dissenters from LaRouche's particular brand of orthodoxy are dealt with severely... The father of an NCLC member, who was attempting to persuade his daughter to leave the organization, was greeted one morning by a nurse whose driver and attendant had been told "to pick up his body," an unmistakable threat.

—National Review, March 30, 1978

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—Harold R. Tyler, Jr.
in his capacity as Acting Attorney General
of the United States, August 18, 1978

The activities of LaRouche cannot be considered as mere eccentricity. Adolf Hitler began his rise to power with even fewer followers. Too often LaRouche's solutions have included "gang assaults" on opponents. In our opinion, these incidents are a harbinger of future attacks on Jews, Blacks, Catholics and anyone who disagrees with the USLP ideology. The FEC's approval of matching tax-dollars for LaRouche must be condemned by the public. LaRouche has a right to freedom of speech, he should not have a right to use the taxpayer's money in pursuing his ethnic demagoguery.

What Can You Do?

1. Write your Congressman and Senator. Demand a reversal of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$33,753) matching grant to LaRouche. These commissioners are Joan Akers, Thomas Harris, Frank Reich, and Robert Torman; all of the Federal Election Commission, 1325 K St. NW, Washington, D.C. 20463.
3. Help us raise the funds needed to place this ad and other ads in newspapers around the country. Send whatever you can afford. Every bit helps. We have put a coupon in this ad for your convenience.

To: COFITE
(Committee Organized For Informing The Electorate)
500 East 82nd Street, New York, New York 10028

I will contact my Congressman and/or Senator, and encourage a contribution to help defray the cost of this ad and similar ads in newspapers throughout the country.

Permission hereby granted for publication of this message.

NAME _____

ADDRESS _____

Contribution Enclosed \$ _____ Make check or Money Order to COFITE. This advertisement is paid for by COFITE (Committee Organized For Informing The Electorate) and is not authorized by any candidate.

Accepted for mailing with the P.E.C. at the rate of 1st class postage of the Federal Election Commission, Washington, D.C.

VIII - 3



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TREASURER
COFITE (Committee Organized For
Informing the Electorate)
500 East 82nd Street
New York, NY 10028

Re: MUR 1137

Dear Treasurer:

On the basis of information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities, the Commission determined, on , 1980, that there is reason to believe that your committee violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a "political committee." A report on the Commission's finding is attached for your information. You are of course encouraged to submit any factual or legal materials which you believe are relevant to the Commission's investigation and analysis of this matter. A description of Commission procedures is also enclosed for your information.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Kevin H. Smith, the attorney assigned to this matter, at 202-523-4529.

Sincerely,

Enclosures (2)

32040302755

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE: _____

MUR NO. 1137
STAFF MEMBER & TEL. NO.

RESPONDENTS: COFITE (Committee Organized
For Informing The Electorate)

Kevin H. Smith (202) 523-4521

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

COFITE is an organization which, on February 22, 1980, filed with the Commission a form entitled "Report of Independent Expenditures or Contributions By Persons" (FEC Form 5). This report lists Edward Kayatt as the organization's chairman and indicates that it will make independent expenditures "in opposition to Federal candidate." The report does not indicate that any expenditures had yet been made by COFITE, but that it had received \$619 in contributions. In an affidavit prepared less than three weeks prior to the filing of that report, Mr. Kayatt had referred to "my efforts to see that Lyndon LaRouche is defeated." On February 26, the day of the New Hampshire primary and two days after COFITE's report had been filed, a COFITE advertisement appeared in the New York Times highly critical of LaRouche. A few months later, COFITE placed notices in Our Town, a Manhattan weekly newspaper, stating that the ad had cost COFITE \$8,615 and had generated approximately \$1,100 in additional contributions; the notices, which appeared in both the May 11-17 and the May 25-31 issues, also stated that approximately \$2,000 had been raised from Our Town readers.

The above facts were ascertained by the Commission in the normal course of carrying out its supervisory responsibilities.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. §§ 433 and 434 impose registration and reporting requirements upon any organization which is a "political committee," which term includes any "group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. § 431(4)(A). Whether a financial transaction is a "contribution" or an "expenditure" depends upon whether it is done "for the purpose of influencing any election for Federal office." See 2 U.S.C. §§ 431(8) and (9).

Based upon the facts recited above and an examination of the various COFITE advertisements, the Commission concluded that there was reason to believe that COFITE's purpose was to influence the

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Presidential primary elections and that it had both received and spent over \$1,000 for that purpose.

Based upon the foregoing analysis, the Federal Election Commission has found:

That there is reason to believe that COFITE has violated 2 U.S.C. §§ 433 and 434 by failing to register as a "political committee" and by failing to file the required reports.

52040302757



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Joseph Caiazzo, Esquire
Saxe, Bacon & Bolan, P.C.
39 East 68th Street
New York, NY 10021

Re: MUR 1137

Dear Mr. Caiazzo:

It is my understanding that you are now representing respondents Manhattan Media Corporation, Our Town, Edward R. Kayatt, and Dennis King, upon the departure of Mr. Schuman from your firm.

The Federal Election Commission notified your clients on January 15, 1980, of a complaint which alleged that they may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ["the Act"]. A copy of the complaint was forwarded to your clients at that time.

The Commission acknowledges receipt of a response dated February 1, 1980, by Mr. Schuman on behalf of your clients.

The Commission notified Mr. Schuman and respondent King (who had not yet identified your firm as representing him) on February 7, 1980, of an amendment to the complaint. The Commission has not received any response to the amendment; of course, there was no obligation to respond.

On the basis of the allegations contained in the complaint, the response, the amendment to the complaint, and information ascertained by the Commission in the ordinary course of carrying out its supervisory responsibilities, the Commission determined on , 1980, that there is reason to believe that respondent Manhattan Media Corporation (trading as Our Town) has violated 2 U.S.C. § 441b. On the same date, the Commission determined that

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Letter to Joseph Calazzo, Esq.
Page Two

there is reason to believe that respondent Edward R. Kayatt has violated 2 U.S.C. §§ 433 and 434. A report on these Commission findings is attached for your information. You are of course encouraged to submit any factual or legal materials which you believe are relevant to the Commission's investigation and analysis of this matter. A description of Commission procedures is also attached for your information.

The Commission also considered the allegations of the complaint with respect to respondent Dennis King and determined on the same date that there was no reason to believe that Mr. King violated the Act. Accordingly, the Commission voted to close the file with respect to Mr. King.

If you have any questions, please contact Kevin H. Smith, the attorney assigned to this matter, at 202-523-4529.

Sincerely,

02040362759

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE: _____

MUR NO. 1137
STAFF MEMBER & TEL. NO.
Kevin H. Smith

RESPONDENTS: Manhattan Media Corporation
(t/a Our Town); Edward R.
Kayatt

(202) 523-4529

SOURCE OF MUR: Complaint Generated and Internally Generated

BACKGROUND

Respondent Kayatt is the president of Manhattan Media Corporation, a New York corporation which publishes a regular weekly newspaper known as Our Town; Mr. Kayatt also functions as the editor of Our Town.

Citizens for LaRouche, the principal campaign committee of Lyndon LaRouche, filed a complaint with the Commission against the above respondents alleging, inter alia, that respondent Kayatt was operating a "political committee" without so registering and reporting with the Commission, and that some of the advertisements critical of LaRouche were financed at least in part by the corporate funds of respondent Manhattan Media Corporation. The respondents filed a response to the complaint which included a sworn affidavit of Mr. Kayatt. An amendment to the complaint was also filed. The Commission also received relevant information in the normal course of carrying out its supervisory responsibilities, including a document filed with the Commission by COFITE - Committee Organized For Informing The Electorate and including newspaper clippings and advertisements on file in the Commission's Press Office.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. §§ 433 and 434 impose registration and reporting requirements upon any organization which is a "political committee," which term includes any "group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. § 431 (4)(A). Whether a financial transaction is a "contribution" or an "expenditure" depends upon whether it is done "for the purpose of influencing any election for Federal office." See 2 U.S.C. §§ 431(8) and (9).

02040362760

Respondent Kayatt's affidavit, dated February 4, 1980, refers to "my efforts to see that Lyndon LaRouche is defeated." On February 22, 1980, Mr. Kayatt filed a document with the Commission as chairman of a new organization known as "COFITE - Committee Organized For Informing The Electorate" which represented to the Commission that the organization would be making independent expenditures "in opposition to Federal candidate." COFITE purchased at least part of an advertisement in the February 26, 1980 issue of The New York Times highly critical of Lyndon LaRouche. Notices were printed both in the May 11-17 issue and in the May 25-31 issue of Our Town stating that the New York Times ad had cost \$8,615 and had generated an additional \$1,100 in contributions to COFITE; these notices also mentioned that Our Town readers had donated \$2,000. These facts and the legal analysis above indicated to the Commission that there was reason to believe that respondent Kayatt was operating a "political committee" without registering and reporting as such pursuant to 2 U.S.C. §§ 433 and 434.

6 2 0 4 0 3 5 2 7 6 1
The Commission took into account that many of the activities alleged in the complaint might well be excluded from the definition of "expenditure" because of the provisions of 2 U.S.C. § 431(9)(B)(i) excluding most news stories, commentaries, and editorials. However, the Commission concluded that many of the activities involved with respect to Mr. Kayatt appeared to go beyond the normal press operations of Our Town and that, using the New York Times ad as an example, those activities did not constitute news stories, commentaries, or editorials within the meaning of the exclusion. This conclusion was supported by the fact that Mr. Kayatt set up a separate organization to carry out many of these activities.

With respect to Manhattan Media Corporation, the Commission took note of Our Town's pledge in the January 27 - February 2 issue to advance any extra funds needed to purchase the half-page ad in the New York Times, which indeed was run less than one month later. The Commission also noted that the COFITE notice in both the May 11-17 and the May 25-31 issues of Our Town indicated that COFITE was approximately \$5,500 short of the cost of the ad. The Commission concluded that there was reason to believe at this stage of the proceedings that Manhattan Media Corporation had used its funds to partially finance the New York Times ad and perhaps others. 2 U.S.C. § 441b prohibits corporations from making contributions or expenditures in connection with a Federal election.

Based upon the foregoing analysis, the Federal Election Commission has found:

1. That there is reason to believe that Edward Kayatt has violated 2 U.S.C. §§ 433 and 434 by failing to register COFITE as a "political committee" and by failing to file the required reports.
2. That there is reason to believe that Manhattan Media Corporation, trading as Our Town, has violated 2 U.S.C. § 441b by making contributions or expenditures in connection with a federal election.

Citizens for LaRouche

Box 876, Radio City Station, New York, N.Y. 10010

RECEIVED
66-11611
'80 JUN 9 PM 12:04

May 30, 1980

Federal Election Commission
Office of Legal Counsel
Washington, D.C. 20463

Re: CFL v. Our Town

Attn: Tom Whitehead

99 JUN 9 P 2: 03
OFFICE OF THE
GENERAL COUNSEL

Dear Mr. Whitehead:

On May 14 a member of my staff spoke to Mr. Ken Gross of your office who informed her that you were in charge of the above matter.

It is my understanding that although the 90 day statutory limit on the investigation of Respondents has passed, the case is not yet closed. Therefore I am sending you further information germane to the action. Enclosed please find a copy of an appeal by COFITE (The Committee Organized For Informing the Electorate) soliciting funds to "inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche..." in the May 11 edition of Our Town. Also enclosed is a copy of the half-page advertisement placed in the New York Times on Feb. 26 by Respondents.

Respondent Dennis King continues to give "lectures throughout New York City -- not as a member of the belatedly registered COFITE Committee -- but as an investigative reporter. King is actively soliciting Jewish groups in particular to take action against LaRouche including putting up picket lines. King's continuing activities has already elicited a "response" from one terrorist group, the Jewish Defense League, which has repeatedly threatened to take LaRouche's life.

Therefore a more expeditious response from the Commission would be appreciated.

Sincerely yours

Felice Gelman
Felice Gelman
Treasurer

FG:sr

attachments

82040352762

OUR TOWN, 5/11/80

COFITE funds

COFITE (The Committee Organized For Informing The Electorate) was created to inform voters about the real neo-Nazi, antisemitic program of Lyndon LaRouche, founder and leader of the U.S. Labor Party. LaRouche, in campaigning for the Democratic presidential nomination, has attempted to conceal his true positions. COFITE's purpose has been to reveal the truth behind the campaign rhetoric.

To date, COFITE has raised \$3,154. Of this amount approximately \$1,100 came in response to an ad placed in the Feb. 26 New York Times. Our Town readers have contributed about \$2,000.

The ad in the Times has cost COFITE \$8,615. This has resulted in a deficit of approximately \$5,500.

According to the Federal Elections Commission, LaRouche's campaign contributions through February, 1980, amounted to \$34,572 in New York State alone. This sum included only contributions of more than \$200.

Readers interested in spreading the word on the real LaRouche are asked to send their contributions to COFITE, 500 E. 82nd St., NYC 10028.

8 2 0 4 0 3 6 2 7 6 3

"The use . . . of anti-Jewish hate propaganda, the injection of anti-Semitic poison into the American political bloodstream, adds an extra and insidious dimension to the bizarre conspiracy theories and political hallucinations of the LaRouchites."

—Anti-Defamation League, July 24, 1975

\$327,864.01 of your tax dollars has already been given to the United States Labor Party founder, Lyndon H. LaRouche, for his campaign for President of the United States.

Meeting behind closed doors on Dec. 18, the Federal Election Commission approved matching funds for the Presidential campaign of Lyndon Hermyle LaRouche, founder of the anti-Semitic U.S. Labor Party. As of last week, LaRouche has received \$327,864.01.

LaRouche's success with the FEC bolsters, to an alarming degree, this would-be autocrat's electoral strategy for becoming a significant influence in U.S. politics. Last fall, LaRouche declared himself a Democrat and prepared to enter several Presidential primaries. In the New Hampshire contest, his efforts are comparable to those of the major candidates.

The aims and tactics of LaRouche's organization are exhaustively described in the on-going eleven part series by Dennis King in Our Town News, the Manhattan weekly. Additional facts have been presented in a recent New York Times series and in the 15-page report released by the Anti-Defamation League last November.

But the most disturbing developments in LaRouche's drive for national influence stem from the FEC's matching funds approval. Following the FEC decision, LaRouche bought national television advertising spots on ABC and NBC (Jan. 20 and 27). He soft peddled the party's extremist ideology and talked instead about world peace, morality, the nation's need for a gold-based economy . . . and his own need for campaign donations.

The Jan. 27 LaRouche TV advertisement also emphasized his success in gaining matching funds, implying that the FEC's decision is proof of his political legitimacy.

LaRouche uses his matching funds to launch fundraising appeals on television which lead to further matching funds and further television appeals—and all on a scale far out of proportion to his initial political support. Using this technique, LaRouche can theoretically receive up to \$6.5 million in Federal matching funds.

The American public must not be deceived by LaRouche. In recent articles in USLP publications, LaRouche has described Adolf Hitler's murder of 6 million Jews as "mythical" and a "delusion of the American Zionist." He has warned his followers about the Elders of Zion, an alleged conspiracy of Jewish bankers to control the world. He has branded the B'nai B'rith as a "treasonous conspiracy against the United States," claiming that it "resurrects the tradition of Jews who demanded the crucifixion of Jesus Christ."

The USLP has slavishly followed the thought of Chairman LaRouche. It has joined with the Liberty Lobby (a longtime anti-Semitic organization) to harass the Anti-Defamation League of

B'nai B'rith via a committee to "Clean Up the ADL" and nuisance lawsuits. The party has also attacked the Justice Dept.'s Nazi War Crimes prosecution unit, claiming it was established to "get LaRouche." An official party statement has denounced the Holocaust curriculum in New York City's public schools as "filth," urging "disciplinary action" against any school which dares to teach about the genocidal crimes of the Nazis.

Some Informed Sources on LaRouche & Co.

... a small but well-financed extremist political group, the U.S. Labor Party, which has a history of violence and hate propaganda. . . The party literature attacks respected Jewish organizations and individuals. The party blames drug traffic on an elaborate international Zionist and British conspiracy—a conspiracy federal drug enforcement officials call "absolutely unfounded."

—Detroit Free Press, August 26, 1970

Along the way according to former party members and, in some cases to party publications, internal party records and law enforcement officials—members of the (USLP) have initiated gang assaults at rivals' meetings, taken courses in the use of knives and rifles at an "anti-terrorist" school and produced private intelligence reports on anti-apartheid groups in the United States for the Bureau of State Security of South Africa.

—New York Times, October 7, 1970

Discipline in the (NCLC—core organization of the USLP) is strict, and dissenters from LaRouche's particular brand of orthodoxy are dealt with severely. . . The father of an NCLC member, who was attempting to persuade his daughter to leave the organization, was greeted one morning by a hearse whose driver and attendant had been told "to pick up his body," an unmistakable threat.

—National Review, March 30, 1970

Meetings of (rival) groups have been disrupted and members have been assaulted. In order to avoid becoming the kind of "soft" organization it views these groups to be, and as part of LaRouche's beliefs concerning psychology, the NCLC has subjected several of its own doubting members to severe psychological "reprogramming," locking them in rooms for several days to do so. These acts against its own members and others are consistent with the aggressive and highly antagonistic tone the NCLC takes towards persons it perceives to be its opponents. Members have acquired weapons, and efforts have been made to instruct members in military drill. . . It is reasonable to expect that acts of force and violence will continue ad, perhaps, take different directions.

—Herold R. Tyler, Jr.
(in his capacity as Acting Attorney General of the United States) August 12, 1970

The activities of LaRouche cannot be dismissed as mere eccentricity. Adolf Hitler began his rise to power with even fewer followers. Too often LaRouche's solutions have included "gang assaults" on opponents. In our opinion, these incidents are a harbinger of future attacks on Jews, Blacks, Catholics and anyone who disagrees with the USLP ideology. The FEC's approval of matching tax-dollars for LaRouche must be condemned by the public. LaRouche has a right to freedom of speech, he should not have a right to use the taxpayer's money in pursuing his ethnic demagoguery.

What Can You Do?

1. Write your Congressman and Senator. Demand a reversal of the FEC's decision in the LaRouche case. Enclose a copy of this ad.
2. Send copies of your letter to the four FEC commissioners who voted in favor of the most recent (\$33,783) matching grant to LaRouche. These commissioners are Joan Aikens, Thomas Harris, Frank Reiche, and Robert Tieman; all c/o Federal Election Commission, 1325 K St. NW, Washington D.C. 20463.
3. Help us raise the funds needed to place this ad and other ads in newspapers around the country. Send whatever you can afford. Every bit helps. We have put a coupon in this ad for your convenience.

To: COFITE
(Committee Organized For Informing The Electorate)
500 East 82nd Street, New York, New York 10028

I will contact my Congressman and/or Senator. I am enclosing a contribution to help defray the cost of this ad and similar ads in newspapers throughout the country.

Permission Hereby Granted For Publication of This Message

NAME _____

ADDRESS _____

Contribution Enclosed \$_____ Make check or Money Order to COFITE. This advertisement is paid for by COFITE (Committee Organized For Informing The Electorate) and is not authorized by any candidate.

A copy of a report filed with the F.E.C. and available for purchase at the Federal Election Commission, Washington, D.C.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1980

MEMORANDUM TO THE FILE

FROM: Kenneth A. Gross *KAG*

RE: Complaint by Citizens for LaRouche

On May 15, 1980, in the afternoon, Renee Reniotis called on behalf of Felice Gelman for the Citizens for LaRouche requesting some information concerning the complaint filed against Our Town. She said the complaint was filed ninety days ago, and that they are considering their options as far as A8 suit and they would like to know whether the investigation is proceeding. I told them that I could not tell them anything about the investigation, but that the fact that it had not been dismissed or a conciliation agreement had not been entered into, or the fact that a court suit had not filed, that they could reasonably infer that there was an investigation ongoing. She asked also if she could file further updates on the complaint, and I said that they could supply additional information if they wished. Additionally, I told her that I was not directly supervising the case and gave her the name of Tom Whitehead.

cc: Tom Whitehead
Kevin Smith

62040362766

1137
cc:
Docket

06L

MAR 11 1980
K. Smith
300-445

20 FEB 1980

CITIZENS FOR LAROUCHE

Lyndon H. LaRouche
DEMOCRAT FOR PRESIDENT

Warren J. Zimmerman
NATIONAL CAMPAIGN DIRECTOR

906420

February 16, 1980

Robert O. Tiernan, Chairman
Federal Election Commission
Washington, D.C. 20463

Re: CFL v. Our Town

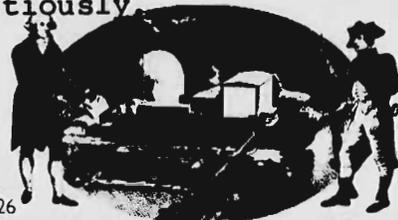
Dear Mr. Tiernan:

It is my understanding that the Commission is allowed a 90-day statutory period to conduct an investigation into allegations made in complaints filed with the FEC. However, I also understand that under certain circumstances, the Commission has the power to conduct such an investigation in an expedited -- and still thorough -- fashion.

It has become increasingly clear that the case at hand warrants such an expedited treatment by the FEC. Since this complaint was filed with the Commission last January, Respondents have continued to act in flagrant and obvious violation of FECA law, that is, the Respondents have been spending more time, money and resources as an illegal political committee to lead an opposition movement to Democratic Party presidential candidate Lyndon H. LaRouche, Jr.

Enclosed please find a copy of the fifth appeal for contributions published in the February 17, 1980 issue of Our Town. You should also note that Respondent Dennis King has been on tour in different states giving speeches under the sponsorship of a group called The Generation After and is soliciting contributions and support for his campaign against LaRouche. Some of these events are being attended by the Jewish Defense League and other terrorist groups whose actions against LaRouche himself may prove quite ugly and regrettable since Respondent King, according to witnesses is demanding that the "neo-nazi" "anti-semite" LaRouche be "smashed." (As the original complaint indicated, Mr. LaRouche has sued Respondents for libel per se in the State of New York)

At this time I feel that unless we hear from the Commission over the next 48 hours I will be forced to go to the Senate and House Appropriations Committees with the evidence I have filed with the FEC in the above-referenced complaint in order to resolve this matter more expeditiously.



62040302767

DETROIT: 1249 Washington Blvd., Suite 626, Michigan 48226
NEW YORK: Box 976 Radio City Station, New York 10019

MANCHESTER: 967 Elm Street, Suite 403, N. H. 03101
P.O. Box 296, New Hampshire 03105

Thank you for your cooperation. Please do not
hesitate to call me at 212-247-8820, ext. 633.

Sincerely,

Felice M. Gelman
Felice Gelman, Treasurer

FG:rr

enc.

62040362768

/ OUR TOWN /

FEBRUARY 17 thru FEBRUARY 23, 1960

NOTICE

In order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible, we plan to take a half-page ad in the New York Times, rather than wait to collect enough money for a full-page ad as originally planned.

If anyone who contributed towards a full-page ad would like their money back, they may write to Our Town, 500 E. 82nd St., NYC, for a refund. If this should leave insufficient funds to cover the cost of the half-page, we pledge to advance the difference so that the ad can be published.

Further contributions are solicited.

62040362769

304030277

Mrs. Felice Gelman

CITIZENS FOR LAROUCHE

Box 976 Radio City Station, New York, New York 10019

NEW YORK
FEB 19 1968

'68 FEB 19 AM 4



Robert O. Tiernan, Chairman
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

B.P.C. 517

MUR 1137

OUR TOWN

MANHATTAN
MEDIA
CORP.
500 EAST 82 STREET
NEW YORK, N.Y. 10028
(212)734-9800

MANHATTAN'S
NUMBER ONE
COMMUNITY
NEWSPAPER

WE CARE ABOUT YOU

February 15, 1980

Kevin H. Smith
Federal Election Commission
1325 K Street N.W.
Washington D.C. 20463

Dear Mr. Smith

I am advised that you are the attorney who will be handling the complaint against myself, Ed Kayatt, Our Town News, etc. sent to the FEC by Citizens for LaRouche.

I hereby authorize Mr. Jeffrey Schuman, Esquire, to represent me in this matter, and to receive any notifications and other communications from the Commission. Mr. Schuman's address is: c/o Saxe Bacon Bolan & Manley, 39 East 68 St., New York, N.Y. 10021. Telephone 212-472-1400.

I also waive the confidentiality provisions relating to this case.

Sincerely yours,

William Dennis King
William Dennis King

cc: Jeffrey Schuman

6204030271

60 FEB 26 AM 11 30

30 FEB 26 P 1:41

ADVERTISING DISPLAY 472-9200 CLASSIFIED 472-3333

RECEIVED
FEB 26 1980

OGL

Complaint - gen
CCC# 453

20 FEB 1980

CITIZENS FOR LAROUCHE

Lyndon H. LaRouche
DEMOCRAT FOR PRESIDENT

Thomas J. Blumenthal
NATIONAL CAMPAIGN DIRECTOR

906421

February 9, 1980

Robert O. Tiernan, Chairman
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Tiernan:

I am enclosing additional information to be included in the CFL complaint filed with the Commission in early January against Our Town et al. Attached please find a copy of a front-page prominently displayed "Notice" in the February 3, 1980 issue of Our Town which for the fourth time openly solicits money to place an advertisement in the New York Times to warn the population against Democratic presidential contender for president Lyndon H. LaRouche, Jr.

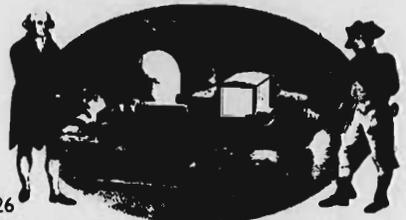
I hope the Commission will act quickly to complete its investigation of charges alleged in said complaint. Mr. LaRouche is actively running in the Democratic Party New Hampshire primary which is scheduled for February 26. The continuous publication of these "Notices" and more importantly the publication of Our Town's advertisement in the New York Times will obviously act adversely on Mr. LaRouche's candidacy.

Sincerely,

Felice Gelman, Treasurer

FG: rr .

enc .



DETROIT: 1249 Washington Blvd., Suite 626, Michigan 48226
NEW YORK: Box 976 Radio City Station, New York 10019

MANCHESTER: 967 Elm Street, Suite 403, N. H. 03101
P.O. Box 296, New Hampshire 03105

02040302773

FEBRUARY 3, 1980 / OUR TOWN /

NOTICE

In order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible, we plan to take a half-page ad in the New York Times, rather than wait to collect enough money for a full-page ad as originally planned.

If anyone who contributed towards a full-page ad would like their money back, they may write to Our Town, 500 E. 82nd St., NYC, for a refund. If this should leave insufficient funds to cover the cost of the half-page, we pledge to advance the difference so that the ad can be published. Further contributions are solicited.

62040352774

Mrs. Felice Gelman, Treasurer
CITIZENS FOR LAROUCHE

Box 976 Radio City Station, New York, New York 10019



Robert O. Tiernan, Chairman
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

20101527705

00 FEB 19 PM 4 52



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 7, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dennis King
c/o Our Town
500 East 82nd Street
New York, New York

Re: MUR 1137

Dear Mr. King:

This letter is to notify you that on February 5, 1980, the Federal Election Commission received additional allegations against you from Citizens for LaRouche relative to their complaint against you which complaint was forwarded to you by letter dated January 15, 1980. I am enclosing a copy of the letter and attachment containing the new allegations.

This office considers the additional allegations to be amendments to the original complaint and will therefore allow you the opportunity to respond in writing to these additional allegations within 15 days of your receipt of this letter before this office will make its recommendations to the Commission.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

Mr. Jeffrey Schuman, Esquire, has advised this office that he will be representing you in this matter, but we have received no written letter of representation from you confirming this. If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address, and telephone number of such counsel authorizing such counsel to receive any notifications and other communications from the Commission.

Mr. Dennis King
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. You should be aware, however, that respondents Manhattan Media Corporation and Edward R. Kayatt have already waived the confidentiality provisions with respect to themselves which may have unavoidably resulted in the complaint (which also contains your name) being made public by those respondents.

If you have any questions, please contact Kevin H. Smith, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Charles N. Steele
Charles N. Steele

Enclosure
Amendment to Complaint (letter with attachment)

40 3 6 2 7 7 7

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one). <input type="checkbox"/> Show to whom and date delivered _____ <input checked="" type="checkbox"/> Show to whom, date, and address of delivery _____ RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered _____ RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date, and address of delivery _____ (CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Mr. Dennis King	
3. ARTICLE DESCRIPTION: REGISTERED NO. 943884	CERTIFIED NO. _____ INSURED NO. _____
1. (Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <i>Kevin H. Smith</i> <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent DATE OF DELIVERY _____	
4. OFFICE OF DELIVERY NEW YORK, NY 10001	
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE:	
MUR 1137 (K. Smith)	

PS Form 3811, Aug. 1978 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 7, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jeffrey Schuman, Esquire
Saxe, Bacon
667 Madison Avenue
New York, New York 10021

Re: MUR 1137

Dear Mr. Schuman:

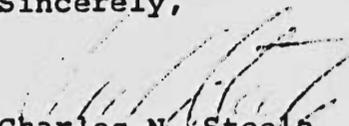
This letter is to notify you that on February 5, 1980, the Federal Election Commission received additional allegations from Citizens for LaRouche relative to their complaint against your clients, Our Town Newspaper, Manhattan Media Corporation and Edward R. Kayatt, which complaint was forwarded to your clients by letter dated January 15, 1980. I am enclosing a copy of the letter and attachment containing the new allegations.

This office considers the additional allegations to be amendments to the original complaint and will therefore allow you the opportunity to respond in writing to these additional allegations within 15 days of your receipt of this letter before this office will make its recommendations to the Commission.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

If you have any questions, please contact Kevin H. Smith, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,


Charles N. Steele
General Counsel

Enclosure
Amendments to complaint (letter with attachment)

62040362778

PS Form 3811, Aug. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
 Show to whom and date delivered
 Show to whom, date, and address of delivery
 RESTRICTED DELIVERY
 Show to whom and date delivered
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$.....
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
**Jeffrey Schuman, Esquire
 Saxe, Bacon**

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | 9413843 |

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
K. Smith

4. DATE OF DELIVERY *2/11/80* **FEB 11 1980**

5. ADDRESS (Complete only if requested)
 NAME
 ADDRESS
 CITY AND STATE

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

MUR 1137 (K.Smith)

GPO: 1978-272-982

62040362779

000
292

Saxe, Bacon & Tolan, P.C.

RECEIVED
FEDERAL ELECTION
COMMISSION

39 EAST 68TH STREET
NEW YORK, NEW YORK 10021

(212) 472-1400
CABLE: SAXUM

80 FEB 6 PM 12:20

THOMAS H. TOLAN, P.C.
COUNSEL

JOHN GODFREY SAXE (1909-1963)
ROGERS H. BACON (1919-1968)

ROY M. COHN
STANLEY M. FRIEDMAN
DANIEL J. DRISCOLL
MICHAEL ROSEN
THOMAS A. ANDREWS
ROY R. KULCSAR
JOHN F. LANG
JEFFREY A. SHUMAN
LOUIS BIANCONE*
LAWRENCE E. CAMPANELLI**
GARY I. ELIAS***
B. VINCENT CARLESIMO*
HOWARD FALCK HUSUM

February 1, 1980

006168

* MEMBER OF NEW YORK AND NEW JERSEY BARS
** MEMBER OF PENNSYLVANIA BAR ONLY
*** MEMBER OF NEW YORK AND FLORIDA BARS

02040302780

Charles N. Steele
Federal Election Commission
Washington, D. C. 20463

RE: MUR 1137

Dear Mr. Steele:

I am writing this letter in response to a copy of a complaint received in the matter of Citizens for LaRouche v. Our Town, Manhattan Media Corporation, Edward Kayatt and Dennis King.

I would first like to point out to the Commission that the gravaman of the complaint herein is based primarily on news articles published in Our Town Newspaper, copies of which are annexed hereto as Exhibit "A". Those articles are presently the subject of a civil suit in Supreme Court of New York, LaRouche v. Our Town, index number 16280/79. A copy of the complaint therein was annexed to the complaint of the complainant herein. It is respectfully contended that Mr. LaRouche has chosen his course and that that course is by way of civil action and that action is presently pending. In the event that the Commission should determine that in addition to the relief sought in the civil complaint, Mr. LaRouche is entitled to an opportunity to request further relief from this Commission, the respondents contest that the allegations as set forth in the complaint do not warrant any sanctions being imposed upon them.

The respondents admit the allegations set forth in Section II of the complaint herein. The respondents deny having received contributions or of having made expenditures during the calendar year in an aggregate amount exceeding \$1,000. As to the allegations that the articles in the Our Town Newspaper are constructively or otherwise expenditures embraced by the definition of Section 431(3), it is clear that news stories are of general concern to the public and therefore exempt from the definition. An examination of the request discloses that they are of a factual nature and meant as news stories and not editorials. In any event, Section 441(b) which precludes corporations from making contributions in connection with candidate elections, does not cover the situation herein.

Section 441(b) is not a blanket prohibition against corporation free speech on general issues of public concern and a dichotomy between permissible and non-partisan corporation speech and activities (2 U.S.C. §431(f) and impermissible partisan corporation speech and activities (2 U.S.C. §441(b)) is inherent in the statute and the Commission's regulations relating to Section 441(b). Furthermore, the Commission has repeatedly ruled that news stories are not covered by the Act. Our Town Newspaper is a small newspaper with a history of political freedom in that it attempts to recommend and endorse those candidates from any party which it deems best qualified to serve in public office.

In the particular instance of Mr. LaRouche, the articles portray a fairly convincing portrait of Mr. LaRouche as a Nazi sympathizer and as part of Our Town's endeavor to inform its reading public of the true facts regarding Mr. LaRouche, it has run a series of almost twelve informative articles. In fact, those articles that resulted in, or have been joined by articles appearing in the New York Times. Quite clearly, the newspaper has as one of its obligations, a duty to inform the public regarding the history and qualifications of candidates not only seeking public office, but seeking matching funds from taxpayer dollars.

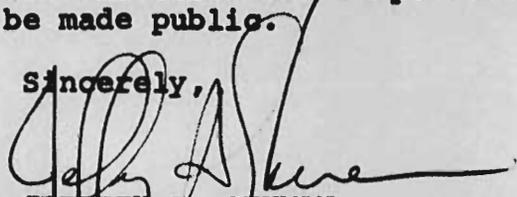
Surely, it would not be considered that when a newspaper such as the New York Times, the Daily News or the New York Post gives its endorsement to a candidate and sets forth its reasons, that it is not seeking to influence an election. However, it would be ludicrous to then conclude that these companies or individuals which endorse a specific candidate and thereby advocate a defeat of other candidates running for the same office, are committees or other organizations which must register with the Commission.

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Furthermore, as set out in the affidavit of Mr. Kayatt, the intention of the respondents is to inform the general public as to facts about a particular candidate which it is deemed are relevant and necessary for the public to know.

Wherefore, it is respectfully requested that the complaint herein be found to be without merit and the facts as set forth in the complaint are without foundation and that no action will be taken against the respondents in this matter. The respondents further request that this matter be made public.

Sincerely,



JEFFREY A. SHUMAN

JAS:AM

Enc.

cc: Ed Kayatt
Dennis King

62040362782

COMMISSION

'80 FEB 6 PM 12:24

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

LYNDON H. LAROUCHE, JR.

Plaintiff

Index No.
16280/79

-against-

AFFIDAVIT

OUR TOWN, et al.

Defendants

-----X

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss:

ED KAYATT, being duly sworn, deposes and says:

- 1. I am the publisher of Our Town Newspaper.
- 2. Our Town Newspaper is a local newspaper distributed

on the upper east side of New York, free of charge through apartment buildings and other public places such as banks and supermarkets.

3. DENNIS KING is a free lance writer who has written a series of articles based upon an investigation of LYNDON LAROUCHE. Those articles have found that Mr. LAROUCHE is a Nazi sympathizer and those facts elicited during the investigation were covered in news articles in the Our Town Newspaper.

4. During the investigation, it was learned that Mr. LAROUCHE had qualified for matching funds. As these funds come from taxpayer dollars, I believe that the public should be informed of that fact and I further believe that the facts as set forth in the news articles written by Mr. KING should be read by a larger number of New Yorkers, many of whom live outside the area of distribution of the newspaper.

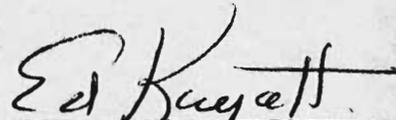
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5. I do not support and Our Town Newspaper does not support candidates from any particular party, but rather, after an investigation of a candidate's record, we attempt to determine which candidate we believe is best qualified for the position which he or she is seeking. In some instances, such as the one herein, it is determined that a particular candidate is in our opinion not qualified to hold public office. In that event, we attempt to elicit facts and to write based on those facts, articles which will be news articles and which will inform the general public of what that investigation has uncovered. My efforts to see that LYNDON LAROCHE is defeated and that the public is made aware of his activities in the past has nothing to do and is in no way connected with the political activities of any other candidate or any other party.

6. I have not collected contributions of \$1,000. I have collected contributions of \$614 which is far short of the \$1,000 set forth in the complaint.

WHEREFORE, it is respectfully requested that the Commission take no action in regard to the complaint herein.


ED KAYATT

Sworn to before me this 4
day of February, 1980



J. BUTZ
Notary Public
in the County of New York
No. 44033
Expires March 30, 1980

NEW YORK
FEB 4 1980
R.F.E. STA.

Saxe, Bacon & Bolan, P.C.

39 EAST 68TH STREET, NEW YORK, N. Y. 10021

NEW YORK
FEB 4 1980
13-4'80

NEW YORK
FEB 4 1980
R.F.E. STA.

5201029

12:24

FEB 09

Charles N. Steele
Federal Election Commission
Washington, D. C. 20463

NOV
REGISTERED MAIL

**REGISTERED
NO.**

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CITIZENS FOR LAROUCHE

Lyndon H. LaRouche
DEMOCRAT FOR PRESIDENT

Warren J. Zimmerman
NATIONAL CAMPAIGN DIRECTOR

006182

January 31, 1980

Robert O. Tiernan, Chairman
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Tiernan:

I am enclosing additional information for use in a complaint we filed with the Commission in early January entitled Citizens for LaRouche v. Our Town et al. Attached please find a copy of a front-page "Notice" in the January 27, 1980 issue of the newspaper Our Town which for the third time openly solicits money to place an advertisement in the New York Times against Democratic contender for president, Lyndon H. LaRouche.

Secondly, I have just received information that Our Town reporter and respondent in the abovementioned complaint, Dennis King is actively circulating slanders against LaRouche to the New Hampshire State Democratic Committee for the purpose of insuring Mr. LaRouche's defeat at the polls during the February 26, 1980 Democratic Party primary in that State.

It is therefore important that the Commission act expeditiously in its investigation of the allegations set forth in the complaint, namely that the respondents are actively, maliciously and wilfully acting in violation of laws under FECA and will continue to do so unless the Commission uses its enforcement powers.

You should be aware of the fact that I sent a copy of the complaint to the New York Times at the same time that I sent the complaint to the Commission.

Thank you.

Sincerely,

Felice Merritt Gelman
Felice Merritt Gelman, Treasurer

FMG:rr

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DETROIT: 1249 Washington Blvd., Suite 626, Michigan 48226
NEW YORK: Box 976 Radio City Station, New York 10019

MANCHESTER: 967 Elm Street, Suite 403, N. H. 03101
P.O. Box 296, New Hampshire 03105

REC'D

NOTICE

In order to get the warning about Lyndon LaRouche's neo-Nazi ideas to a wider audience as soon as possible, we plan to take a half-page ad in the New York Times, rather than wait to collect enough money for a full-page ad as originally planned.

If anyone who contributed towards a full-page ad would like their money back, they may write to Our Town, 500 E. 82nd St., NYC, for a refund. If this should leave insufficient funds to cover the cost of the half-page, we pledge to advance the difference so that the ad can be published. Further contributions are solicited.

63040302787

Mrs. Felice Gelman
CITIZENS FOR LAROUCHE

Box 976 Radio City Station, New York, New York 10019



Robert O. Tiernan, Chairman
Federal Election Commission
Washington, D.C. 20463

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FEDERAL ELECTION
COMMISSION

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OUR TOWN

MANHATTAN
MEDIA
CORP.
500 EAST 82 STREET
NEW YORK, N.Y. 10028
(212)734-8600

RECEIVED
FEDERAL ELECTION
COMMISSION

'80 JAN 18

WE CARE ABOUT YOU

905995

January 21, 1980

Kevin Smith, Esq.
Federal Elections Commission
Washington, D.C. 20463

Re: MUR 1137

Dear Mr. Smith:

As per a letter dated, January 15th, 1980 written by the Commission's General Counsel, this letter shall serve as notification of authorization for the following attorney to represent us:

Jeffrey Schuman, Esq.
Saxe, Bacon
667 Madison Avenue
New York, New York 10021

Kindly forward Mr. Schuman with any and all copies of sections of the law pertaining to the charges made.

I have no objection to this matter being made public.

Respectfully yours,



MANHATTAN MEDIA CORP.
Edward R. Kayatt
President



Our Town Newspaper
Edward R. Kayatt
Publisher

80 JAN 24 P 2: 04

ADVERTISING DISPLAY 472-9200 CLASSIFIED 472-3333

02040302789

**OUR
TOWN**

MANHATTAN
MEDIA
CORP
500 E. 82 ST.
NEW YORK, N.Y.
10028

JAN 24 11 12:18



Kevin Smith, Esq.
Federal Elections Commission
Washington, D.C. 20463

Re: MUR 1137

02040



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 15, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Our Town
Manhattan Media Corporation
Mr. Edward Kayatt, Editor
Mr. Dennis King
500 East 82nd Street
New York, New York

Re: MUR 1137

Dear Sirs:

This letter is to notify you that on January 11, 1980, the Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act") or Chapters 95 and 96 of Title 26, U.S. Code. A copy of the complaint is enclosed. We have numbered this matter MUR 1137. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against you in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12) unless you notify the Commission in writing that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Kevin Smith, the attorney assigned to this matter at (202) 523-4529. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
Charles N. Steele
General Counsel

Enclosure

1. Complaint
2. Procedures

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68 Form 3811, Aug. 1978

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one): <input type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date, and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY <i>with delivery</i> Show to whom, date, and address of delivery. (CONSULT POSTMASTER FOR FEES) <i>12.02</i>	
2. ARTICLE ADDRESSED TO: <i>OUR TOWN MANHATTAN MEDIA CORP. 500 E. 64th ST NEW YORK NY</i>	
REGISTERED NO. CERTIFIED NO. INSURED NO.	<i>948676</i>
I have received the article described above. SIGNATURE <input checked="" type="checkbox"/> Address <input type="checkbox"/> Authorized agent <i>[Signature]</i>	
4. DATE OF DELIVERY	
5. ADDRESS (Complete only if returnable)	
6. UNABLE TO DELIVER BECAUSE:	
<i>1137</i>	<i>SMITH</i>

NEW YORK NY GRANVILLE
JAN 25 1981
US 9

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 15, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mrs. Felice Merritt Gelman, Treasurer
Citizens for LaRouche
P.O. Box 976
Radio City Station
New York, New York 10019

Dear Mrs. Gelman:

This letter is to acknowledge receipt of your complaint of January 8, 1980, against Our Town, Manhattan Media Corporation, Edward Kayatt, and Dennis King which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondents will be notified of this complaint within 5 days, and a recommendation to the Federal Election Commission as to how this matter should be initially handled will be made 15 days after the respondents' notification. You will be notified as soon as the Commission takes final action on your complaint. Should you have any additional information in this matter, please forward it to this office. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

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75 Form 3811, Aug. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1. The following services are requested (check one):
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY
 Show to whom and date delivered.
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery & (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Mrs. FELICE MERRITT GELMAN
 C/O. PO. BOX 976
 NY NY 10019

3. ARTICLE DESCRIPTION:
 REGISTERED NO. 993663 CERTIFIED NO. 4 INSURED NO.

4. DATE OF DELIVERY: JAN 18 1980

5. ADDRESS (Complete only if requested):

6. UNABLE TO DELIVER BECAUSE:

1137 SMITH

1978-12-25-38

[Handwritten signature]
Felice
Gelman

10 JAN 1980

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BCC-#
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CITIZENS FOR LAROUCHE

Lyndon H. LaRouche
DEMOCRAT FOR PRESIDENT

Warren J. Zimmerman
NATIONAL CAMPAIGN DIRECTOR

'80 JAN 11 AM 11:59

January 8, 1980

Robert O. Tiernan, Chairman
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Tiernan:

005794

Enclosed please find a copy of a complaint we are filing with the Commission entitled Citizens for LaRouche v. Our Town et al.

The complaint charges the respondents with acting in violation of FEC laws, namely that they are operating as an unregistered political committee.

If there are further questions please feel free to contact me at Citizen for LaRouche headquarters. I can be reached at 212-247-8820, ext. 633.

Thank you for your cooperation.

Sincerely,

Felice Merritt Gelman,
Treasurer, Citizens for
LaRouche

FM:bs

enc.

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DETROIT: 1249 Washington Blvd., Suite 626, Michigan 48226
NEW YORK: Box 976 Radio City Station, New York 10019

MANCHESTER: 967 Elm Street, Suite 403, N. H. 03101
P.O. Box 296, New Hampshire 03105

CITIZENS FOR LAROCHE,

Complainant

-against-

OUR TOWN, MANHATTAN MEDIA CORPORATION,
EDWARD KAYATT, and DENNIS KING

Respondents

BEFORE THE FEDERAL
ELECTION COMMISSION

I.

SUMMARY

This complaint sets forth a prima facie case that demonstrates that the respondents are an unregistered political committee whose (sole) purpose is the defeat of Democratic Party presidential candidate Lyndon H. LaRouche, Jr. in his first electoral test of the 1980 campaign: the Democratic Party primary in New Hampshire on February 26, 1980.

The facts set forth below will show that respondents, a corporation and a group of anti-LaRouche activists employed by the said corporation, solicited contributions to print anti-LaRouche advertisements in the New York Times, and have printed and caused to be distributed anti-LaRouche literature.

Respondents have willfully, knowingly and maliciously violated the plain terms of the Federal Election Campaign Act (hereinafter FECA) by soliciting, accepting and expending contributions to campaign for the defeat of LaRouche while failing to register as a political committee with

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the Commission as required by 2 U.S.C. 433 or to disclose their contributors and expenditures as required by 2 U.S.C. 434.

Respondents have launched and coordinated a nationwide attack against Democratic Party contender LaRouche. As of this date respondents have caused to be published no less than 10 slanderous articles on LaRouche written by respondent Dennis King, and a number of like-minded editorials written by respondent Edward Kayatt. On August 23, 1979, LaRouche filed a lawsuit against respondents for libel per se. See LaRouche v. Our Town, Index No. 16280/79, Supreme Court of the State of New York, County of New York. (Exhibit A)

In its concluding section, the complaint describes the relief sought herein, including an order (or conciliation agreement by the Commission) that:

1. requires such further registration and reporting by respondents as is required by the law,
2. prohibits further contributions to the unregistered committee in excess of the statutory limits,
3. requires return of any such contributions that have already been made and,
4. includes any other such relief that the Commission may find justified under the circumstances.

This complaint is filed on behalf of Citizens for LaRouche, P.O. Box 976, Radio City Station, New York, N.Y. 10019. Complainant asks leave to amend this complaint if necessary, based on new information contained in upcoming issues of Our Town and/or any other relevant information

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may obtain during the pendency of this proceeding.

II.

RESPONDENTS

OUR TOWN, is on information and belief, a newspaper published by Manhattan Media Corporation, a New York corporation.

MANHATTAN MEDIA CORPORATION, is on information and belief, the publisher of Our Town with offices at 500 East 82nd Street, New York, N.Y.

EDWARD KAYATT, is on information and belief, the publisher and editor of Our Town.

DENNIS KING, is on information and belief, a person who writes for Our Town.

III.

COUNT ONE

THE RESPONDENTS ARE A POLITICAL COMMITTEE AND ARE PART OF A COORDINATED CAMPAIGN TO DEFEAT LAROCHE BUT HAVE FAILED TO REGISTER WITH THE COMMISSION AS REQUIRED BY 2 U.S.C. 433 OR TO DISCLOSE EXPENDITURES AS REQUIRED BY 2 U.S.C. 434.

1. BACKGROUND

2 U.S.C. 431(d) defines a political committee as "any committee, club, association or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000."

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Section 431(3) defines contribution as:

a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of--

(A) influencing the nomination for election or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party; or

(B) influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of the President of the United States.

Expenditure is defined as "a purchase, payment...or gift of money or anything of value" made for these same purposes,

2 U.S.C. 433 requires each political committee which anticipates receiving contributions or making expenditures in excess of \$1,000 during a calendar year to register with the Commission within 10 days of its formation and to disclose its officers, address, affiliated organizations, etc.

In Advisory Opinion 1979-41, the Commission made it clear that any group spending more than \$1,000 to influence the presidential nomination is a political committee subject to reporting and other such requirements, without regard to other purposes of the group or whether or not it expressly supports a particular candidate.

The facts below will sufficiently demonstrate that respondents violated the law in their operations as an unregistered political committee.

In the December 30--January 5, 1980, issue of Our Town a front-page editorial entitled "Taxpayers money for fascism?"

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attacks not only the integrity and name of LaRouche but attacks the Commission for certifying Federal matching funds to the candidate. Again, this editorial and yet another editorial in the January 6--12, 1980 issue of Our Town, entitled "Scrutiny Needed", appear after a five-month long series on LaRouche by respondent Dennis King. It is not at all appropriate at this time nor in this forum to review the history and merits of the LaRouche v. Our Town case; however, these two boxed front-page editorials were not paid for, and were underwritten by the corporate respondents, and openly solicit campaign contributions.

The first editorial cited above states in relevant part:

"Carrying civil liberties to a bizarre extreme, the Federal Election Commission announced December 18 that Federal matching funds will be granted to Lyndon LaRouche in his campaign for President in 1980...

The FEC action will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position.

We think the granting of the funds merits close inspection, and suggest a congressional investigation. We ask our readers to write their Congressmen demanding that Congress act to hold up the matching funds for LaRouche until a thorough investigation is conducted.

So that we can spread the word of this alarming situation to a wider audience, we are inviting donations toward the cost of a full-page advertisement in the New York Times. Phone us at 472-3333 if you can help."
(Emphasis in the original)

(See Exhibit B)

On Saturday, December 29, 1979, an investigator for Citizens for LaRouche called the phone number published in the above-cited editorial and spoke to respondent Kayatt, who appears to be coordinating the intake of contributions for the New York Times ad and for other as yet unknown purposes.

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(See Exhibit C --Cleary Affidavit). The caller, James Cleary, was told by respondent Kayatt to write a check payable to Our Town and was further instructed to make a notation on the back of said check indicating that the money was to be used for the "New York Times Ad Fund." Cleary was then told by respondent Kayatt that he had already received money in the mail from donors and had received about two dozen phone calls from people who wanted to pledge money to aid respondents campaign to stop LaRouche from receiving Federal matching funds. Respondent Kayatt informed Cleary that the cost of the ad -- which he expected would be placed in the New York Times by mid-January -- would be \$16,000. On Monday, December 31, 1979 Cleary enclosed a \$5.00 check made out to Our Town and further followed the instructions he received from respondent Kayatt.

On Friday, January 4, 1980 Complainant received a copy of the January 6 -- 12 issue of Our Town which featured a front-page boxed editorial entitled "Scrutiny Needed". Said editorial in addition to calling for a Congressional investigation of LaRouche's certification by the Commission of matching funds also prints the same instructions to their readership that respondent Kayatt had previously given to Cleary. The editorial states in relevant part:

"For a wider awareness of the threat to society represented by LaRouche and his followers, we propose a full-page advertisement in the New York Times.

Contributions for this purpose may be sent to:
Our Town, 500 E. 82nd St., NYC 10028. (On reverse
side of check print, 'New York Times Ad Fund.')

(See Exhibit D)

It is known by complainant that even before these direct solicitations by respondents for contributions to their "Stop LaRouche" campaign, that they had been using other forums to encourage citizens to send money to respondent King to continue his crusade against LaRouche. More specifically, on October 23, 1979, respondent King appeared on WBAI-Radio, a New York City radio station, and was interviewed from midnight to approximately 3:00 A.M. by the show's moderator Lenny Lopate about LaRouche and his supporters. (See Exhibit E, affidavit by Jeffrey Steinberg). First, respondent King stated (in a perverted and false manner) the reasons why he wishes to campaign against LaRouche:

"Already the LaRouchies have the best record of any such groups in terms of the local electoral politics and if LaRouche walks away with a quarter of a million or half a million votes he's opened the door to all that crazy right-wing Dallas money. Its just going to pour into his coffers...the international money, those neo-nazis over there in West Germany already know about him...And then there's the nazis down there in Latin America, Paraguay and Argentina...And if he produces a significant vote, then they're going to start sending him money. And then he's gonna take off."

If one examines the compendium of articles respondent King has written on LaRouche, quite aside from the various slanderous characterizations, lies and half-truths about the candidate and organizations he is (or is not) associated with, it is plain that respondent King's effort is a campaign

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subsidized by the other respondents, for the defeat of LaRouche in the upcoming presidential primaries. A short while after respondent King made the above remarks he demonstrated the campaign nature of his enterprise, as opposed to any journalistic intent, by openly soliciting funds and contributions, and admitted that respondent Our Town was underwriting this campaign:

"I'm in much need of funds for continuing the fight. This series has been 7 articles so far...Much to be done, much information to be uncovered to the public. Our Town newspaper is a small community paper. It doesn't have the resources on its own to sustain this fight fully and therefore I'm calling on readers here to send donations to me to help me with the research effort. Send those donations to Our Town...Mark it 'Attention Dennis King' and make clear in the envelope that the check is for his efforts...for continuing the NCLC series." (Emphasis added)

As the Commission knows, NCLC or the National Caucus of Labor Committees, is a voluntary political association whose founder was Lyndon H. LaRouche. The Commission, indeed, takes the position that NCLC is itself a political campaign committee identified with LaRouche. While complainant disputes this, it is clear that respondents shared the Commission's opinion and campaign against NCLC as a "surrogate" for LaRouche.

IV.
RELIEF

2 U.S.C. 437g(a)(2) provides that, upon receiving a valid complaint, the Commission, if it has reason to believe that a violation has occurred, shall notify the persons involved in the alleged violation and shall make an expeditious investigation of the complaint's allegations. ✓

If the Commission is unable to correct or prevent the violation through informal methods provided under 2 U.S.C. 437g(a)(5)(A), the Commission may institute in United States District Court a civil action for relief, including a permanent or temporary injunction or other such order and a civil penalty not exceeding the greater of \$5,000 or the amount of any contribution or expenditure involved in the violation. 2 U.S.C. 437g(a)(5)(B).

Generally the Act provides a period of not less than 30 days for the conciliation process. In cases of complaints filed within 45 days of an election, however, the conciliation period can be shortened to not less than half the number of days between the date of the finding of reason to believe that a violation has occurred and the date of the election involved. 2 U.S.C. 431(a) defines election inter alia, as "a convention or caucus of a political party which has authority to nominate a candidate."

Finally, 2 U.S.C. 441j sets out the penalties for knowing and willful violations of any of the provisions of

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the Act which involve the making, receiving or reporting of any contribution or expenditure of more than \$1,000.

Complainant has set forth clear evidence that respondents are in fact operating as an unregistered political committee in clear violation of the Act. The evidence shows that this violation has been knowingly, willfully and maliciously committed to prevent LaRouche from gaining the vote due to him at the upcoming New Hampshire Democratic Party primary on February 26, 1980 and may continue thereafter. The New Hampshire primary is widely perceived as an important national test for the Democratic nomination. For this reason complainant requests that the Commission process the instant complaint well before the primary and further, consider the possibility of processing said complaint before mid-January, the period in which respondents intend to consummate their crime by placing a full-page ad, paid for with unreported and corporate contributions, condemning LaRouche's candidacy and integrity, all in direct violation of the Act. Complainant further requests that the Commission use both its statutory enforcement and general administrative powers to fashion an appropriate remedy, and to make public at the earliest possible date its enforcement policy and intentions with respect to the fact situations described herein. Complainant's specific prayer for relief with respect to respondents is set forth below.

Based on all of the foregoing, Complainant asks the Commission to find the reason to believe that the violations.

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alleged herein have occurred; to conduct an expeditious investigation using its subpoena power; to make a prompt finding that respondents are acting as an unregistered political committee and that violations of the Act have occurred; and to promulgate through an expedited conciliation agreement process, or obtain, through petitioning the United States District Court for the District of Columbia, an order that:

- (1) requires such further registration and reporting as is required by law;
- (2) prohibits further contributions to respondents, who are operating as an unregistered political committee;
- (3) requires the return of any such contributions that have already been made; and
- (4) includes any other such relief that the Commission may find justified under the circumstances.

VERIFICATION

The undersigned counsel for the complainant swear that the allegations and other facts in the complaint are true and correct to the best of their knowledge, information, and belief.

62040362805

BY Julie Merritt Johnson
Treasurer, Citizens for LaRouche

Sworn to before me this
7 day of Jan 1980

David S. Heller
NOTARY PUBLIC

DAVID S. HELLER
NOTARY PUBLIC - STATE OF NEW YORK
31-4620080
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES 3/30 87

02040362806

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

LYNDON H. LAROUCHE, JR.,

Plaintiff,

-against-

OUR TOWN, MANHATTAN MEDIA CORPORATION
and DENNIS KING,

Defendants.

COMPLAINT

Index No.

16280/79

LYNDON H. LAROUCHE, JR., by and through his attorney
DAVID S. HELLER, complaining of the defendants hereby alleges
as follows:

FIRST: LYNDON H. LAROUCHE, JR., is a citizen of
the State of New York.

SECOND: Defendant OUR TOWN is a newspaper published
by Manhattan Media Corporation, a New York corporation.

THIRD: Defendant DENNIS KING is a person who writes
for OUR TOWN.

FOURTH: Defendant MANHATTAN MEDIA CORPORATION is the
publisher of OUR TOWN, with offices at 500 E. 82nd Street,
New York, N.Y.

FIFTH: Defendants in the August 26, 1979 issue of
OUR TOWN published, or caused to be published, distributed and
disseminated to the general public at large the accusation that
LYNDON H. LAROUCHE, JR. was planning to commit mass murder,
describing plaintiff as a

DAVID S. HELLER
ATTORNEY AT LAW

EXHIBIT A

62040302807

"56 year old fuehrer . . . a ruthless hater who advocates the 'Final Solution' against American Jews"

and further stating concerning LaRouche's Jewish associates that

"LaRouche promises them immunity from the coming NCLC directed Holocaust if they thoroughly and completely repudiate their Jewishness".

SIXTH: These statements have the meaning literally, in context and in the common understanding that plaintiff is planning murder, liquidation or similar genocide against the American Jewish population, comparable to Hitler's mass murder of European Jews.

SEVENTH: These statements are false and are libelous per se in that they accuse plaintiff of a felony, to wit: preparing, conspiring and engaging in a plot to commit the murder of literally millions of persons.

EIGHTH: These statements are false.

NINTH: These statements are false to defendants' own knowledge and such statements were made in complete and total disregard of their lack of truthfulness and with the intent to damage, disgrace, discredit and harm plaintiff.

TENTH: Plaintiff was damaged in his reputation by reason of said statements and is and will be brought into disgrace and discredited thereby and has, does and will suffer humiliation, disgrace and monetary loss as well as psychological pain and anguish as a result of such statements having been published by defendants..

ELEVENTH: Said publication was made with the sole intent and purpose of harming plaintiff, directing hatred, obliquely, pain, disgrace and humiliation upon him and arousing and/or signaling persons who read the same to attack, kill or otherwise disable plaintiff in order to prevent the "Holocaust" that defendants' falsely accuse plaintiff of planning. Plaintiff is thereby entitled to punitive or exemplary damages.

WHEREFORE, plaintiff demands judgment against the defendants as follows:

1. Damages in the amount of \$10,000,000.00.
2. Punitive damages in the amount of \$10,000,000.00
3. His costs, disbursements and attorneys fees incurred in bringing this action and
4. Such other and further relief as may be necessary and proper in the circumstances.

Dated: New York, New York
August 23, 1979

DAVID S. HELLER
Attorney for Plaintiff
Office and P.O. Address
304 W. 58th Street, Fifth Floor
New York, New York 10019
(212) 247-7488

OUR



VOL. 10 • NO. 38

TOWN

DECEMBER 30 thru JANUARY 5, 1980

62040362810

Editorial

Taxpayer's money for fascism?

Carrying civil liberties to a bizarre extreme, the Federal Elections Commission announced Dec. 18 that Federal matching funds will be granted to Lyndon LaRouche in his campaign for President in 1980. This means that taxpayers' money will go toward furthering the propagation of the neo-Nazi, anti-semitic ideology espoused by LaRouche and his U.S. Labor Party.

The decision, made at a closed-doors meeting, seems strange in view of the litigation still going on in the courts over the FEC's denial of matching funds to LaRouche in 1976. The funds were denied on the basis of an FEC investigation which turned up serious questions as to the completeness of financial reports sub-

mitted by the LaRouche organization in its 1976 application. The FEC had to resort to a subpoena—resisted by the LaRouche people—to obtain the financial records of the organization.

The FEC action will have the effect of seeming to legitimize LaRouche as a Democratic Party candidate to those who do not understand his real position.

We think the granting of the funds merits close inspection, and suggest a congressional investigation. We ask our readers to write their Congressmen demanding that Congress act to hold up the matching funds for LaRouche until a thorough investigation is conducted.

So that we can spread the word of this alarming situation to a wider audience, we are inviting donations toward the cost of a full-page advertisement in The New York Times. Phone us at 472-3333 if you can help.

AFFIDAVIT

I, JAMES CLEARY, do hereby depose and say the following is true:

1. On Saturday, December 29, 1979, I received a copy of the December 30--January 5, 1979 issue of Our Town, which featured a front-page editorial entitled "Taxpayer's money for fascism?" After demanding that Congress act to "hold up the matching funds for LaRouche until a thorough investigation is conducted," the editorial added: "So that we can spread the word of this alarming situation to a wider audience, we are inviting donations toward the cost of a full-page advertisement in the New York Times. Phone us at 472-3333 if you can help." (Emphasis in the original)

2. In an investigatory capacity for Citizen's for LaRouche, I decided to find out more about Our Town's intentions by calling the published number.

3. I spoke to Edward Kayatt, the publisher and editor of Our Town who told me the following:

4. First Kayatt confirmed that they were asking for money for the New York Times ad. When I asked him to whom I should make the check out to Kayatt replied "Our Town" and gave me the precise address (500 E. 82nd Street, New York, N.Y. 10028). He further instructed me ^{to} mark the reverse side of the check with "New York Times Ad Fund." When I asked him how much they were going to need to buy the ad, Kayatt

EXHIBIT C

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replied: "Somewhere close to \$16,000." After telling me to write to Congressman Ted Weiss and Senator Jacob Javits, the President of the United States as well as the congressional committee which oversees the FEC's appropriation he informed me that his office had received about two dozen phone calls from people pledging money and that one check had come in. Kayatt informed me that he expected to place the ad in the New York Times some time in mid-January.

5. On Monday, January 31, 1979, I enclosed a check for \$5.00 made out to Our Town and mailed it to their business address.

James Cleary
JAMES CLEARY

Sworn to before me this
7 day of Jan 1980.

David S. Heller
NOTARY PUBLIC

DAVID S. HELLER
NOTARY PUBLIC - STATE OF NEW YORK
31-4620080
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES 3/30 80

EXHIBIT C

02040302812

OUR TOWN



VOL. 10 • NO. 37

JANUARY 6 thru JANUARY 12, 1980

8 2 0 4 0 3 6 2 8 1 3

SCRUTINY NEEDED

Lyndon LaRouche's success in qualifying for federal matching funds in his bid for the Democratic Party nomination for President in 1980 points up the growing menace of the neo-nazi, anti-semitic ideology of his U.S. Labor Party.

We believe the activities of LaRouche and his cult, as detailed in the ten part series of articles by Dennis King published in Our Town in 1979, call for a full congressional investigation. We urge our readers to join us in calling on our representatives in Congress to see that such an investigation is launched. Write to:

Senator Jacob Javits, 110 E. 45th St., NYC 10017.

Senator Daniel P. Moynihan, 733 Third Ave., NYC 10017.

Representative S. William Green, 1628 Second Ave., NYC 10028.

Representative Theodore Weiss, 37 W. 65th St., NYC 10023.

Representative Charles B. Rangel, 55 W. 125th St., NYC 10027.

For a wider public awareness of the threat to society represented by LaRouche and his followers, we propose a full-page advertisement in the New York Times. Contributions for this purpose may be sent to: Our Town, 500 E. 82nd St., NYC 10028. (On reverse side of check print, "New York Times Ad Fund.")

AFFIDAVIT

I, JEFFREY STEINBERG, do hereby depose and say the following is true:

1. I am a security consultant for the LaRouche campaign.

2. In that capacity, I have been monitoring the effects of the Our Town series on the physical safety of democratic party presidential candidate Lyndon H. LaRouche. Since the series began LaRouche and/or his campaign workers have been subject to death threats, physical attacks and other forms of harassment.

3. On October 23, 1979 Dennis King was interviewed by Lenny Lopate for about three hours on a New York City radio station WBAI. I was able to tape most of the show including the following excerpts which are taken from the closing part of the interview:

DENNIS KING: "The second thing I want to say is that this investigation into the Labor Committees requires really massive effort. I'm in much need of funds for continuing the fight. This series has been seven articles so far...Much to be done, much information to be uncovered to the public. Our Town newspaper is a small community paper. It doesn't have the resources on its own to sustain this fight fully and therefore I'm calling on readers here to send donations to me to help with the research effort. Send those donations to Our Town, 500 East 82nd Street, New York City, 10028... Mark it 'Attention: Dennis King' and make clear in the envelope that the check is for his efforts, for continuing the NCLC series..."

EXHIBIT E

02040302814

4. These remarks had been previously preceded by a series of slanders against LaRouche's person and the nature of his campaign as well as his supporters. King's call for donations came in the context of his desire to reverse the potential success of LaRouche's campaign:

"Already the LaRouchies have the best record of any such groups in terms of the local electoral politics and if LaRouche walks away with a quarter of a million or half a million votes he's opened the door to all that crazy right-wing Dallas money. Its just going to pour into his coffers -- and not just that --the international money. Those neo-nazis over there in West Germany already know about him...And then there's the nazis down there in Latin America, Paraguay and Argentina. Don't think they're not watching LaRouche...They know who he already is, that he's their boy, and they're waiting to see if he can produce the goods. And if he produces a significant vote, then they're going to start sending him the money. And then he's gonna take off."

5. Subsequent to the above-cited WBAI-Radio interview I learned that King has been giving forums to private groups and associations to "spread the word" on LaRouche. I do not as yet know whether King has been paid for these "lectures"; nor do I know whether he has been actively soliciting contributions for his effort to stop the LaRouche campaign.

Sworn to before me this
7 day of Jan 1980

Jeffrey Steinberg
JEFFREY STEINBERG

David S. Heller
NOTARY PUBLIC

DAVID S. HELLER
NOTARY PUBLIC - STATE OF NEW YORK
31-4620080
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES 3/30 81

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1137

Date Filmed 12/21/82 Camera No. --- 2

Cameraman SPC