



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

COMMUNICATIONS SECTION

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April 18, 1986

MEMORANDUM

TO: THE COMMISSIONERS

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: FINAL AUDIT REPORT - COMMITTEE ON
ARRANGEMENTS FOR THE 1984 REPUBLICAN
NATIONAL CONVENTION

Attached is the subject audit report for your review and consideration, along with the comments provided by the Office of General Counsel relative to Findings II.A. and III.A.

Recommendation

It is recommended that the attached final audit report be approved. An informational copy of the approved report will be forwarded to the Committee Treasurer. After confirmation of receipt, the report will be placed on the public record.

This matter is being circulated for a tally vote. If you have any questions, please contact Rick Halter at 376-5320.

Attachments as stated

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION

ON THE

**COMMITTEE ON ARRANGEMENTS FOR THE
1984 REPUBLICAN NATIONAL CONVENTION**

I. Background

A. Overview

This report is based on an audit of the Committee on Arrangements for the 1984 Republican National Convention ("the Committee"), to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 9008(g) of Title 26, United States Code which directs the Commission to conduct an examination and audit of the payments for Presidential nominating conventions no later than December 31 of the calendar year in which the convention is held.

The Committee registered with the Federal Election Commission on September 7, 1982 as an affiliate of the Republican National Committee. On June 2, 1983, the Republican National Committee designated the Committee as the convention committee of the Republican Party. The Committee maintains its headquarters in Washington, D.C. The audit covered the period from February 17, 1982 through September 30, 1984. During the period, the Committee reported a beginning cash balance of \$-0-, total receipts of \$8,753,193.79, total expenditures of \$8,437,961.92, and an ending cash balance on September 30, 1984 of \$315,231.87. In addition, certain financial activity has been reviewed through October 31, 1984.

This audit report is based on documents and working papers which support each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in this report and were available to Commissioners and appropriate staff for review.

B. Key Personnel

The Treasurer for the period audited was Mr. George L. Clark, Jr.

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C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation and analysis of Committee debts and obligations; review of contribution and expenditure limitations; and such other audit procedures as deemed necessary under the circumstances.

II. Finding Related to Title 2 of the United States Code

A. Misstatement of Financial Activity

Section 437(2) of Title 2, United States Code provides that each committee or other organization which represents a national political party in making arrangements for the convention of such party held to nominate a candidate for the office of President or Vice President, shall, within 60 days following the end of the convention (but not later than 20 days prior to the date on which presidential and vice-presidential electors are chosen), file with the Commission a full and complete financial statement, in such form and detail as it may prescribe, of the sources from which it derived its funds, and the purpose for which such funds were expended.

The Audit staff's reconciliation of Committee bank accounts to reports filed for the period January 1, 1984 through September 30, 1984, indicated that the Committee overstated its receipts and its disbursements by \$250,000.00. The overstatement was caused by a Committee error made in preparing the reports.

On December 19, 1984, the Committee filed an amendment correcting its misstatement of financial activity.

Recommendation

It is the Audit staff's recommendation that no further action be taken on this matter.

III. Findings Related to Title 26 of the United States Code

A. Unspent Portion of Fund Payment

Section 9008(h) of Title 26, United States Code states, in part, that the Commission shall have the same authority to require repayments from the national committee of a major party as it has with respect to repayments from any eligible candidates under Section 9007(b).

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In addition, 11 C.F.R. § 9008.10(e)(1) states that if any portion of the payment under 11 C.F.R. § 9008.3 remains unspent after all convention expenses have been paid that portion shall be returned to the Secretary of the Treasury.

Also, 11 C.F.R. § 9008.10(g)(2) states, in part, that the national committee shall repay to the Secretary within 90 days of the notice, the amount of the repayment.

Calculation of the Unspent Portion of the Entitlement
of the Committee on Arrangements for the 1984
Republican National Convention
as of October 31, 1984

Amount of Federal Funds Received by the Committee	\$8,080,000.00
Adjusted Total of Convention Expenses Made	(<u>8,069,368.11</u>)
Total	\$ <u>10,631.89</u>
Estimated Winding Down Costs: ^{1/}	
Contract - Convention Proceedings	(6,000.00)
Furniture Rental	(1,000.00)
Miscellaneous	(<u>2,468.04</u>)
Repayment Amount ^{2/}	\$ <u>1,163.85</u>

On January 10, 1985, the Committee repaid \$1,163.85 to the U.S. Treasury pursuant to 11 C.F.R. § 9008.10(e).

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- ^{1/} The estimated winding down costs for the Committee were provided by Committee staff. Actual expenses will be compared against these estimates, and adjustments made if appropriate.
- ^{2/} The Committee repaid \$302,506.36 of interest income to the U.S. Treasury on October 10, 1984 in accordance with 11 C.F.R. § 9008.6(a)(5).

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Committee on Arrangements for)	Agenda Documents
the 1984 Republican)	#X86-027 and
National Convention)	#X86-027-A

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of April 18, 1986, do hereby certify that the Commission took the following actions in the above-captioned matter:

1. Decided by a vote of 4-2 to refer to the Office of General Counsel the sixteen official providers mentioned in Exhibits A and D of the April 4, 1986 report from the FEC Audit Division.

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

2.

Attest:

4-21-86

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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NRN



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 18, 1986

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: MATTERS APPROVED FOR REFERRAL -
AUDIT OF COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION

Attached please find two matters, Exhibits A and B, which were approved for referral at the meeting of April 18, 1986. Exhibit C, which is the Committee's response to the Commission approved interim audit report, is also attached.

If you should have any questions or wish to examine any audit workpapers, please contact Rick Halter at 376-5320.

Attachments as stated

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Use of "Official Providers"

Section 9008.7(c)(1) of Title 11, Code of Federal Regulations states, in relevant part, that retail businesses may sell, lease or rent their products, materials, services or space to the national committee with respect to a presidential nominating convention at reduced or discounted rates: Provided, that such reductions or discounts are in the ordinary course of business.

Discounts or reductions in accordance with this section will not count toward the national party expenditure limitation under 11 CFR 9008.7(a).

In addition, 11 C.F.R. 9008.7(c)(2)(i) provides that local businesses may sell, at nominal cost, or provide at no charge, any of their products or services in the form of samples, discount coupons, promotional items, such as maps, pens, or pencils, with the business' name imprinted on the item, to those attending the convention functions. Such samples, coupons and promotional items shall be: Of nominal value; provided solely for bona fide advertising or promotional purposes; and provided in the ordinary course of business.

During the audit fieldwork, it was noted that the Committee engaged in a program whereby certain companies were designated as the "official provider" of goods and services to the convention.

The "official provider" designation was given in exchange for goods and/or services provided to the convention at a reduced rate or at no cost. The designated companies received the benefit of publicity for being an "official provider."

In connection with the "official provider" program, the Committee prepared a document entitled Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention, dated 1/1/83. The memorandum was designed to provide guidance to businesses proposing to provide goods or services in connection with the 1984 Republican National Convention at discounted rates or on other favorable terms.

In addition, a memorandum, dated 1/20/84, was prepared entitled Re: Policy Concerning Business Discounts in Connection with the 1984 Republican National Convention. The guidelines were intended to expedite consideration and approval of offers from companies proposing to provide goods or services at discounted rates or on other favorable terms. The guidelines set forth the procedures to be followed from the initial contact by the companies through the approval of the proposal by the Committee's legal counsel.

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Our review of records made available during the audit fieldwork indicated that there were 16 companies designated as "official providers." A brief description concerning each "official provider" is set forth below.

1. **AMERICAN AIRLINES, nationwide service**
"OFFICIAL CARRIER"

The Airline agreed to provide: a) reduced fares of, at least, 30% coach day fares; b) free tickets to the Committee based upon the number of tickets purchased; c) 30 free temporary memberships in the "AAdvantage program"; d) 25% discount for freight charges; e) an airport hospitality room, press rooms, assistance booths for baggage claim, ground transportation coordination, an automated service center at the convention and an airline staff member assigned to each state/territory attending the convention; and f) other services, such as, a special "800" number, printing of convention folders, supplying the Committee with monthly status reports, and baggage tags to the travelers.

Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company.

2. **AMERICAN NETWORK SERVICE, INC., Burlingame, CA**
"OFFICIAL PROVIDER OF DELEGATE INFORMATION SERVICES"

In exchange for the "official provider" designation, the Company provided a booth, along with computers, printers, data communication equipment, software and personnel to provide data transfer and electronic mail between the Convention Hall and the various hotels. Based on the agreement, the Committee paid \$10,000.00 which is a 50% discount of the normal charges.

However, according to the August 21, 1984 edition of The New York Times, the Company provided equipment and supplies valued at \$250,000.00.

3. **AT&T COMMUNICATIONS, nationwide service**
"OFFICIAL LONG DISTANCE and the OFFICIAL MESSAGE CENTER"

The company agreed to provide telecommunications equipment and service at no cost. Based on the Company's proposal, the service and equipment was valued at \$250,800.00.

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4. BALDWIN PIANO and ORGAN COMPANY, Cincinnati, OH
"OFFICIAL PIANO"

The Company agreed to supply ten stand-up pianos and up to three baby grand pianos. There would be no rental and moving costs for these pianos.

Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company.

5. BLYTHE-NELSON, Dallas, TX
"OFFICIAL INFORMATION SYSTEMS CONSULTANTS"

The Company was providing telecommunications consulting services on the basis of one hour billed for every two hours spent. In addition, the Company would coordinate the telecommunications and other information systems activities at no cost. Based on documentation from the Company, the service provided at no cost was valued at \$88,195.00.

6. COMPUCORP, Santa Monica, CA
"OFFICIAL WORD/DATA PROCESSING and the OFFICIAL PROVIDER OF THE ELECTRONIC MAIL NETWORK"

The Company agreed to provide between 11 and 30 word processors for the rental rate of \$100.00 per unit, per month. Also, the Company agreed to provide, at least, 81 major system components for the rental rate of \$100.00 per unit, per month. These components were used for the electronic mail network.

According to the August 21, 1984 edition of The New York Times, the Company "estimated the value of the company's equipment and services at the Republican convention as "well over \$1.5 million, if they had to pay for it." The cost to the company was about \$250,000, of which the convention paid about 25 percent."

7. "D" MAGAZINE, Dallas, TX (Southwest Media Corporation)
"OFFICIAL CONVENTION GUIDE"

The Southwest Media Corporation agreed to prepare and distribute the official guide to the convention.

Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company. However, the Committee reported a payment of \$11,073.76 with the purpose listed as "official convention guide."

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8. DFW COMMUNICATIONS, Inc., Dallas, TX
"OFFICIAL PAGING SERVICE and the OFFICIAL 2-WAY RADIO EQUIPMENT SUPPLIER"

The Company offered its standard discount rate and the use of 30 pagers at no cost.

Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company.

9. EXECUTIVE PRESENTATION SYSTEMS, Dallas, TX
"OFFICIAL GRAPHICS PRESENTATION SYSTEMS"

The Company agreed to provide graphic services at a discounted rate.

Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company.

10. GROWALD ARCHITECTS, Dallas, TX
"OFFICIAL ARCHITECTS"

The Company agreed to provide architectural services for a maximum amount of \$25,000.00. Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company. Reported payments to this vendor amounted to \$22,513.62.

11. METIER MANAGEMENT & SYSTEMS, INC., Houston, TX
"OFFICIAL ARTEMIS/COMPUTERIZED PROJECT MANAGEMENT SYSTEM"

Based on the agreement, the Company was to provide the use of its proprietary computer system for the planning and scheduling of the convention. Also, access to its project management system, which includes use of the ARTEMIS programs, computer hardware, remote access to its computer, and consulting assistance were provided. All of these services were at no cost.

Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company.

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12. PUROLATOR COURIER CORPORATION, nationwide service
"OFFICIAL COURIER"

The Company agreed to discount its rates up to 71%. In addition, the Company agreed to provide free pick-up and delivery between the 46 hotels in Dallas, TX.

Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company.

13. RAPICOM, Inc., Houston, TX
"OFFICIAL FACSIMILE VENDOR"

The Company stated that the "Rental charges for the equipment would be waived as a contribution from Rapicom, Inc."

Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company.

14. SAVIN CORPORATION, nationwide service
"OFFICIAL COPIER"

The Company agreed to provide a minimum of 25 copiers and an on-site full time Customer Service Representative. The Company discounted its lowest special events price by \$9,000.00.

Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company.

15. SOUTHWESTERN BELL MOBILE SYSTEMS, Dallas, TX
"OFFICIAL CELLULAR TELEPHONE SERVICE"

The Company agreed to provide 50 cellular mobile telephones and associated airtime usage with the first \$50,000 worth of service at no charge. Based on the records which were available, the Audit staff was unable to determine a value for the services provided by the Company.

16. VMX, Inc., Richardson, TX
"OFFICIAL VOICE MESSAGING SERVICE"

The Company provided voice mailboxes available to the Committee at no cost. According to the August 21, 1984 edition of The New York Times, the Company representative stated "his company had provided its service and equipment to the convention at no charge. He put the value of both at up to \$500,000.00."

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As described above (items 1 through 16), "official providers" provided goods and/or services at a reduced rate or at no charge. With respect to those companies which provided goods and/or services at reduced rates (items 1,2,6,7,8,9,10,12,14,15), it is the opinion of the Audit staff that documentation available did not appear to support the Committee's contention that these discounts were offered in the ordinary course of business.

In the case of goods and/or services provided at no charge (items 3,4,5,11,13,16), it is apparent that the provision at 11 C.F.R. 9008.7(c)(2)(i) does not encompass the transactions involving the goods and/or services provided at no charge to the Committee. Rather, for the value of these goods and services not to be considered as impermissible in-kind contributions to the Committee from the companies, the provision of these goods and/or services at no charge must be shown to have been made in the ordinary course of business.

The Audit staff recommended that the Committee provide documentation which demonstrates that (1) the discounts received were in compliance with 11 C.F.R. § 9008.7(c)(1), and (2) the transactions involving vendors who provided goods or services at no charge did not constitute an in-kind contribution to the Committee from the vendors.

On September 23, 1985, the Audit staff received the Committee's response. The Committee submitted two memoranda 1) RE: Policy Concerning Business Discounts in Connection with the 1984 Republican Nation Convention, 2) Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention, and in addition enclosed forms used in conjunction with all official designation agreements. It is the Committee's opinion that these documents clearly indicate that all agreements referred to were "arms length" commercial transactions made in the ordinary course of business, and that no items of value were received without commensurate commercial and/or financial payment.

The Committee further stated that "it has no expertise or ability to independently determine the value of services or items provided to the Committee. Direct and unequivocal representations by vendors that transactions are commercially reasonable and that the Committee on Arrangements was not receiving any discounts or services which were not in the ordinary course of industry practice is the only practical course for any committee to use when seeking compliance with the

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statute. Without any indication of bad faith, the Committee on Arrangements should be able to rely on reasonable express representation of vendors that their prices for services, or goods, or other commercial arrangements, are in the ordinary course of the vendors' business and are not contributions to the Committee."

It should be noted that the memoranda referred to above were also provided to the Audit staff during the course of its fieldwork. Further, it is our opinion that the committee has not demonstrated that (1) the discounts received were in compliance with 11 C.F.R. § 9008.7(c)(1), and (2) the transactions involving vendors who provided goods or services at no charge did not constitute an in-kind contribution to the Committee from the vendors.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 31, 1985

Mr. George L. Clark, Jr., Treasurer
Committee on Arrangements for the
1984 Republican National Convention
310 First Street, SE
Washington, D.C. 20003

Dear Mr. Clark:

This report is to formally advise you of the findings and recommendations of the Audit staff resulting from the audit of the Committee on Arrangements for the 1984 Republican National Convention. These matters were discussed with you at the conclusion of the fieldwork on December 14, 1984. The Commission approved this report on July 30, 1985.

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**Republican
National
Committee**

**E. Mark Braden
Chief Counsel**

**Michael A. Hess
Deputy Chief Counsel**

September 23, 1985

**The Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463**

RE: 1984 Republican National Convention

Dear Sirs:

I am writing in response to your letter of July 31, 1985, and the accompanying interim report of the Audit Division concerning the Committee on Arrangements for the 1984 Republican National Convention.

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In its interim audit report, the Commission's staff raises a single issue using a number of examples as to the designation of certain Convention vendors as "official providers." The Commission requests information from the Committee as to the appropriateness of items or services received by the Committee on Arrangements pursuant to contracts designating vendors as official providers. Enclosed with this letter are two memoranda drafted by outside counsel to the Committee on Arrangements outlining the basis for such agreements and the policy for the execution of such arrangements. Additionally, enclosed are forms which were used in conjunction with all official designation agreements. As the enclosed documents clearly indicate, all such agreements were "arms length" commercial transactions

made in the ordinary course of business. No items of value were received without commensurate commercial and/or financial payment by the Committee on Arrangements. The interim report requests documentation that the discounts received were in compliance with 11 CFR Section 9008.7 (c)(1)(2). I believe the enclosed documents clearly provide this documentation. The enclosed documents show the extraordinary care the Committee took to ensure compliance with the Act. The records of the Committee on Arrangements contain written representations pursuant to the enclosed forms and memoranda from every vendor, listed in the interim audit report. These records are readily available for individual review if the Commission desires.

Additional information confirming the value of services provided by vendors to the Arrangements Committee can only be obtained by the Commission directly contacting those vendors. The Committee on Arrangements has no expertise or ability to independently determine the value of services or items provided to the Committee. Direct and unequivocal representations by vendors that transactions are commercially reasonable and that the Committee on Arrangements was not receiving any discounts or services which were not in the ordinary course of industry practice is the only practical course for any committee to use when seeking compliance with the statute. Without any indication of bad faith, the Committee on Arrangements should be able to rely on reasonable express representation of vendors that their prices for services, or goods, or other commercial arrangements, are in the ordinary course of the vendors' business and are not contributions to the Committee. If the Commission has doubts as to the validity of the vendors' representations, the vendors should be contacted directly. Requiring the Committee to provide proof in addition to the vendors' express written

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representations, without any indication of bad faith, would be an exorbitant request.

If you should have additional questions, or if I may be of any further assistance in this matter, please do not hesitate to contact my office. The Committee on Arrangement desires to resolve promptly any questions which the Commission may have. I want to thank the Commission for granting an extended period in which to respond to your inquiries.

Very truly yours,



E. Mark Braden

EMB:jd
Enclosures

cc: George Clark, Treasurer
1984 Committee on Arrangements
Roger Allan Moore, General Counsel
Republican National Committee
George B. Reid, Jr., Esquire
Covington & Burling
R. Carter Sanders, Jr., Esquire

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January 20, 1984

MEMORANDUM

Re: Policy Concerning Business Discounts in
Connection with the 1984 Republican
National Convention

Officials of the Committee on Arrangements have been contacted increasingly by businesses and organizations proposing to provide goods or services in connection with the 1984 Republican National Convention at discount rates or on other favorable terms. Under the federal election law, goods and services may be provided at discount rates in connection with the Convention only under certain defined circumstances.^{1/} In order to ensure compliance with the federal election law, all proposals for discounted goods or services must be approved by counsel to the Committee, Covington & Burling. The following guidelines are intended to expedite such consideration and approval.

First, when contacted by a business or organization proposing to provide discounted goods or services in connection with the Convention, the official in question should attempt to ascertain and record the facts relevant to an analysis under the federal election law. This will reduce the inconvenience to prospective vendors of repeated contacts,

^{1/} These circumstances are discussed in a memorandum dated January 1, 1983, entitled "Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention."

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reduce necessary lawyer time and ensure a prompt response to the organization or business involved. To assist you in obtaining pertinent facts from the organizations or businesses proposing to provide discounted goods or services, a series of standard questions is set forth below.

Second, each organization or business proposing to provide discounted goods or services in connection with the Convention should be given a copy of the January 1, 1983, memorandum entitled "Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention." This is necessary to provide prospective vendors with an explanation of the parameters of the federal election law, to prepare them for subsequent conversations with our counsel and, as discussed below, to obtain from each such organization or business a representation that the circumstances of the proposed transaction fall within one or more of the legally permitted categories set forth in such memorandum.

Third, the official in question should consult with George Reid and/or Scott Gilbert at Covington & Burling to provide them with a full description of the relevant facts. Prospective vendors should be alerted that, following such consultation, they may be contacted by Covington & Burling for further information.

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Finally, the official in question should ensure that, prior to agreeing to accept the provision of discounted goods or services in connection with the Convention, such transaction has specifically been approved by Covington & Burling and the organization or business has provided the representation described above. This is necessary in order for the Committee on Arrangements to maintain its good faith compliance with the limitations and proscriptions of the federal election law.

* * *

The following standard questions should serve as a basis for obtaining the factual information necessary to a proper consideration of each proposal of discounted goods or services. However, because no two factual situations will be identical, you should feel free to adapt or add to these questions, as the situation warrants.

1. Who is the appropriate contact person for the business or organization?
2. What is the general nature of the organization's or business' line of business?
3. Is the organization or business incorporated? If so, where?
4. Does the organization or business have offices in the Dallas area? If so, how many and what kind of offices?

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5. What kinds of goods or services does the organization or business propose to provide in connection with the Convention?
6. Would the organization or business be obtaining any such goods or services from other sources? If so, what would be the terms of such transactions?
7. What would be the approximate cost (on a total and per-item basis) to the business organization of providing goods or services in connection with the Convention?
8. What is the period over which the organization or business proposes to provide goods or services?
9. Is there a fair market value for the goods and services that would be provided? If not, why not? If so, what would be the fair market value (on a total and per-item basis)?
10. Why is the organization or business proposing to provide discounted goods or services in connection with the Convention?
11. Has the organization or business approached the D.N.C. to offer a similar proposal? If not, why not? If so, what are the terms of such proposal and the D.N.C. response?
12. Would the organization or business be willing to offer goods or services on a similar basis to the D.N.C.? If not, why not? Would the organization or business be willing to offer similar discounted goods or services to non-political entities? If not, why not?
13. Why is it in the organization's or business' best interest to provide discounted goods or services in connection with the Convention?
14. Has the organization or business previously provided goods or services on similar terms to any other entity, whether political or non-political? If not, why not? If so, what were the identities of the parties and the terms of such transactions?

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15. Is the business or organization aware of other instances in its industry where similar goods or services were provided on similar terms to any other entities? If not, why not? If so, what were the general nature of such transactions?

16. If counsel to the Committee on Arrangements were not to approve the organization's or business' proposal, would the organization or business be willing to consider a modification of its proposal?

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Form Letter for Official Designation

Dear,

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as an "official" provider of those goods or services.

We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principal offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and

_____ (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and services, the RNC and the Committee agree to pay the Vendor good and valuable consideration which includes authorizing the Vendor to advertise that it is the "Official _____ of the 1984 Republican National Convention." No other Vendor will be advertised as the "Official _____ of the 1984 Republican National Convention without the Vendor's written consent.

The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual, except the "1984 Republican National Convention."

In order to comply with federal election laws, please also select the relevant paragraph from (1), (2) or (3) below and include it in the written agreement.

The vendor herein represents that any discount offered and agreed upon by the parties hereto is:

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(1) equal to the standard discount rate normally provided by the Vendor to non-political commercial entities in the ordinary course of the Vendor's business, or;

(2) equal to the discounts that are of common practice in the industry in which the Vendor is involved, and the Vendor would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though the Vendor in the past has not routinely made such discounts or reductions available to non-political, commercial entities, or;

(3) provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, such that the Vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

In the General Provision portions of the contract, please include the following:

In connection with this Contract, the Vendor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the Vendor or any breach of any obligation under this Contract.

The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

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The following signature style shall be used:

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL
CONVENTION

1984 REPUBLICAN NATIONAL COMMITTEE

By: _____
R. CARTER SANDERS, JR.
Counsel

By: _____
ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

ATTEST:

NAME OF VENDOR

_____ By: _____

If you have questions regarding the details discussed herein, please contact R. Carter Sanders, Jr., Anderson, Hibey, Nauheim & Blair, 1708 New Hampshire Avenue, N.W., Washington, D.C. 20009, (202) 483-1900.

Very truly yours,

8040721297



1984 Republican National Convention

**COMTEE ON
ARRANGEMENTS:**

Ernest Angelo, Jr., TX
Chairman

Trudy McDonald, GA
Vice Chairman

George Clark, NY
Treasurer

Mary Eilers, GA
Secretary

Roger Allen Moore
General Counsel

January 1, 1983

**Guidelines for Permissible Business
Discounts in Connection with the
1984 Republican National Convention**

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This memorandum is designed to provide guidance to businesses proposing to provide goods or services in connection with the 1984 Republican National Convention at discounted rates or on other favorable terms. By virtue of federal law governing federal elections and presidential nominating conventions, goods and services may be provided at discounted rates in connection with such conventions only under certain defined circumstances. These permitted circumstances are discussed below. Any corporation or other business entity proposing to provide goods or services at discounted rates or on other favorable terms will be required to represent in writing to the Arrangements Committee for the 1984 Republican National Convention that the circumstances of the proposed transaction fall within one or more of the legally permitted categories set forth below.

The Federal Election Campaign Act and the corresponding regulations of the Federal Election Commission prohibit corporations from making contributions or expenditures in connection with a federal election. For purposes

of this proscription, a "contribution" is defined to include the provision of "money, or any services, or anything of value." Thus, the provision of corporate goods or services in connection with the 1984 Republican National Convention at less than the usual and normal charge for such goods or services generally would constitute a contribution and would be impermissible under the federal election law.

No contribution would result, however, if the provision of corporate services or goods at reduced or discounted rates is offered by a corporation in the ordinary course of business.^{*/} Such reductions or discounts may be considered to be offered by a corporation in the ordinary course of business if:

1) it is the standard practice of such corporation to offer such discounts or reductions to non-political, commercial entities under similar circumstances;

2) although such corporation in the past has not routinely made such discounts or reductions available to non-political, commercial entities, the provision of such reductions or discounts is a common practice in the industry in which the corporation is involved, and the corporation would be willing in the future to offer such reductions or

^{*/} In this regard, the Federal Election Commission's regulations explicitly provide that retail businesses may provide goods or services to a "national committee with respect to a presidential nominating convention at reduced or discounted rates . . . [so long as] such reductions or discounts are in the ordinary course of business." 11 C.F.R. § 9008.7(c)(1)(i).

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discounts to non-political, commercial entities under similar circumstances; or

3) although it is not the standard practice of the corporation or a common practice in the industry to offer such reductions or discounts, the discounts or reductions in question are provided in exchange for a commercial benefit of equal or greater value, such that the corporation would be willing to offer such reductions or discounts to non-political, commercial entities under similar circumstances.

Unless one of these three situations exists, the Arrangements Committee will be unable to accept goods or services from a corporation at reduced or discounted rates.

1. Standard Corporate Practice

There is a presumption that the provision of corporate goods or services at reduced or discounted rates to a political organization such as the Arrangements Committee, which is responsible for organizing and administering a presidential nominating convention, is politically motivated and therefore made in connection with a federal election and impermissible. This presumption may be rebutted if it is the standard practice of such corporation to offer such discounts or reductions to non-political, commercial entities under similar circumstances.

Thus, a corporation may provide discounts or reductions to the Arrangements Committee on a volume basis

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if it is the standard practice of such corporation to offer to its other clients or customers volume discounts or reductions similar in kind or degree. Similarly, if it is the practice of a corporation to provide reductions or discounts to clients whose use of its goods or services it expects will bring it additional prestige and future customers, it also may offer such discounts or reductions to the Arrangements Committee on a basis of similar realistic expectations.

2. Common Industry Practice

The situation may arise where the corporation in question in the past has not routinely offered reductions or discounts to non-political entities on a basis similar to that on which it desires to offer reductions or discounts to the Arrangements Committee, and therefore cannot be said to have a standard practice of offering such discounts or reductions. In such a situation, the reductions or discounts offered to the Arrangements Committee still may be said to be offered in the corporation's ordinary course of business if it is a widely-known practice in the industry in which such corporation is involved to offer such discounts or reductions to non-political, commercial entities. In such circumstances, it would be within the realm of reasonable commercial practice for the corporation in question to offer such reductions or discounts to an organization like the

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Arrangements Committee. However, in order to rebut completely any presumption that such reductions or discounts are politically motivated, it is important that the corporation in question would be willing in the future to offer discounts or reductions to non-political, commercial entities on a basis similar to that on which such reductions or discounts are offered to the Arrangements Committee.

3. Commercial Benefits

In the situations described above, where it is standard corporate practice or common industry practice to offer to non-political, commercial clients discounts or reductions on a basis similar to that on which such discounts or reductions are offered to the Arrangements Committee, there is an underlying assumption that the corporation providing such discounts or reductions will receive in return commensurate, albeit perhaps intangible, commercial benefits, and therefore that such reductions or discounts are made in the ordinary course of business. If there is no prior practice of offering such reductions or discounts to non-political, commercial clients, either by the corporation or in the industry, then a commensurate commercial benefit cannot be inferred. In such a situation, therefore, the

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presumption that the provision of corporate reductions or discounts to the Arrangements Committee constitutes an impermissible political contribution may be rebutted only if the reductions or discounts in question are offered by the corporation in exchange for demonstrable commercial benefits of equal or greater value. -

As a practical matter, it will be difficult for a corporation to determine whether it will receive from the Arrangements Committee commercial benefits of equal or greater value in the absence of a formal agreement between the corporation and the Arrangements Committee that would require action or forbearance by the Arrangements Committee of commensurate value to the corporation. In this regard, an executory contract providing for future consideration by the Arrangements Committee, i.e., a promise to endorse a particular product, would be permissible. In the case of an executory contract, care must be taken to ensure that the time within which the Arrangements Committee must fulfill its promise is reasonable in light of commercial practice in the industry. It bears emphasis that in such a case, actual consideration must be provided by the Arrangements Committee; the mere expectation by the corporation in question of a commensurate commercial return is not sufficient to demonstrate

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the commercial reasonableness of the reductions or discounts
in question.

The Committee on Arrangements
for the 1984 Republican
National Convention

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FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

SENSITIVE

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OFFICE OF THE SECRETARY
FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

Date and Time of Transmittal By MUR 2171
OGC to the Commission Staff Eric Kleinfeld

Source of MUR: INTERNALLY GENERATED

Respondents' Names: Committee on Arrangements for the 1984
Republican National Convention
George L. Clark, Jr., treasurer

American Airlines
American Network Service, Inc.
AT&T Communications
Baldwin Piano and Organ Company
Blythe-Nelson
Compucorp
"D" Magazine (Southwest Media Corporation)
DFW Communications, Inc.
Executive Presentation Systems
Growald Architects
Metier Management & Systems, Inc.
Purolator Courier Corporation
Rapicom, Inc.
Savin Corporation
Southwestern Bell Mobile Systems
VMX, Inc.

Relevant Statutes: 2 U.S.C. § 441b; 26 U.S.C. § 9008(d)(1);
2 U.S.C. § 437(1)
11 C.F.R. § 9008.7; 11 C.F.R.
§ 9008.12(a)(1)(i)

Internal Reports Checked: Audit Referral; Advisory Opinions
1980-21,53,120; 1982-27; 1983-23,29

Federal Agencies Checked: N/A

Generation of Matter

On April 23, 1986, the Federal Election Commission ("Commission") approved the final audit report on the Committee on Arrangements for the 1984 Republican National Convention ("Committee on Arrangements"). At that same time, the Commission also voted to refer the matters discussed below to the Office of General Counsel.

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Summary of Allegations

Sixteen companies designated as "official providers" by the Committee on Arrangements were referred to this office for possibly making prohibited corporate contributions to the Committee on Arrangements in violation of 2 U.S.C. § 441b. The basis for these allegations is the failure of these companies to comply with the guidelines for contributions of goods and services by businesses with respect to a presidential nominating convention, as set forth in 11 C.F.R. § 9008.7(c). The Committee on Arrangements was referred for accepting such prohibited corporate contributions, and, additionally, exceeding the convention expenditure limitation contained in 26 U.S.C. § 9008(d)(1), based upon the value of the goods and services accepted which did not comply with 11 C.F.R. § 9008.7(c).

Factual and Legal Analysis

The Committee on Arrangements registered with the Commission on September 7, 1982, as an affiliate of the Republican National Committee. On June 2, 1983, the Republican National Committee designated the Committee on Arrangements as the convention committee of the Republican Party. The Committee on Arrangements engaged in a program of designating certain companies as the "official provider" of goods and services to the convention. The

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"official provider" designation was given in exchange for goods and services provided at a discounted price or at no cost. In return, the designated vendors were to receive the benefit of publicity for being an "official provider."

Sixteen companies received the designation "official provider" of goods and services to the Republican National Convention. Commission regulations at 11 C.F.R. § 9008.7(c) permit businesses to provide goods and services at a discount or at no charge, with respect to a presidential nominating convention only under the circumstances set forth therein. Otherwise the value of such goods and services will be considered prohibited corporate contributions and the value of the benefits provided will be counted toward the national party's expenditure limitation. ^{1/}

A distinction is drawn in the regulations between businesses that may provide goods or services at a reduced or discounted rate to the convention committee and those business entities that may offer their goods or services at no charge to the convention attendees. The former is set forth at 11 C.F.R.

§ 9008.7(c)(1)(i) which provides,

Retail businesses may sell, lease or rent their product, materials, services or space to the national committee with respect to a presidential nominating convention at reduced or discounted rates: Provided, That such reductions or discounts are in the ordinary course of business.

^{1/} The information available to the Office of General Counsel at this stage of the matter does not indicate whether the official provider designation in and of itself has any intrinsic value.

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Thus, in order for the provision of products, materials, services or space at a reduced or discounted rate not to be considered a contribution, certain requirements must be met:

- (1) The goods and services must be provided by a retail business; and
- (2) The goods and services must be provided at a reduced rate or discount which is in the provider's ordinary course of business.

This regulation by its terms applies specifically to the provision of goods and services to the convention committee. The Explanation and Justification for this regulation states that "in enforcing this standard, the Commission examines whether such discounts were in accordance with standard practice based on the quantity of similar goods or services sold or provided in similar transactions." 44 Fed. Reg. 63,037 (1979).^{2/}

The second category of goods and services which businesses may provide is set forth at 11 C.F.R. § 9008.7(c)(2)(i) which states,

Local business may sell, at nominal cost, or provide at no charge, any of their products or services in the form of samples, discount coupons, promotional items, such as maps, pens, or pencils, with the business' name imprinted on the item, to those attending the convention functions. Such samples, coupons and promotional items shall be: Of nominal value; provided solely for bona fide advertising or promotional purposes; and provided in the ordinary course of business.

Thus, in order for the in-kind contribution of goods and services at no charge to be permissible, certain requirements must be met:

^{2/} Of relevance is inquiry into whether the retail business offering the discount has a history of offering such discounts, as well as the extent and value of the commercial benefit received by the corporation.

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The goods and services . . .

- (1) must be provided by a local business;
- (2) must be in the form of samples, discount coupons or promotional items;
- (3) must be provided to convention attendees
- (4) must be of nominal value;
- (5) must be provided for bona fide advertising or promotional purposes; and
- (6) must be provided in the ordinary course of business.

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The distinction between subsection (c) (1) and (c) (2) is the recipient of the goods or services. Subsection (c) (2) allows local businesses to give token goods to attendees of convention functions, such as tote bags, key chains or pens or pencils. Subsection (c) (1), on the other hand, covers "big ticket" items, which under certain conditions, constitute goods and services to the official convention committee to conduct the business of the convention.

Where, as here, goods and services are provided to the convention committee, the requirements of 11 C.F.R. § 9008.7(c) (1) must be satisfied. Subsection (c) (2) is not applicable. All sixteen of the official providers made their goods or services available to the Committee on Arrangements in order to assist that Committee in conducting the daily convention business. None of the materials provided were in the form of samples, discount coupons or promotional items provided to the convention attendees. Because these items were not of the sort provided to convention attendees, such as the tote bags in

Advisory Opinion 1985-53, subsection (c)(2) is inapplicable and further analysis is most appropriate under subsection (c)(1).

For purposes of analysis under § 9008.7(c)(1), the sixteen official providers can be broken down into two groups: those which provided their goods and services at a discount or reduced rate and those which provided their goods or services free. The analysis differs depending on which group the business falls into. Subsection (c)(1) allows retail businesses to provide goods and services at a discount. If it does so, and such discount is in the ordinary course of business, then the provisions of (c)(1) have been complied with. However, subsection (c)(1) does not contemplate the provision of goods and services to a convention committee at no charge, only at a discount.

The consequences of a contribution made by an incorporated business which is not in accord with 11 C.F.R. § 9008.7(c)(1) are twofold. First, the provider of the goods or services would have made an illegal corporate contribution in violation of 2 U.S.C. § 441b. That provision prohibits any corporation from making a contribution in connection with any election to any political office. 2 U.S.C. § 441b also makes it unlawful for any political committee to accept or receive any corporate contribution. 3/

3/ At this stage of the matter, the information available to the Office of General Counsel does not indicate whether all sixteen official providers are incorporated.

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Second, the value of the goods or services not provided in accord with the requirements of 11 C.F.R. § 9008.7(c)(1) will apply toward the national party's expenditure limitation with regard to the nominating convention. 26 U.S.C. § 9008(b)(1) provides major parties with entitlements with respect to a presidential nominating convention. The national committee of a major party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of payments to which such committee is entitled. 26 U.S.C. § 9008.7(d)(1). Similarly, a national committee of a major party may not incur convention expenses with respect to a presidential nominating convention, in excess of its entitlement. 11 C.F.R. § 9008.7(a)(1). Thus, if the provision of goods and services is not made in accord with 11 C.F.R. § 9008.7(c)(1) or (2), the Committee on Arrangements would have incurred additional convention expenses. If the Committee on Arrangements had expended the amount to which it was entitled under 26 U.S.C. § 9008.7(b), the result of the additional expenses would be an expenditure in excess of the limitation for the Committee, a violation of 26 U.S.C. § 9008(d).

The remainder of this report applies the principles discussed above to each of the respondents in this matter.

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American Airlines

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In exchange for the official provider designation, American Airlines agreed to provide reduced airfares. The relevant language in the contract executed between American Airlines and the Committee on Arrangements states, "American agrees to make available additional advance purchased MEETING SAVER FARES equal to (i) any special promotional fares made available to American for which the travelers may qualify or (ii) 30% discount off the full day coach/fares published on American's then current tariff, whichever is lower . . ." Besides discounted fares, American Airlines also agreed to provide the following: (1) 25% discount for freight charges; (2) 30 free temporary memberships in the "AAdvantage program;" (3) free tickets to the Committee on Arrangements based on the number of tickets purchased; (4) an airport hospitality room, press rooms, assistance booths for baggage claims, ground transportation coordination, an automated service center at the convention, an airline staff member assigned to each state/territory attending the convention; and (5) other services, such as a special "800" number, printing of convention folders, supplying the Committee on Arrangements with monthly status reports, and baggage tags to the travelers. Based on the records which were available, the Audit Division was unable to determine a value for the services provided by American Airlines.

At this stage of the matter, there are questions regarding whether American Airlines has satisfied the requirements of

11 C.F.R. § 9008.7(c)(1). Although the discounted ticket prices may be in the ordinary course of business, there is no evidence indicating that the entire discounted package offered by American Airlines was one offered in their ordinary course of business. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that American Airlines violated 2 U.S.C. § 441b.

American Network Service, Inc. ("ANS")

In exchange for the official provider designation, ANS provided a booth, along with computers, printers, data communication equipment, software and personnel, to provide data transfer and electronic mail between the Convention Hall and various hotels. A written agreement was executed between ANS and the Committee on Arrangements, which provided for a payment of \$10,000 to ANS, a discount of 50% of the normal charge. The relevant language of the contract reads,

3. Discounts. The \$10,000 payment provided for in paragraph 2a above includes a 50% discount from the usual and customary amount ANS would charge for Booth. ANS hereby warrants that the 50% discount is equal to the discounts that are of common practice in the industry in which ANS is involved, and ANS would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though ANS in the past has not routinely made such discounts or reductions available to non-political commercial entities.

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This language was suggested by the Committee on Arrangements in its official designation letter. However, its inclusion does not resolve this matter, given the size of the discount and indications that ANS may have undervalued its services. According to the August 21, 1984 edition of The New York Times, ANS provided equipment and supplies valued at \$250,000.

At this stage of the matter, there is evidence ANS has not satisfied the requirements of 11 C.F.R. § 9008.7(c)(1). The evidence indicates that ANS may not be engaged in retail business, and that ANS' services and equipment may not have been provided in the ordinary course of business, as suggested in the above news report. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that ANS violated 2 U.S.C. § 441b.

AT&T Communications, Inc. ("AT&T")

In exchange for the official provider designation, AT&T agreed to provide telecommunications equipment and service at no cost. AT&T executed a contract with the Committee on Arrangements, which addresses the political contribution issue:

The services enumerated . . . are provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, i.e. at no charge to RNC or the Committee such that the vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

Under the contract, AT&T was permitted to install phone booths which generated income for the company. Based on AT&T's

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proposal, the audit division valued the equipment and service at \$250,800.

AT&T's provision of equipment and service at no charge to the Committee on Arrangements is not permitted by 11 C.F.R. § 9008.7(c)(1). Therefore, the Office of General Counsel recommends that the Commission find reason to believe that AT&T violated 2 U.S.C. § 441b.

Baldwin Piano and Organ Company ("Baldwin")

In exchange for the official provider designation, Baldwin agreed to provide ten stand-up pianos and up to three baby grand pianos. No rental or moving costs were to be charged for these pianos. No written contract was executed between Baldwin and the Committee on Arrangements. As a result, the Audit Division was unable to determine a value for the services provided by Baldwin.

Baldwin's rental and provision of pianos at no charge to the Committee on Arrangements is not permitted by 11 C.F.R. § 9008.7(c)(1). Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Baldwin violated 2 U.S.C. § 441b.

Blythe-Nelson

In exchange for the official provider designation, Blythe-Nelson provided one free hour of telecommunication consulting services for every two hours provided. Additionally Blythe-Nelson was to coordinate telecommunication and information systems at no cost. No contract was executed between Blythe-Nelson and the Committee on Arrangements. However, based on documentation from Blythe-Nelson, the Audit Division valued the services provided for no cost at \$88,195.

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The provision of free telecommunications services by Blythe-Nelson to the Committee on Arrangements is not permitted by 11 C.F.R. § 9008.7(c)(1). Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Blythe-Nelson violated 2 U.S.C. § 441b.

Compucorp

In exchange for the official provider designation, Compucorp agreed to provide between 11 and 30 word processors for the rental rate of \$100 per unit, per month. Also, Compucorp agreed to provide 81 major system components for the rental rate of \$100 per unit, per month. These components were used for an electronic mail network. A written agreement was executed between the Committee on Arrangements and Compucorp, reading in relevant part:

Lessor is engaged in the business of selling and leasing word processing equipment and software and desires to secure the promotional benefits that would accrue to its business as a result of its designation as the official supplier of word processing equipment for the 1984 Republican National Convention.

This language does not indicate that the discount in question was given in the normal course of business. As set forth in the final and interim audit reports, the Committee on Arrangements paid an estimated \$62,500 for services that Compucorp itself reportedly valued at well over \$1.5 million in the August 21, 1984 edition of The New York Times.

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At this stage of the matter there is evidence that Compucorp has not satisfied the requirements of 11 C.F.R. § 9008.7(c)(1). As stated in the General Counsel's comments to the final audit report, the file contains no documentation tending to support the proposition that Compucorp's goods and services were provided in the ordinary course of business. Additionally, Compucorp may not be a retail business. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that Compucorp violated 2 U.S.C. § 441b.

"D" Magazine/Southwest Media Corporation

In exchange for the official provider designation, the Southwest Media Corporation agreed to prepare and distribute the official guide to the convention. No written contract was executed between "D" Magazine and the Committee on Arrangements. Based on the records which were available, the Audit Division was unable to determine a value for the services provided. However, the Committee reported a payment of \$11,073.76 with the purpose listed as "official convention guide."

At this stage of the matter, there is reason to believe that "D" Magazine has not satisfied the requirements of 11 C.F.R. § 9008.7(c)(1). There is no evidence that the provision of these services at such a rate is within the ordinary course of business of "D" Magazine. Nor is there any evidence that the Southwest Media Corporation is a retail business. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that "D" Magazine/Southwest Media Corporation violated 2 U.S.C. § 441b.

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DFW Communications, Inc. ("DFW")

In exchange for the official provider designation, DFW offered its standard discount rate along with the use of 30 pagers at no cost. A written contract was executed between DFW and the Committee on Arrangements which stated,

We offer our services at a rate equal to the standard discount rate normally provided by the vendor to the non-political commercial entities in the ordinary course of the vendor's business.

Based on the records available, the Audit Division was unable to determine a value for the discount and pagers providers by DFW.

At this stage of the matter there is evidence that DFW has not satisfied the requirements of 11 C.F.R. § 9008.7(c)(1)(i). Without documentation for the DFW contract, there is no indication that DFW's standard discount plus 30 additional free pagers is in the ordinary course of business. Additionally, it is not clear whether DFW is a retail business. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that DFW violated 2 U.S.C. § 441b.

Executive Presentation Systems ("EPS")

In exchange for the official provider designation, EPS agreed to provide graphic services at a discounted rate. No written agreement was executed between EPS and the Committee on Arrangements. As a result, the Audit Division was unable to determine a value for the services provided by EPS.

At this stage of the matter, there is reason to believe that EPS has not satisfied the requirements of 11 C.F.R.

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§ 9008.7(c)(1). There is no indication that the services provided were done so in the ordinary course of business. There is also no indication whether EPS is a retail business. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that EPS violated 2 U.S.C. § 441b.

Growald Architects ("Growald")

In exchange for the official provider designation, Growald agreed to provide architectural services, up to \$25,000. A written agreement was executed between Growald and the Committee on Arrangements which stated,

We view this exchange as being one of equal value given and received. The vendor would offer similar exchanges to non-political commercial entities under similar circumstances.

The Audit Division was unable to determine a value for the Architectural services provided. Apparently, Mr. Growald provided his services for free, but received \$22,500 in "direct personnel expenses." Although Mr. Growald's individual services may be exempt as volunteer services, 2 U.S.C. § 431(8)(B)(i), the use of his employees, equipment or facilities would not be similarly permitted and instead would be subject to meeting the requirements of 11 C.F.R. § 9008.7(c)(1).

At this stage of the matter, there is reason to believe that Growald has not satisfied the requirements of 11 C.F.R. § 9008.7(c)(1). Although Growald is a retail business, there is not sufficient evidence to indicate whether the discount provided

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on Growald's architectural services was done so in the ordinary course of business. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that Growald violated 2 U.S.C. § 441b.

Metier Management & Systems, Inc. ("Metier")

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In exchange for the official provider designation, Metier was to provide the use of its proprietary computer system for the planning and scheduling of the convention. Additionally, access to its project management system was to be provided, which includes use of ARTEMIS programs, computer hardware, remote access to its computer, and consulting assistance. All of these services were provided at no cost. A copy of an undated agreement, signed by Committee officials but not by Metier's claims that the exchange of the computer system for the official provider designation was "one of equal value given and received. The vendor would offer similar exchanges to non-political, commercial entities under similar circumstances." However, the Audit Division was unable to determine a value for the services provided by Metier.

The provision of Metier's computer services at no cost to the Committee on Arrangements is not permitted by 11 C.F.R. § 9008.7(c)(1). Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Metier violated 2 U.S.C. § 441b.

Purolator Courier Corporation ("Purolator")

In exchange for the official provider designation, Purolator agreed to discount its rates from 18 to 71 percent and to provide

free pick-up and delivery among the 46 hotels in Dallas, Texas.

A proposed, but unexecuted agreement was prepared by Purolator.

This agreement stated:

This discount should not be construed as a political contribution, but as recognition of the significant commercial value available to Purolator Courier Corp. by having the Republican National Committee Convention as one of our national accounts.

Based on the records which were available, the Audit Division was unable to determine a value on the services provided by Purolator to the Committee on Arrangements.

At this stage of the matter, there is reason to believe that Purolator has not satisfied the requirements of 11 C.F.R. § 9008.7(c)(1). Although Purolator is a retail business, in the absence of an executed contract, there is no documentation that Purolator's discounts were provided in the ordinary course of business. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that Purolator violated 2 U.S.C. § 441b.

Rapicom, Inc. ("Rapicom")

In exchange for the official provider designation, Rapicom provided unspecified equipment without rental charge to the Committee on Arrangements.^{4/} No written contract was executed between Rapicom and the Committee on Arrangements, and based on the records which were available, the Audit Division was unable to determine a value for the equipment provided.

^{4/}Rapicom stated that the "Rental charges for the equipment would be waived as a contribution from Rapicom, Inc."

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Rapicom's rental of equipment at no charge to the Committee on Arrangements is not permitted by 11 C.F.R. § 9008.7(c)(1). Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Rapicom violated 2 U.S.C. § 441b.

Savin Corporation ("Savin")

In exchange for the official provider designation Savin agreed to provide a minimum of 25 copiers and an on-site full-time Customer Service Representative. Savin discounted its lowest special events price by \$9000. No written contract was executed between Savin and the Committee on Arrangements. As a result, the Audit Division was unable to determine a value for the services provided by Savin.

At this stage of the matter, there is evidence that Savin has not satisfied the requirements of 11 C.F.R. § 9008.7(c)(1). Although Savin is a retail business, Savin acknowledges that it gave a discount over its lowest event price. Such discounted services does not appear to have been provided in the ordinary course of business. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that Savin violated 2 U.S.C. § 441b.

Southwestern Bell Mobile Telephone Systems, ("Southwestern Bell")

In exchange for the official provider designation, Southwestern Bell agreed to provide fifty (50) cellular mobile telephones plus associated airtime usage, up to \$50,000, at no

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cost. A written agreement was executed between Southwestern Bell and the Committee on Arrangements. However, the agreement does state, "[t]he contractor is desirous of obtaining the benefit of being associated with the Convention and the attendant good will, advertising and public relations . . ." Neither the vendor nor the Committee states the actual value of the services received, nor is there any evidence of a common industry practice. The Audit Division was unable to determine a value for the goods and services provided by Southwestern Bell.

Southwestern Bell's provision of telephones and airtime usage at no cost to the Committee on Arrangements is not permitted by 11 C.F.R. § 9008.7(c)(1). Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Southwestern Bell violated 2 U.S.C. § 441b.

VMX, Inc. ("VMX")

In exchange for the official provider designation, VMX provided voice mailboxes to the Committee on Arrangements at no cost. No written contract was executed between VMX and the Committee on Arrangements. However, according to the August 21, 1984 edition of The New York Times, a representative of VMX stated "his company had provided its service and equipment to the convention at no charge. He put the value of both at up to \$500,000."

VMX's provision of voice mailboxes at no cost to the Committee on Arrangements is not permitted by 11 C.F.R. § 9008.7(c)(1). Therefore, the Office of General Counsel

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recommends that the Commission find reason to believe that VMX violated 2 U.S.C. § 441b.

Committee on Arrangements

The consequences for the Committee on Arrangements for failing to comply with the requirements of 11 C.F.R. § 9008.7(c)(1) are twofold. First, the Committee on Arrangements would have accepted prohibited corporate contributions, in the form of the goods and services provided. Second, without the free or discounted goods and services, the Committee would have incurred additional convention expenses, thus exceeding the convention expenditure limitation. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Committee on Arrangements violated 2 U.S.C. § 441b and 26 U.S.C. § 9008(d).

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RECOMMENDATIONS

The Office of General Counsel recommends that the
Commission:

1. Find reason to believe that the following violated
2 U.S.C. § 441b:

American Airlines
American Network Service, Inc.
AT&T Communications
Baldwin Piano and Organ Company
Blythe-Nelson
Compucorp
"D" Magazine (Southwest Media Corporation)

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DFW Communications, Inc.
Executive Presentation Systems
Growald Architects
Metier Management & Systems, Inc.
Purolator Courier Corporation
Rapicom, Inc.
Savin Corporation
Southwestern Bell Mobile Systems
VMX, Inc.

2. Find reason to believe that the Committee on Arrangements for the 1984 Republican National Convention and George L. Clark, Jr., as treasurer, violated 2 U.S.C. § 441b and 26 U.S.C. § 9008(d)(1).
- 3.
4. Approve the attached letters.
5. Approve the attached factual and legal analyses.

Charles N. Steele
General Counsel

10/22/84
Date

BY 
Lawrence M. Noble
Deputy General Counsel

Attachments

1. Audit Referral
2. Letters
3. Factual and Legal Analyses

8040721327



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CHERYL A. FLEMING *CAF*

DATE: OCTOBER 27, 1986

SUBJECT: OBJECTIONS TO MUR 2171 - FIRST GENERAL COUNSEL'S
SIGNED OCTOBER 22, 1986

The above-captioned document was circulated to the Commission on Thursday, October 23, 1986 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	<u> X </u>
Commissioner Elliott	<u> X </u>
Commissioner Josefiak	<u> X </u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Thomas	<u> </u>

This matter will be placed on the Executive Session agenda for Tuesday, November 4, 1986.

8040721328

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Committee on Arrangements for the)
1984 Republican National)
Convention)
George L. Clark, Jr., treasurer)

American Airlines)
American Network Service, Inc.)
AT&T Communications)
Baldwin Piano and Organ Company)
Blythe-Nelson)
CompuCorp)
"D" Magazine (Southwest Media Corporation))
DFW Communications, Inc.)
Executive Presentation Systems)
Growald Architects)
Metier Management & Systems, Inc.)
Purolator Courier Corporation)
Rapicom, Inc.)
Savin Corporation)
Southwestern Bell Mobile Systems)
VMX, Inc.)

MUR 2171

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CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of November 5, 1986, do hereby certify that the Commission took the following actions in MUR 2171:

1. Decided by a vote of 4-2 to find no reason to believe that American Airlines violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, and McDonald voted affirmatively for the decision. Commissioners McGarry and Thomas dissented.

(continued)

2. Decided by a vote of 5-1 to find reason to believe that American Network Service, Inc. violated 2 U.S.C. § 441b.

Commissioners Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Aikens dissented.

3. Failed in a vote of 3-2 to pass a motion to find no reason to believe AT&T Communications violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, and Josefiak voted affirmatively for the motion; Commissioners McDonald and McGarry dissented. Commissioner Thomas recused with respect to this matter and abstained in the vote.

4. Failed in a vote of 2-3 to pass a motion to find reason to believe AT&T Communications violated 2 U.S.C. § 441b.

Commissioners McDonald and McGarry voted affirmatively for the motion; Commissioners Aikens, Elliott, and Josefiak dissented. Commissioner Thomas abstained.

5. Decided by a vote of 5-0 to take no further action and close the file with respect to AT&T Communications.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas abstained.

(continued)

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6. Decided by a vote of 5-0 to find reason to believe the Baldwin Piano and Organ Company violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, and Thomas voted affirmatively for the decision; Commissioner McGarry was not present at the time of the vote.

7. Decided by a vote of 4-1 to find reason to believe that Blythe-Nelson violated 2 U.S.C. § 441b.

Commissioners Aikens, Josefiak, McDonald, and Thomas voted affirmatively for the decision; Commissioner Elliott dissented; Commissioner McGarry was not present at the time of the vote.

8. Decided by a vote of 5-0 to find reason to believe that Compucorp violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, and Thomas voted affirmatively for the decision; Commissioner McGarry was not present at the time of the vote.

9. Decided by a vote of 6-0 to find no reason to believe "D" Magazine (Southwest Media Corporation) violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

10. Decided by a vote of 5-1 to find no reason to believe DFW Communications, Inc. violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas dissented.

(continued)

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11. Decided by a vote of 6-0 to find reason to believe Executive Presentation Systems violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

12. Decided by a vote of 6-0 to find no reason to believe that Growald Architects violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

13. Decided by a vote of 6-0 to find reason to believe that Metier Management & Systems, Inc. violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

14. Decided by a vote of 5-1 to find no reason to believe that Purolator Courier Corporation violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas dissented.

15. Decided by a vote of 6-0 to find reason to believe Rapicom, Inc. violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

(continued)

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16. Decided by a vote of 6-0 to find reason to believe Savin Corporation violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

17. Decided by a vote of 5-1 to find reason to believe Southwestern Bell Mobile Systems violated 2 U.S.C. § 441b.

Commissioners Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Aikens dissented.

18. Decided by a vote of 6-0 to find reason to believe that VMX, Inc. violated 2 U.S.C. § 441b.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

19. Decided by a vote of 6-0 to find reason to believe that the Committee on Arrangements for the 1984 Republican National Convention and George L. Clark, Jr., as treasurer, violated 2 U.S.C. § 441b and 26 U.S.C. § 9008(d)(1).

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

- 20.

(continued)

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21. Decided by a vote of 6-0 to direct the Office of General Counsel to send appropriate letters pursuant to the above actions.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

22. Decided by a vote of 6-0 to direct the Office of General Counsel to send factual and legal analyses, amended as appropriate.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

11-6-86

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 13, 1986

James L. Blythe
Blythe - Nelson
8700 North Stemmons Freeway
Suite 301
Dallas, Texas 75247

RE: MUR 2171
Blythe-Nelson

Dear Mr. Blythe:

On November 5, 1986, the Federal Election Commission determined there is reason to believe that Blythe-Nelson violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Blythe-Nelson. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your company, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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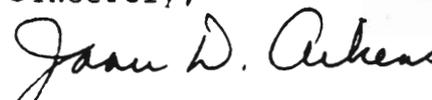
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,



Joan D. Aikens
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
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3040721336



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1986

George L. Clark, treasurer
Committee on Arrangements for the 1984
Republican National Convention
c/o Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

RE: MUR 2171
Committee on Arrangements for
the 1984 Republican
National Convention and
George L. Clark, as
treasurer

Dear Mr. Clark:

On November 5, 1986, the Federal Election Commission determined there is reason to believe the Committee on Arrangements for the 1984 Republican National Convention and you, as treasurer, violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and § 9008(d)(1), Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either

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proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

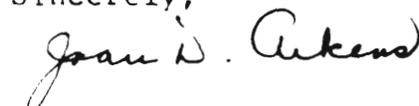
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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,



Joan D. Aikens
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1986

Patrick L. Durbin, President
Metier Management & Systems, Inc.
5884 Point West Drive
Houston, Texas 77036

RE: MUR 2171
Metier Management Systems,
Inc.

Dear Mr. Durbin:

On November 5, 1986, the Federal Election Commission determined there is reason to believe that Metier Management Systems, Inc. violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Metier Management Systems, Inc. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your company, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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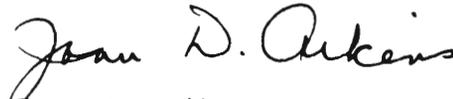
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,



Joan D. Aikens
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1986

Dick Harrison
Chairman of the Board
Baldwin Piano and Organ Company
1801 Gilbert Avenue
Cincinnati, Ohio 45202

RE: MUR 2171
Baldwin Piano and Organ
Company

Dear Mr. Harrison:

On November 5, 1986, the Federal Election Commission determined there is reason to believe that Baldwin Piano and Organ Company violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Baldwin Piano and Organ Company. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your company, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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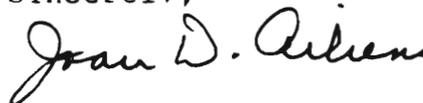
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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,



Joan D. Aikens
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1986

Alan Saffron, President
American Network Service, Inc.
1875 Trousdale Drive
Burlingame, California 94010

RE: MUR 2171
American Network Service, Inc.

Dear Mr. Saffron:

On November 5, 1986, the Federal Election Commission determined there is reason to believe that American Network Service, Inc. violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against American Network Service, Inc. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your company, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,



Joan D. Aikens
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

3040721344



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1986

Lance Rentzel
Compucorp
2211 Michigan Avenue
Santa Monica, California 90404

RE: MUR 2171
Compucorp

Dear Mr. Rentzel:

On November 5, 1986, the Federal Election Commission determined there is reason to believe that Compucorp violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Compucorp. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your company, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,


Joan D. Aikens
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1986

Jim M. Madden, Sales Manager
Executive Presentation Systems
5400 LBJ Freeway
Suite 200
Dallas, Texas 75240

RE: MUR 2171
Executive Presentation Systems

Dear Mr. Madden:

On November 5, 1986, the Federal Election Commission determined there is reason to believe that Executive Presentation Systems violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Executive Presentation Systems. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your company, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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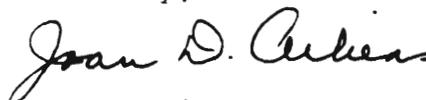
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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,



Joan D. Aikens
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

8040721348



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1986

William P. Manzon
Southwest Regional Manager
Rapicom, Inc.
7878 Grow Lane
Suite 124
Houston, Texas 77040

RE: MUR 2171
Rapicom, Inc.

Dear Mr. Manzon:

On November 5, 1986, the Federal Election Commission determined there is reason to believe that Rapicom, Inc. violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Rapicom, Inc. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your company, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,

Joan D. Aikens
Joan D. Aikens
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

8040721350



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1986

Richard K. Taylor
Branch General Manager
Savin Corporation
2359 Midway Road
Carrollton, Texas 75006

RE: MUR 2171
Savin Corporation

Dear Mr. Taylor:

On November 5, 1986, the Federal Election Commission determined there is reason to believe that Savin Corporation violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Savin Corporation. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your company, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,


Joan D. Aikens
Chairman

Enclosures

- General Counsel's Factual and Legal Analysis
- Procedures
- Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 13, 1986

J.W. Callaway, President
Southwestern Bell Mobile Systems
17330 Preston Road
Suite 100A
Dallas, Texas 75252

RE: MUR 2171
Southwestern Bell Mobile
Systems

Dear Mr. Callaway:

On November 5, 1986, the Federal Election Commission determined there is reason to believe that Southwestern Bell Mobile Systems violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Southwestern Bell Mobile Systems. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your company, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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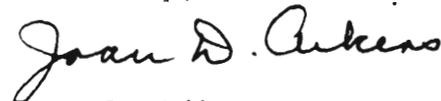
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,



Joan D. Aikens
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

8040721354



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1986

Gordon H. Matthews
Chairman of the Board
VMX, Inc.
1241 Columbia Drive
Richardson, Texas 75081

RE: MUR 2171
VMX, Inc.

Dear Mr. Matthews:

On November 5, 1986, the Federal Election Commission determined there is reason to believe that VMX, Inc. violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against VMX, Inc. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your company, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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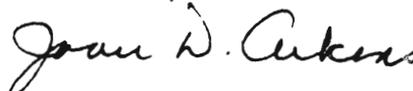
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 376-5690.

Sincerely,



Joan D. Aikens
Chairman

Enclosures

- General Counsel's Factual and Legal Analysis
- Procedures
- Designation of Counsel Statement

8040721356

Allen



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 17, 1986

Sally Gardner
AT&T Communications
Suite 2400
717 North Harwood Street
Dallas, Texas 75201

RE: MUR 2171
AT&T Communications

Dear Ms. Gardner:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission ("Commission") considered the issue of whether AT&T Communications violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended, (the "Act"), by making a prohibited corporate contribution to the Committee on Arrangements for the 1984 Republican National Convention. On November 5, 1986, the Commission was unable to determine by four (4) affirmative votes whether there is reason to believe or no reason to believe that a violation of 2 U.S.C. § 441b has been committed by AT&T Communications, and closed its file in this matter as it pertains to AT&T Communications.

This matter will become part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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Allen



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 17, 1986

Martin C. Growald
Growald Architects
70 Jennings
Forth Worth, Texas 76102-6098

RE: MUR 2171
Growald Architects

Dear Mr. Growald:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission ("Commission") considered the issue of whether Growald Architects violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended, (the "Act"), by making a prohibited corporate contribution to the Committee on Arrangements for the 1984 Republican National Convention. On November 5, 1986, the Commission determined that there is no reason to believe that a violation of 2 U.S.C. § 441b has been committed by Growald Architects.

This matter will become part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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Allen



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 17, 1986

Terry Murphy
Southwest Media Corporation
2988 North Central Expressway
Dallas, Texas 75204

RE: MUR 2171
"D" Magazine/
Southwest Media
Corporation

Dear Mr. Murphy:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission ("Commission") considered the issue of whether Southwest Media Corporation violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended, (the "Act"), by making a prohibited corporate contribution to the Committee on Arrangements for the 1984 Republican National Convention. On November 5, 1986, the Commission determined that there is no reason to believe that a violation of 2 U.S.C. § 441b has been committed by Southwest Media Corporation.

This matter will become part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble
BY: Lawrence M. Noble
Deputy General Counsel

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plm



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 17, 1986

J. Brian McGuigan
Sales & Marketing Manager
DFW Communications, Inc.
9845 Chartwell
Dallas, Texas 75243

RE: MUR 2171
DFW Communications, Inc.

Dear Mr. McGuigan:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission ("Commission") considered the issue of whether DFW Communications, Inc. violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended, (th "Act"), by making a prohibited corporate contribution to the Committee on Arrangements for the 1984 Republican National Convention. On November 5, 1986, the Commission determined that there is no reason to believe that a violation of 2 U.S.C. § 441b has been committed by DFW Communications, Inc.

This matter will become part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble
BY: Lawrence M. Noble
Deputy General Counsel

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plm



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 17, 1986

Hollis S. McLoughlin
Vice President of Marketing
Purolator Courier Corporation
3333 New Hyde Park Road
New Hyde Park, New York 11042

RE: MUR 2171
Purolator Courier
Corporation

Dear Mr. McLoughlin:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission ("Commission") considered the issue of whether Purolator Courier Corporation violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended, (the "Act"), by making a prohibited corporate contribution to the Committee on Arrangements for the 1984 Republican National Convention. On November 5, 1986, the Commission determined that there is no reason to believe that a violation of 2 U.S.C. § 441b has been committed by Purolator Courier Corporation.

This matter will become part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 17, 1986

Mike Gunn
Vice President, Passenger Sales
American Airlines
1101 17th Street, N.W.
Washington, D.C. 20036

RE: MUR 2171
American Airlines

Dear Mr. Gunn:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission ("Commission") considered the issue of whether American Airlines violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended, (the "Act"), by making a prohibited corporate contribution to the Committee on Arrangements for the 1984 Republican National Convention. On November 5, 1986, the Commission determined that there is no reason to believe that a violation of 2 U.S.C. § 441b has been committed by American Airlines.

This matter will become part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

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November 17, 1986

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RECEIVED
OFFICE OF THE
GENERAL COUNSEL

Mr. Eric Kleinfeld
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Kleinfeld:

Pursuant to your conversation today with Mr. James L. Blythe of Blythe-Nelson, I have enclosed a copy of the Texas General Partnership Agreement entered into by James L. Blythe and Mart D. Nelson on June 13, 1981 and a copy of the revised Partnership Agreement dated December 31, 1984.

By this Agreement, we do not fall within the Federal Election Commission's corporate guidelines with regard to donations.

Also enclosed is a copy of Blythe-Nelson Partnership's Assumed Name Certificate from the State of Texas, County of Dallas.

If this information is not sufficient to dismiss the matter as referenced in the enclosed letter of November 13, 1986, please contact Mr. James L. Blythe at (214)634-3900.

Sincerely,

Molly Blythe
Molly B. Blythe
Financial Manager

Enclosures

cc: Mr. George B. Reid, Jr.
Covington & Burling

8040721353

BLYTHE NELSON

The Parties agree to revise and amend that certain Partnership Agreement, dated June 13, 1981 by and between James L. Blythe and Mart D. Nelson pursuant to the terms and conditions set forth in this Agreement.

ARTICLE 1

1.1 The Parties, hereinafter called the Partners, to this Agreement are James Lloyd Blythe and Mart Dudley Nelson.

1.2 The effective date of this Agreement shall be as of the 31st day of December, 1984, the most recent partnership year-end.

1.3 The Partnership name is Blythe Nelson.

1.4 The purpose of the Partnership is to engage in the business of information systems consulting, and in such other business of a similar nature, or related thereto, as shall be agreed upon by the Partners.

1.5 The Partnership business shall be conducted at 8700 N. Stemmons Freeway, Suite 301, Dallas, Texas 75247, and/or such other places as the Partners may determine.

1.6 The Partnership shall continue for an indefinite term until dissolved by mutual agreement of the parties or terminated as herein provided.

ARTICLE 2

2.1 The Partners shall contribute in equal shares any capital that they may deem to be necessary to the operation of the Partnership business.

2.2 No Partner shall withdraw any portion of the capital of the Partnership without the express written consent of the other Partner.

2.3 The net profits of the Partnership shall be distributable to each of the Partners in equal proportions.

2.4 A drawing account shall be maintained for each Partner. All withdrawals by a Partner from the Partnership shall be charged to that Partner's drawing account, and the Partner's share of profits for each year shall be credited to his drawing account. A credit balance in a Partner's drawing account shall be a debt of the Partnership to the Partner payable on demand, and a debit balance in a Partner's drawing account shall be a debt of the Partner to the Partnership payable on demand.

2.5 Unless otherwise unanimously agreed by the Partners, all of the profits of the Partnership shall be distributed to the Partners annually.

2.6 At all times during the continuance of the Partnership, the Partners shall keep accurate books of account in which all matters relating to the Partnership including all income, expenditures, assets, and liabilities thereof, shall be entered. Said books shall be kept on a cash basis and shall be open to examination by either Partner at any time.

2.7 The fiscal year of the Partnership shall be the calendar year, and the books of account shall be closed and balanced at the end of each fiscal year.

2.8 (a) Any net profits or losses that may accrue to the Partnership shall be distributed to or borne by the Partners in equal proportions.

2.8 (b) The term "net profits" as used in this Agreement, shall mean the net profits of the Partnership as determined by generally accepted accounting principles for each accounting period provided for in this Agreement.

ARTICLE 3

3.1 Each Partner shall have equal rights in the management of the Partnership business.

3.2 Each Partner shall devote his undivided time and attention and use the utmost of his skills and ability to the furtherance of the Partnership business.

3.3 No Partner shall, without the consent of the other Partner (which consent shall not be unreasonably withheld), do any of the following:

(a) Borrow money in the firm name for firm purposes or utilize collateral owned by the Partnership as security for such loans;

(b) Assign, transfer, pledge, compromise or release any of the claims of or debts due the Partnership except upon payment in full or arbitrate or consent to the arbitration of any of the disputes or controversies of the Partnership;

(c) Make, execute or deliver any assignment for the benefit of creditors or any bond, confession of judgment, chattel mortgage, deed, guarantee, indemnity bond, surety bond, or contract to sell or contract of sale of all or substantially all of the property of the Partnership;

(d) Lease or mortgage any Partnership real estate or any interest therein or enter into any contract for any such purpose.

(e) Become a surety, guarantor, or accommodation party to any obligation.

3.4 The Partnership shall maintain such bank accounts as the Partners may determine. Checks shall be drawn for Partnership purposes only, and may be signed by any person or persons designated by the Partners. All moneys received by the Partnership shall be deposited in such account or accounts.

ARTICLE 4

4.1 Each Partner agrees that he will not transfer, assign, pledge, hypothecate, or in any way alienate any of his interest, or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise, without the prior written consent of the other partner, except a transfer which meets the requirements of this Article 4. Any purported transfer in violation of any provision of this Article 4 shall be void and ineffectual and shall not operate to transfer any interest or title in the purported transferee.

4.2 On the death of a Partner (hereinafter referred to as the Decedent) all of his interest in the Partnership to which he or his personal representative shall be entitled, shall be sold and purchased as provided in this Section 4.2 and the remaining partner (hereinafter referred to as Remaining Partner) shall have the right to continue the business of the Partnership under its

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present name, either by himself or in conjunction with any other person or persons he may select. The Remaining Partner shall purchase from the Decedent's personal representative and the Decedent's personal representative shall sell to the Remaining Partner all of the Decedent's interest in the Partnership to which the Decedent or his personal representative shall be entitled, at the price determined in accordance with Section 4.3, below. As of the effective date hereof the calculation in accordance with Section 4.3 produces the following result:

<u>Partner</u>	<u>Purchase Price</u>
James L. Blythe	\$52,448.25
Mart D. Nelson	\$52,448.25

The purchase price shall be paid from the proceeds of the insurance policies which are to be taken out by the Partners on the lives of James L. Blythe and Mart D. Nelson. The purchase price shall be paid by the Remaining Partner to the Decedent's personal representative, such payment to be deemed made on account of such purchase price as designated above. The closing of such purchase and sale shall take place at the office of the Partnership at a date designated by the Partnership, which shall not be more than one hundred twenty (120) days following the date of the qualification of the personal representative, and not less than ten (10) days following such date; provided, however, said closing shall take place regardless of date of qualification of the personal representative within six (6) months of the date of death of the Decedent.

4.3 Any Partner may retire from the Partnership by giving the other Partner sixty (60) days written notice of his intention to retire. In the event of the retirement or insanity of a Partner, all of the retiring or insane Partner's interest in the Partnership, to which he is entitled, may be sold and purchased as provided in this Section 4.3 and the remaining partner (hereinafter referred to as Remaining Partner) shall have the rights to continue the business of the Partnership under its present name, either by himself or in conjunction with any person or persons he may select. The Remaining Partner shall purchase from the retiring or insane partner (hereinafter referred to as the Retiring Partner) and the Retiring Partner shall sell to the Remaining Partner all of the Retiring Partner's interest in the Partnership to which he is entitled for the value of such interest to be computed as follows:

The value of the interest of a Retiring Partner, a Transferring Partner or a Decedent shall be the sum of:

- (a) his capital account if any,
- (b) any unpaid loans due him,
- (c) his proportionate share of accrued net profits remaining undistributed in his drawing account, and
- (d) his interest in any prior agreed appreciation in the value of the Partnership property over its book value. No value for good will shall be included in determining the value of the Partner's interest.

The closing of such purchase and sale shall take place at the office of the Partnership at a date designated by the Partnership. The purchase price shall be paid without interest to the Remaining Partner in twelve (12) equal monthly installments commencing on the first day of the second month after the date of closing.

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4.4 In the event a Partner transfers any of his interest in the Partnership pursuant to a property settlement resulting from a divorce, the interest shall be sold and purchased as provided in this Section 4.4. In the event a Partner transfers any of his interest in the Partnership pursuant to a property settlement resulting from a divorce, such Partner (hereinafter referred to as the Transferring Partner) shall give written notice of such transfer to the Remaining Partner. The notice must set forth the terms and conditions of the proposed transfer.

On receipt of the notice with respect to such transfer, the Remaining Partner shall purchase the interest of the Transferring Partner for the value of the interest as set forth in section 4.3 hereof. The closing of such purchase and sale shall take place at the office of the Partnership at a date designated by the Partnership. The purchase price shall be paid without interest to the person to whom the interest is being transferred in twelve (12) equal monthly installments commencing on the first day of the second month after the date of the closing.

4.5 In the event the remaining Partner or Partners do not elect to purchase the interest of the retiring or insane Partner, or in the event the Partners mutually agree to dissolve the Partnership, the Partnership shall terminate and the Partners shall proceed with reasonable promptness to liquidate the business of the Partnership. The assets of the Partnership shall first be used to pay or provide for all debts of the Partnership. Thereafter, all moneys remaining undistributed in the drawing accounts of the Partners shall be paid to the Partners respectively entitled thereto. Then the remaining assets shall be divided according to the proportionate interests of the Partners on the basis of their respective capital accounts as they stood upon the date of such termination after crediting or debiting thereto the net profit or loss accrued or incurred, as the case may be, from the date of the last accounting to the date of termination.

ARTICLE 5

5.1 Any and all notices between the parties provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when personally delivered to a Partner, or, in lieu of such personal service, when deposited in the United States mail, certified, postage prepaid, addressed to such Partner at the address of the principal place of business of the Partnership or to such other place as may from time to time be specified in a notice given pursuant to the paragraph as the address for service of notice on such Partner.

5.2 Any and all consents and agreements provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Partnership.

5.3 This instrument contains the sole and only agreement of the parties relating to their Partnership and correctly sets forth the rights, duties, and obligations of each to the other in connection therewith as its date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect and are hereby superseded.

ARTICLE 6

The share of the Partnership interest deemed to be owned by Rosemary Nelson shall for all purposes of this Agreement be included in, deemed part of, and bound by the same terms hereof as the Partnership interest of which Mart D. Nelson is the owner;

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and any action taken, transfer, offer made, or option exercised hereunder with reference to the Partnership interest owned by Mart D. Nelson shall be applicable to the Partnership interest deemed to be owned by Rosemary Nelson.

The share of the Partnership interest deemed to be owned by Cathy M. Blythe shall for all purposes of this Agreement be included in, deemed part of, and bound by the same terms hereof as the Partnership interest of which James L. Blythe is the owner; and any action taken, transfer, offer made, or option exercised hereunder with reference to the Partnership interest owned by James L. Blythe shall be applicable to the Partnership interest deemed to be owned by Cathy M. Blythe.

Executed on June 13, 1985, at Dallas County, Texas.

James Lloyd Blythe
JAMES LLOYD BLYTHE
Mart Dudley Nelson
MART DUDLEY NELSON

The undersigned, Cathy M. Blythe, wife of James L. Blythe, who as a Partner executed the foregoing Agreement, hereunto subscribes her name in evidence of her agreement and consent to the disposition made of the Partnership interest of Blythe Nelson, referred to in the foregoing Agreement, and to all other provisions thereof, this the 14th day of June, 1985.

Cathy M. Blythe
CATHY M. BLYTHE

The undersigned, Rosemary Nelson, wife of Mart D. Nelson, who as a Partner executed the foregoing Agreement, hereunto subscribes her name in evidence of her agreement and consent to the disposition made of the Partnership interest of Blythe Nelson, referred to in the foregoing Agreement, and to all other provisions thereof, this the 13th day of June, 1985.

Rosemary Nelson
ROSEMARY NELSON

8040721368

ASSUMED NAME CERTIFICATE
OF
BLYTHE-NELSON



State of Texas
County of Dallas

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned Partners of Blythe-Nelson, a Texas Partnership organized under the Texas Uniform Partnership Act, for the purpose of complying with the Assumed Business or Professional Name Act, Chapter 36, Title 4, of the Business and Commerce Code of the State of Texas, do hereby certify the following facts:

1. That the name under which the Partnership will conduct and transact business is Blythe-Nelson, of Dallas, Dallas County, Texas.
2. That the registrant is a Partnership.
 - a. That the name of the Partnership is Blythe-Nelson.
 - b. That the Partnership office address is Bruton Park, 8700 N. Stemmons Freeway, Suite 301, Dallas, Texas 75247.
 - c. That the true and full names and addresses of the Partners conducting or transacting such business are:

<u>NAME</u>	<u>ADDRESS</u>
1. James L. Blythe	Bruton Park 8700 N. Stemmons Freeway Suite 301 Dallas, Texas 75247
2. Mart D. Nelson	Bruton Park 8700 N. Stemmons Freeway Suite 301 Dallas, Texas 75247

3. That Blythe-Nelson, the name under which the Partnership will conduct and transact business, will be used from September 14, 1983 to September 24, 1993.

4. That the business conducted in such county under such assumed name will be rendered by the Partnership.

IN TESTIMONY WHEREOF, we have hereunto set our hand this 17 day of September, 1983.


James L. Blythe

Mart D. Nelson

8040721359

THE STATE OF TEXAS §

This instrument was acknowledged before me on the Friday of September, 1983, by James L. Blythe.

Miranda B. Gray
Notary Public in and for
the State of T E X A S

My Commission Expires:

October 26, 1985

THE STATE OF TEXAS §

This instrument was acknowledged before me on the 1st day of September, 1983, by Mart D. Nelson.

Miranda B. Gray
Notary Public in and for
the State of T E X A S

My Commission Expires:

October 26, 1985

8040721370

savin

November 20, 1986

VIA FEDERAL EXPRESS

RECEIVED AT THE FEC
HAND DELIVERED

86 NOV 21 P12: 45
Savin Corporation

9 West Broad Street
P. O. Box 10270
Stamford, CT 06904-2270
203/967-5168
GC# 2064

Eric Kleinfeld, Esq.
Federal Election Commission
Washington, D.C. 20463

Mari-Jo Florio Scopac
Assistant
General Counsel

Re: MUR-2171
Savin Corporation

Dear Mr. Kleinfeld:

This letter will confirm our telephone conversation of November 19, 1986, in which I requested from you a twenty-day extension in which to respond to the matters raised in the letter addressed to Richard K. Taylor, Branch General Manager Savin Corporation, Carrollton, Texas dated November 13, 1986.

Mr. Taylor received the letter on November 17 and forwarded it to me via overnight mail on that day. I received it on the 19th and I ask that the extension run from that day.

Having made some preliminary inquiries, I believe that Savin will be able to clearly demonstrate that its pricing to the Republican National Committee was in accordance with its discount schedule as applied in the ordinary course of business and that any discount allocated to the Committee would not be considered an illegal corporate contribution in violation of the law. Specifically, I am told that the pricing to the Republican National Committee was similar to that provided to U.S. government purchasers under a federal contract which we hold with the GSA.

On the basis of these representations, I ask that you act favorably upon our request for an extension of time. I would appreciate a response to this request and ask that any further correspondence in this matter be directed to me at the above address.

Yours sincerely,

Mari-Jo Scopac

Mari-Jo F. Scopac

cc: Joan D. Aikens
Chairman
Federal Election Commission
Washington, D.C. 20463

Richard K. Taylor
Branch General Manager
Savin Corporation
Carrollton, Texas

8040721371

16 NOV 21 P4: 35

RECEIVED
GENERAL COUNSEL



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Alm

November 24, 1986

Mari-Jo F. Scopac, Esquire
Assistant General Counsel
Savin Corporation
P.O. Box 10270
Stamford, CT 06904-2270

Re: MUR 2171
Savin Corporation

Dear Ms. Scopac:

This is in response to your letter dated November 20, 1986, in which you request a twenty (20) day extension of time to respond to the Commission's reason to believe determination in the above-captioned matter.

I have reviewed your request and agree to the requested extension. Accordingly, your response is due no later than December 22, 1986. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

By: Lois G. Lerner
Associate General Counsel

8040721372

GCC 2106

COHEN & WHITE

SUITE 504

1055 THOMAS JEFFERSON STREET, N. W.

WASHINGTON, D. C. 20007

202-342-2550

FACSIMILE: 202-342-6147

November 26, 1986

NOV 26 1986 13:25

COHEN & WHITE

Ms. Joan D. Aikens
Chairman
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2171, Metier Management Systems, Inc.; Request
for Extension of Time

Dear Ms. Aikens:

We represent Metier Management Systems, Inc. (Metier),
Respondent in the above-captioned matter. By your letter
dated November 13, 1986, which Metier received on or about
November 16, 1986, the Federal Election Commission (FEC)
provided Metier with the opportunity to respond to the FEC's
charge that Metier may have violated 2 U.S.C. 441(b) of the
Federal Election Campaign Act of 1971.

Metier respectfully requests an extension of time in
which to demonstrate that no action should be taken against
it. As Counsel for Metier, we were not advised of this
action until November 24, 1986. Metier therefore requires
additional time to gather factual information and to compile
a statement of factual and legal materials in response to the
FEC's letter. Accordingly, Metier respectfully requests an
extension of five (5) days, until December 8, 1986, in which
to file its submission.

Please be advised that Metier will cooperate with the
FEC to resolve this matter as expeditiously as possible.

Yours very truly,



Andrew Mohr
Counsel for Metier Management
Management Systems, Inc.

cc: Eric Kleinfeld
Attorney
Federal Election Commission
Washington, D.C. 20463

3 1 4 0 7 2 1 3 7 0

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 2171

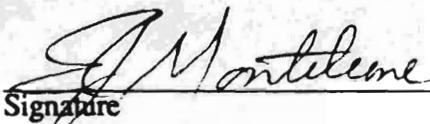
NAME OF COUNSEL: Andrew Mohr, Esq.

ADDRESS: Cohen & White
1055 Thomas Jefferson St., N.W., Suite 504
Washington, DC 20007

TELEPHONE: (202) 342-2550

The above-named individual is hereby designated as our counsel and is authorized to receive any notifications and other communications from the Commission and to act on our behalf before the Commission.

Nov. 25, 1986
Date


Signature

Elvin J. Monteleone
Name

Vice President, Federal Systems Division
Title

RESPONDENT'S NAME: Metier Management Systems, Inc.

ADDRESS: 4900 Seminary Road, Suite 400
Alexandria, Virginia 22311

HOME PHONE: (Private)

BUSINESS PHONE: (703) 379-0030

8040721374

GCC # 2109
RECEIVED AT THE FEC
DELIVERED
NOV 28 9:02

**Southwestern Bell
Mobile Systems**

17330 Preston Rd., Suite 100A
Dallas, Texas 75282
(214) 733-2008

Donna Lynn Snyder
Vice President-
General Attorney & Secretary

November 25, 1986

NOV 28 AID: 21
GENERAL COUNSEL

General Counsel's Office
ATTENTION: Eric Kleinfeld
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

RE: MUR 2171, Southwestern Bell Mobile Systems

Dear Mr. Kleinfeld:

On November 17, 1986, my client, Southwestern Bell Mobile Systems (SBMS), received the letter from the Federal Election Commission (Commission) regarding the above-referenced investigation. According to my calculations and under 11 C.F.R. §111.2, our response must be filed no later than December 5, 1986.

My client requests a two week extension of time within which to file its response to the General Counsel's investigation and legal brief, thereby making the filing deadline December 19, 1986. This extension is absolutely necessary to enable SBMS to have sufficient time within which to gather the facts relevant to the transaction in question, as well as to obtain the necessary and appropriate affidavits.

Respondent's initial inquiries indicate that it will be necessary to obtain information from at least three to seven people who are no longer employed by SBMS, and who no longer reside in Dallas, Texas. This will obviously interfere with Respondent's ability to gather the facts and obtain affidavits within the very short statutory guidelines. This problem is further compounded by the fact that two work days are lost during this time period due to the Thanksgiving Holidays.

This request for an extension should not adversely affect the Commission's investigation or any potential Commission enforcement action or remedy. The General Counsel's office has had some period of time within which to

3040721375

General Counsel's Office
Page 2
November 25, 1986

complete its investigation and prepare its brief of the legal issues. Although Respondent does not know how long it took the General Counsel's office to prepare its submission to the Commission, it is clear that the transaction in question and the negotiations relevant thereto occurred over two years ago. On the other hand, the refusal to grant this delay will undoubtedly cause this Respondent serious hardship and may result in this Respondent not having an opportunity to complete its own factual investigation and legal analysis.

Even at this preliminary stage, it is in the Commission's interest, as well as in the interests of all parties to this proceeding, that the General Counsel and the Commission reach a fair decision based upon an adequate record. Accordingly, for good cause, Respondent requests this two week extension of time.

Sincerely,



DONNA LYNN SNYDER

DLS/kn

433K.10

cc: Commission Secretary

8040721376

GCC# 243
RECEIVED AT THE FEC
HAND DELIVERED
86 NOV 26 11:55
A. HARDCASTLE, JR.
HAROLD L. HITCHINS, JR.
R. TERRY MILLER

BAKER, SMITH & MILLS
A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS
500 LTV CENTER
2001 ROSS AVENUE
DALLAS, TEXAS 75201-2916

SUSAN L. ABBOTT
ROBERT A. BAKER
STEVEN ALAN BENNETT
STEPHEN R. BISHOP
TIMOTHY D. BLAKELEY
GEORGE K. BLEUHER, III
SUSAN VALENTINE BROWN
BENNY D. CAMPBELL
ROGER N. CHAUZA
JOSEPH M. COLEMAN
ROBERT W. COLEMAN
O. LUKE DAVIS, III
SAM J. DEALEY
MARK CHARLES ENOCH
PETER A. FRANKLIN III
CLIFFORD L. FRIEDMAN
SAM GLAST
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ROBERT B. JACKSON

JOSEPHINE JENNINS-MITCHELL
AILEEN E. JOHNSON
WAYNE A. JONES
JAMES R. KIMBERLIN
KIM L. LAWRENCE
ALAN W. LINTEL
JAMES W. LITSEY
MICHAEL A. LOGAN
CECIL S. MATHIS
MICHAEL L. MCCOY
LAWRENCE J. McNAMARA
ROBERT F. MIDDLETON
FRED L. MILLER
JERRY W. MILLS
L. DALE PARSONS
MICHAEL D. PARSONS
JEFFERSON PERKINS
DALE E. PLAXCO
JOHN E. RICHARDS
KANE ST. JOHN
SHARON CHARDAK SANTUCCI
JERRY R. SELINGER
PHILLIP N. SMITH, JR.
PATRICK V. STARK
DOUGLAS A. TATUM
CHRISTOPHER R. TURNER
J. GLENN TURNER, JR.
GAYLENE P. VADEEN
FRANCES VALDEZ VALDEZ
ANDERSON WALLACE, JR.
MARTHA E. WATERS

TELEPHONE (214) 220-8200
TELECOPY (214) 220-8333
TELEX 734108
BSM DAL UD

WRITER'S DIRECT DIAL NUMBER
(214) 220-8422

SENT BY FEDERAL EXPRESS
NO. 1015472706

November 25, 1986

6040721377

Federal Election Commission
Washington, D.C. 20463

Attention: Eric Kleinfeld

Re: MUR 2171
VMX, Inc.

Gentlemen:

Enclosed is a Statement of Designation of Counsel executed by VMX, Inc. naming this firm and the undersigned as counsel with reference to the above-designated matter. Please be advised that VMX, Inc. received your letter dated November 13, 1986, yesterday, November 24, 1986 and it was delivered to the undersigned today.

We intend to submit a timely response or request for extension of time whichever is appropriate.

Sincerely yours,
A. Hardcastle, Jr.
A Hardcastle, Jr.

jm

Enclosure

cc: Mr. Gordon H. Matthews
Chairman of the Board
VMX, Inc.
17217 Waterview Parkway
Dallas, Texas 75252

86 NOV 28 AM 10:23

RECEIVED
GENERAL COUNSEL

*NOT ADMITTED IN TEXAS

Federal Election Commission
November 25, 1986
Page 2

cc: Mr. W. Dal Berry
President
VMX, Inc.
17217 Waterview Parkway
Dallas, Texas 75252

Ms. Joan D. Aikens
Chairman
Federal Election Commission
Washington, D.C. 20463

8040721378

STATEMENT OF DESIGNATION OF COUNSEL

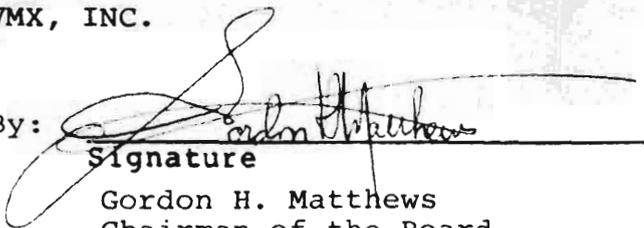
MUR 2171
NAME OF COUNSEL: A Hardcastle, Jr.
ADDRESS: Baker, Smith & Mills
2001 Ross Ave., Ste. 500
Dallas, Texas 75201
TELEPHONE: (214) 220-8422

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

VMX, INC.

November 25, 1986

Date

By: 

Signature

Gordon H. Matthews
Chairman of the Board

RESPONDENT'S NAME: VMX, INC.
ADDRESS: 17217 Waterview Parkway
Dallas, Texas 75252
HOME PHONE: _____
BUSINESS PHONE: (214) 907-3000

8040721379



Republican National Committee

E. Mark Braden
Chief Counsel

Michael A. Hess
Randall Davis
Deputy Chief Counsels

November 26, 1986

The Honorable Joan D. Aikens
Chairman
Federal Election Commission
999 E Street, N. W.
Washington, D. C. 20463

RE: MUR 2171 Committee on Arrangements
for 1984 Republican National Con-
vention and George L. Clark, Treas.

Dear Chairman Aikens:

This letter is a request for an extension of time in which the Committee on Arrangements for the 1984 Republican National Convention ("Committee") may respond to the Federal Election Commission's determination that there is reason to believe the Committee may have violated provisions of the Federal Election Campaign Act of 1971, as amended.

The Committee is requesting an extension of sixty days in which to fully respond to the Commission's allegations. The allegations contained in the General Counsel's factual analysis relate to events arising in 1984. It will take significant time for the Committee to obtain and review the files from those events which occurred such a lengthy period of time prior to the Commission's determination.

The most recent communications from the Commission in regard to these issues were more than fourteen months prior to the Commission's notification

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BY MESSENGER FEC
COMM. SECRETARY

06 DEC 1 1986 P12: 37

16 DEC 1 1986 P4: 11

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GENERAL COUNSEL

8040721380

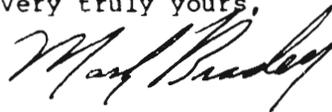
to the Committee of its continual concern. It seems reasonable, if the Commission takes fourteen months to review a matter, that the Committee should have more than fifteen days in which to respond.

The Committee's response will require contacts and discussions with representatives of sixteen businesses located across the country, a difficult if not impossible task in a fifteen-day period, especially since the response period comes during the most difficult time to conduct business -- the Holiday Season.

For these reasons and the fact that an extension of time would in no way prejudice the Commission's responsibilities or any known party's rights, the Committee is requesting the sixty-day extension. Such an extension would provide the Committee with sufficient time to fully respond to the Commission's allegations and would, in all probability, result in a quicker resolution of the matter than would occur if the Commission attempted to impose a more stringent time frame which would not permit the Committee, at this initial stage, to respond in appropriate detail.

If you should have any questions in regard to this matter, the Committee is anxious to resolve them with the Commission's staff.

Very truly yours,



E. Mark Braden

EMB:jd

3040721331

GCC# 2136

RECEIVED
OFFICE OF THE
SECRETARY

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2171

96 DEC 1 12:37

NAME OF COUNSEL: Donna Lynn Snyder

ADDRESS: Southwestern Bell Mobile Systems

17330 Preston Road, Suite 100A

Dallas, Texas 75252

TELEPHONE: 214/733-2008

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

16 DEC 1 11:11

RECEIVED
GENERAL COUNSEL

11/21/86
Date

[Signature]
Signature

RESPONDENT'S NAME: John T. Stupka, President (11/1/85)

ADDRESS: Southwestern Bell Mobile Systems

17330 Preston Road, Suite 100A

Dallas, Texas 75252

HOME PHONE: 214/985-0446

BUSINESS PHONE: 214/733-2001

8040721332

plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 1, 1986

Donna Lynn Snyder, Esquire
Southwestern Bell Mobile Systems
17330 Preston Road
Suite 100A
Dallas, Texas 75252

Re: MUR 2171
Southwestern Bell
Mobile Systems

Dear Ms. Snyder:

This is in response to your letter dated November 25, 1986, in which you request a two (2) week extension of time to respond to the Commission's reason to believe determination against Southwestern Bell Mobile Systems.

I have reviewed your requested extension and agree to the additional time. Accordingly, your response is due no later than December 19, 1986. If you have any questions, please contact Eric Kleinfeld, the attorney handling this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lois G. Lerner
Associate General Counsel

80407-1380

plm



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 1, 1986

Andrew Mohr, Esquire
Cohen & White
Suite 504
1055 Thomas Jefferson St., N.W.
Washington, D.C. 20007

Re: MUR 2171
Metier Management
Systems, Inc.

Dear Mr. Mohr:

This is in response to your letter dated November 26, 1986, in which you request a five (5) day extension of time to respond to the Commission's reason to believe determination against your client, Metier Management Systems, Inc.

I have reviewed your request and agree to the requested extension. Accordingly, your response is due no later than December 8, 1986. If you have any questions, please contact Eric Kleinfeld, the attorney handling this matter at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lois G. Lerner
Associate General Counsel

8040741384

RICOH CORPORATION

5 Dedrick Place, West Caldwell, New Jersey 07006

Phone: 201-882-2000 Fax: 201-673-6881 Telex: 752930 ROA-UD

December 1, 1986

300#2144
RECEIVED AT THE FEC
HAND DELIVERED
86 DEC 2 AM 11:17

FEDERAL EXPRESS

Eric Kleinfeld, Esq.
Office of General Counsel
Federal Election Committee
999 E. Street, N.W.
Washington, D.C. 20463

RE: MUR 2171
Rapicom, Inc.

Dear Mr. Kleinfeld:

Pursuant to 11 C.F.R. Section 111.18 (d) please be advised that by this letter, Ricoh Corporation (formerly Rapicom, Inc.), does hereby seek to enter into negotiations with the Office of General Counsel with the intention of reaching a pre-probable cause conciliation agreement in the above referenced matter.

Should this be acceptable to the General Counsel, please direct all future correspondence to the address noted below:

David R.S. Kennedy, Esq.
General Counsel - Office Products Business
RicoH Corporation
5 Dedrick Place
West Caldwell, New Jersey 07006

Tel: (201) 882-2137
Facsimile: (201) 673-6934 (Rapicom Model 6100)

Sincerely yours,

RICOH CORPORATION

David R.S. Kennedy
David R.S. Kennedy
General Counsel
Office Products Business

DRSK:njw

cc: J. Sheehan
W. Manzon

RECEIVED
GENERAL COUNSEL
16 DEC 2 PM 3:33

8040721380

RECEIVED AT THE FEC
GCC # 2151
86 DEC 2 12:31

LAW OFFICES
POLLET & NESBITT
A PROFESSIONAL CORPORATION
1880 CENTURY PARK EAST
SUITE 817
LOS ANGELES, CALIFORNIA 90067

TELEPHONE
(213) 203-0220

VENTURA OFFICE:
3875 TELEGRAPH ROAD
SUITE J
VENTURA, CALIFORNIA 93003

November 26, 1986

Eric Kleinfeld, Esq.
Federal Election Commission
Washington D.C. 20463

Re: Your Ref.: MUR 2171 Compucorp
Our File No.: 0515-001

Dear Mr. Kleinfeld:

Please be advised that this law firm has been retained by Compucorp in connection with the above-referenced matter.

Please be further advised that we were retained in connection with this matter on or about November 24, 1986. Accordingly, I respectfully request an additional 20 day continuation in which to respond. Additionally, if you allow this continuance we may be able to enter into a conciliation if warranted by an investigation of the facts.

I thank you in advance for your courtesy and cooperation.

Best regards.

LAW OFFICES OF POLLET & NESBITT
A PROFESSIONAL CORPORATION

By 

ANDREW F. POLLET

AFP:mo
cc: Mr. Herb Allen,
Compucorp

RECEIVED
GENERAL COUNSEL
86 DEC 2 13:31

18040721330

plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 3, 1986

Andrew F. Pollett, Esquire
Pollett & Nesbit
1880 Century Park East
Suite 817
Los Angeles, California 90067

Re: MUR 2171
Compucorp

Dear Mr. Pollett:

This is in response to your letter dated November 26, 1986, in which you request a twenty (20) day extension of time to respond to the Commission's determination against your client, Compucorp.

I have reviewed your request and agree to the requested extension. Accordingly, your response is due no later than December 26, 1986. If you have any questions, please contact Eric Kleinfeld, the attorney handling this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lois G. Lerner
Associate General Counsel

8040721387

CCC# 2186

BAKER, SMITH & MILLS

A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS
500 LTV CENTER
2001 ROSS AVENUE
DALLAS, TEXAS 75201-2916

OF COUNSEL:
A HARDCASTLE, JR.
HAROLD L. MITCHINS, JR.
R. TERRY MILLER

SUSAN L. ABBOTT
ROBERT A. BAKER
STEVEN ALAN BENNETT
STEPHEN R. BISHOP
TIMOTHY D. BLAKELEY
GEORGE K. BLEUHER, III
SUSAN VALENTINE BROWN
BENNY D. CAMPBELL
ROGER N. CHAUZA
JOSEPH M. COLEMAN
ROBERT W. COLEMAN
O. LUKE DAVIS, III
SAM J. DEALEY
MARK CHARLES ENOCH
PETER A. FRANKLIN III
CLIFFORD L. FRIEDMAN
SAM GLAST
MARK A. GOODMAN
THOMAS J. GORMAN
CHERYL M. GOSCH
J. ERIC GRIFFIN
HOWARD A. GROSS
TIMOTHY D. HAGEN
KATHRYN KOONS HARGROVE
JOHN W. HICKS, JR.
PATRICIA A. HILL
DAVID E. HOWE
GREGORY M. HOWISON
J. SCOTT JACKSON
MARIAN E. JACKSON
ROBERT B. JACKSON

JOSEPHINE JENKINS-MITCHELL
AILEEN E. JOHNSON
WAYNE A. JONES
JAMES R. KIMBERLIN
KIM L. LAWRENCE
ALAN W. LINTZEL
JAMES W. LITSEY
MICHAEL A. LOGAN
CECIL S. MATHIS
MICHAEL L. MCCOY
LAWRENCE J. McNAMARA
ROBERT F. MIDDLETON
FRED L. MILLER
JERRY W. MILLS
L. DALE PARSONS
MICHAEL D. PARSONS
JEFFERSON PERKINS
DALE E. PLAXCO
JOHN E. RICHARDS
KANE ST. JOHN
SHARON CHARDAK SANTUCCI
JERRY R. SELINGER
PHILLIP N. SMITH, JR.
PATRICK V. STARK
DOUGLAS A. TATUM
CHRISTOPHER R. TURNER
J. GLENN TURNER, JR.
GAYLENE P. VADEM
FRANCES VALDEZ VALDEZ
ANDERSON WALLACE, JR.
MARTHA E. WATERS

*NOT ADMITTED IN TEXAS

TELEPHONE (214) 220-8200
TELECOPY (214) 220-8333
TELEX 734106
BSM DAL UD

WRITER'S DIRECT DIAL NUMBER
(214) 220-8422

December 4, 1986

SENT BY FEDERAL EXPRESS
No. 1015472765

DEC 5 11:29 AM '86
FEDERAL EXPRESS
P3:27

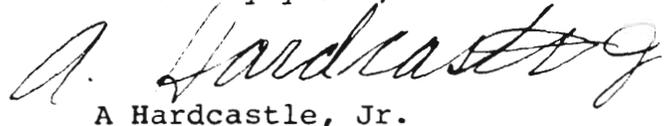
The Honorable Joan B. Aikens
Chairman, Federal Election Commission
Washington, D. C. 20463

Re: MUR 2171
VMX, Inc.

Dear Chairman Aiken:

This letter is a request for an extension in time in which VMX, Inc. may respond to the Federal Election Commission's determination that there is reason to believe VMX may have violated provisions of the Federal Election Campaign Act of 1971 as amended. VMX is requesting an extension of at least 60 days in which to fully respond to the Commission's allegations. The allegations contained in the General Counsel's Factual Analysis relate to events arising in 1984. There are a number of parties involved who are no longer associated with VMX and it will take considerable time for VMX to collect materials and interview appropriate parties so as to allow a proper response to the determination.

Sincerely yours,



A Hardcastle, Jr.

jm

cc: Mr. Gordon H. Matthews
Mr. W. Dal Berry

80407-1300

Graydon Head & Ritchey

1900 Fifth Third Center
511 Walnut Street
Cincinnati, Ohio 45202

Mailing Address
P.O. Box 6464
Cincinnati, Ohio 45201

(513) 621-6464

Telecopier (513) 651-3836
Telex 214160

Direct Dial Number
(513) 629-2723

Leslie A. Meek
John W. Warrington
Nelson Schwab, Jr.
Bruce I. Petrie
William H. Anderson
Joseph H. Head, Jr.
John L. Evans, Jr.
Robert L. Kreidler
William R. Hardy
Thomas A. Brennan
Robert S. Marriott
John A. Flanagan*
Peter J. Strauss
Joseph E. Kane
Thomas A. Simons, Jr.
John J. Kropp
John B. Pinney
Glenn V. Whitaker*
William J. Baechtold
James J. Cunningham**

CC# 2187
Ben L. Black
John Diott Knowlton
Thomas W. Kahle
Henry G. Alexander, Jr.
Bruce A. Hoffman
Barbara A. Pantenburg
Michael A. Hirschfeld
Michael R. Barrett
Anthony G. Covatta
Eric C. Okerson
Bruce I. Petrie, Jr.
Richard T. La Jeunesse
Stephen M. Goodson
J. Jeffrey Landen**
Richard G. Schmalz†
Harry J. Finkle IV
C. Mark Bongard**
Timothy S. Black**
David E. Fowler
Thomas L. Gabelman

Gerald R. O'Connell, Jr.
Mary W. Schmalz***
A. Christian Worrell III**
Scott M. Sefton
Monica A. Donath
John B. Griffith
Of Counsel
Michael K. Keating
Robert A. Taft II

*Also admitted in
District of Columbia
**Also admitted in
Kentucky
***Admitted in
Maryland only
†Admitted in
Pennsylvania and
Washington, D.C.
only

December 4, 1986

FEDERAL EXPRESS DELIVERY

Ms. Joan D. Aikens
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MUR 2171
Baldwin Piano & Organ Company

Dear Ms. Aikens:

We are writing in response to your letter of November 13, 1986 addressed to Mr. Dick Harrison, Chairman of the Board, Baldwin Piano & Organ Company. The letter was received by Mr. Harrison on November 20, 1986. We are enclosing herewith a statement of designation of counsel signed on behalf of Baldwin Piano & Organ Company.

On behalf of Baldwin Piano & Organ Company, we have undertaken a brief investigation of the factual allegations set forth in the General Counsel's factual and legal analysis. We believe that some of the facts upon which that analysis is based are erroneous. We are submitting herewith an affidavit by Mr. Harrison on behalf of Baldwin Piano & Organ Company in order to set forth the facts as the company understands them.

We also take issue with General Counsel's conclusion that there is reason to believe that Baldwin has violated 2 U.S.C. §441b in providing three pianos for no monetary consideration to the Committee on Arrangements. The pianos in question were provided as part of a business transaction made in the ordinary course of business and upon terms customary and reasonable in the piano industry. There was no donative intent.

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OFFICE

Ms. Joan D. Aikens
December 4, 1986
Page Two

Moreover, Baldwin's action was expressly permitted under 11 C.F.R. §9008.7(c)(1). Baldwin engages in the retail sale, leasing, and renting of pianos in the ordinary course of its business. It typically furnishes its products on a temporary basis without monetary charge to events of national prominence in return for an agreement that Baldwin is the official provider of pianos to the event in question. The provision of these musical instruments was not without consideration because of the value of the publicity derived from the event. Accordingly, the express language of 11 C.F.R. §9008.7(c)(1) would appear to authorize the transaction under scrutiny.

We look forward to cooperating with the Federal Election Commission and its General Counsel in your review of this transaction. Please advise us if you are in need of additional factual information in order to reach a conclusion that there is no probable cause to believe a violation has occurred.

Very truly yours,

GRAYDON, HEAD & RITCHEY

Stephen L. Black

Stephen L. Black

SLB:ls
Enclosure
cc: R. S. Harrison

3740721390

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2171

NAME OF COUNSEL: Stephen L. Black

ADDRESS: 1900 Fifth Third Center

P.O. Box 6464

Cincinnati, Ohio 45201

TELEPHONE: (513) 629-2723

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Baldwin Piano & Organ Company

12/1/86
Date

by Harry F. Forbes, Jr.
Signature Harry F. Forbes, Jr.
Vice President

RESPONDENT'S NAME: Baldwin Piano & Organ Company

ADDRESS: 422 Wards Corner Road

Loveland, Ohio 45140-8390

HOME PHONE: N/A

BUSINESS PHONE: (513) 576-4531

13040721391

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

In Re: :
Baldwin Piano & Organ Company, : MUR 2171
Respondent. : AFFIDAVIT OF R.S. HARRISON

STATE OF OHIO)
COUNTY OF CLERMONT)SS:

R.S. Harrison, being duly cautioned and sworn,
states as follows:

1. I am Chairman of the Board of Baldwin Piano & Organ Company. Upon receiving notification of this Matter under Review, I have caused company officials to perform a review of the company's records in relation to the provision of pianos to the Committee on Arrangements for the 1984 Republican National Convention in Dallas, Texas. I make this affidavit based on the knowledge and information available to Baldwin Piano & Organ Company as a result of this investigation.

2. Baldwin Piano & Organ Company ("Baldwin") is a manufacturer and retailer of musical instruments, including pianos. In 1984, Baldwin was headquartered in Cincinnati, Ohio. It maintained retail sales facilities at its headquarters as well as to numerous locations in various other states.

3. As part of its overall marketing strategy, Baldwin is and was accustomed to making free loans of its pianos and other musical instruments to events attracting the attention of

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national news media. In return for the provision of pianos without monetary charge, Baldwin customarily received a designation as the official provider of pianos to the event. In the past, Baldwin has supplied piano under such arrangements to the Miss America Pageant, the Worlds Fairs at various locations, the Music Teachers National Associations conventions, the Interlochen Musical Festival, the Aspen Musical Festival, the Mister Rogers Television show, the Billy Graham Crusades, and to numerous music camps. These transactions were arranged in the ordinary course of Baldwin's business as a retailer of musical instruments, and were internally charged as a cost of advertising and product promotion.

4. During the summer of 1984, Baldwin entered into an agreement with the Committee on Arrangements for the 1984 Republican National Convention to provide three Baldwin baby grand pianos at the Convention. In return for delivering, setting up, tuning, and picking up the pianos, Baldwin was to receive the authorization to advertise itself as the official piano company of the 1984 Republican National Convention. The agreement was recited in substance in a letter dated July 25, 1984, from Ernest Angelo, Jr., Chairman, Committee on Arrangements to Mr. Dick Harrison of Baldwin. A copy of this letter is attached hereto as Exhibit 1.

5. In response to the Committee's agreement to designate Baldwin as the official supplier, Baldwin prepared and executed an agreement, a copy of which is attached hereto as Exhibit 2. This agreement was forwarded to the Committee of

Arrangements on August 17, 1984. No signed copy of the agreement was ever received by Baldwin.

6. Under the terms of the agreement, Baldwin was to supply the 1984 Republican National Convention with three baby grand pianos at specific dates and places. Because the Committee had previously indicated unequivocally in its letter dated July 25, 1984 the essential terms of the agreement, Baldwin proceeded to supply the pianos described in paragraphs A and B of Exhibit 2 without insisting on a fully executed agreement. This same accommodation would have been made to any other event of national prominence in order to protect Baldwin's good name. Accordingly, to protect Baldwin's good name, Baldwin proceeded to deliver and set up the two pianos described in paragraphs A and B of Exhibit 2. In addition, according to company records, a single vertical ("stand up") piano was supplied to the convention in lieu of the piano specified in paragraph "C" of Exhibit 2.

7. According to company records, the total out-of-pocket expense to Baldwin of delivery, setting up, tuning, and picking up the three pianos loaned to the 1984 Republican National Convention was \$300.

R.S. Harrison

R.S. Harrison

Sworn to and subscribed personally before me this 4th day of December, 1986.

Barbara J. Thomas
Notary Public

BARBARA J. THOMAS

Notary Public, State of Ohio

My Commission Expires April 26, 1990

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RECEIVED
AUG 6 1984

July 25, 1984

Mr. Dick Harrison
Baldwin Piano and Organ Company
1801 Gilbert Avenue
Cincinnati, OH 45202

Dear Mr. Harrison:

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as the "official" provider of those goods or services.

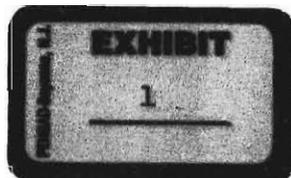
We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and Baldwin Piano and Organ Company (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Piano Company of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official Piano Company of the 1984 Republican National Convention" without the Vendor's written consent.



The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising shall be restricted to the statement "Official Piano Company of the 1984 Republican National Convention".

In order to comply with the Federal Election Laws, the discount you are offering must be within the purview of one of the following general representations. Any discount offered must be either:

(1) equal to the standard discount rate normally provided by the Vendor to non-political commercial entities in the ordinary course of the Vendor's business, or;

(2) equal to the discounts that are of common practice in the industry in which the Vendor is involved, and the Vendor would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though the Vendor in the past has not routinely made such discounts or reductions available to non-political, commercial entities, or;

(3) provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, such that the Vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

Please select the provision under which your discount is offered and insert your affirmative representation at an appropriate place in the contract.

In the General Provision portions of the contract, please include the following:

In connection with this Contract, the Vendor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the Vendor or any breach of any obligation under this Contract.

The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

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This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D. C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and Baldwin Piano & Organ Company (hereinafter referred to as the "Vendor").

The Vendor agrees to provide the following products for use during the Convention and the listed services associated with the said products:

- A. One (1) Baldwin 5 foot 8 inch grand piano, Model "R" in ebony finish, delivered to the "Bandstand" area on August 16, 1984, between 8:00 and 9:00 a.m. Said product will be delivered, set up, tuned, and picked up after the "Committee's" use "free of charge."
- B. One (1) Baldwin 5 foot 2 inch grand piano, Model "M", in ebony finish delivered to the "Podium" area on August 23, 1984. Said product will be delivered, set up, tuned, and picked up after the "Committee's" use "free of charge."
- C. One (1) Baldwin 5 foot 8 inch grand piano, Model "R", in walnut finish, delivered to The First Ladies' Reception, East Ballroom, on August 23, 1984. Said product will be delivered, set up, tuned, and picked up after the "Committee's" use "free of charge."

The above products and services are provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, such that the Vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Piano Company of the 1984 Republican National Convention." No other Vendor will be advertised as the "Official Piano Company of the 1984 Republican National Convention" without the Vendor's written consent.

The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising should be restricted to the statement "Official Piano Company of the 1984 Republican National Convention."



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The following signature style shall be used:

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL CONVENTION

1984 REPUBLICAN NATIONAL COMMITTEE

By: _____
R. CARTER SANDERS, JR.
Counsel

By: _____
ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

ATTEST: _____

BALDWIN PIANO & ORGAN COMPANY

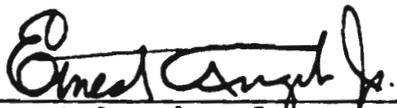
By: _____

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If you have questions regarding the details discussed herein, please contact R. Carter Sanders, Jr., Anderson, Hibey, Nauheim & Blair, 1708 New Hampshire Avenue, N.W., Washington, D.C. 20009 (202) 483-1900.

Upon completion, please forward the written agreement to R. Carter Sanders, Jr. at the above address.

Very truly yours,



Ernest Angelo, Jr.
Chairman
Committee on Arrangements

FEDERAL EXPRESS

INTERNATIONAL SERVICE ACCOUNT NUMBER

93408

0452-0618 (USA 24) 12/4/86

Company Name: **Stephen B. Black, Esq.**
 Your Phone Number (Very Important): **932 923-6444**
 Department/Floor No.:

Company Address: **CHAMBERLAIN ROAD & NICHOLS**
 Street Address: **513 WALNUT ST STE 1900**
 City: **CINCINNATI** State:

Zip Code: **45202**
 ZIP Code Required For Contact Invoicing: **452023117**

Account No.: **9326556904**
 Payment Method: Cash Check Credit Card Other

Invoice No.: **9326556904**
 Invoice Date: **12/4/86**

Invoice Period: **12/4/86**
 Invoice Due Date: **12/11/86**

Invoice Total: **0.00**
 Invoice Balance: **0.00**

Invoice Status: **PAID**

Invoice Description: **EXPRESS MAIL**

Invoice Details: **1000**

Invoice Reference: **9326556904**

Invoice Contact: **9326556904**

Invoice Remarks: **EXPRESS MAIL**

Invoice Footer: **EXPRESS MAIL**

DATE

12/4/86

Recipient's Name: **Mr. Joan D. Albano**
 Company: **Federal Express - Cincinnati**
 Department/Floor No.:

Recipient's Address: **500 E. Street, N.W.**
 City: **Washington** State:

Recipient's Phone: **202 462-1111**

Recipient's Zip: **20004**

Recipient's City: **Washington**

Recipient's State: **D.C.**

Recipient's Country: **USA**

Recipient's Account No.: **9326556904**

Recipient's Invoice No.: **9326556904**

Recipient's Invoice Date: **12/4/86**

Recipient's Invoice Total: **0.00**

Recipient's Invoice Balance: **0.00**

Recipient's Invoice Status: **PAID**

Recipient's Invoice Description: **EXPRESS MAIL**

Recipient's Invoice Details: **1000**

Recipient's Invoice Reference: **9326556904**

Recipient's Invoice Contact: **9326556904**

Recipient's Invoice Remarks: **EXPRESS MAIL**

Recipient's Invoice Footer: **EXPRESS MAIL**

Category	Description	Quantity	Rate	Total
1	EXPRESS MAIL	1000	0.00	0.00
2	EXPRESS MAIL	0	0.00	0.00
3	EXPRESS MAIL	0	0.00	0.00
4	EXPRESS MAIL	0	0.00	0.00
5	EXPRESS MAIL	0	0.00	0.00
Total		1000	0.00	0.00

PAID
 #2041738901
 REC-S-751-1000
 REVISION DATE
 10/86
 PRINTED U.S.A. GPR

RECIPIENT'S COPY

00412720408

plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 8, 1986

Ellen Randel, Esquire
Cohen & White
1055 Thomas Jefferson Street, N.W.
Washington, D.C. 20007

Re: MUR 2171
Metier Management, Inc.

Dear Ms. Randel:

Pursuant to your telephone conversation of December 8, 1986 with Eric Kleinfeld of this office, I am enclosing another copy of the General Counsel's Factual and Legal Analysis in the above-captioned matter.

If you have any additional questions, please contact Mr. Kleinfeld at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

Lois G. Lerner
By: Lois G. Lerner
Associate General Counsel

Enclosure

8040721901

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HAND DELIVERED
86 DEC 8 P2:30

COHEN & WHITE
SUITE 504
1055 THOMAS JEFFERSON STREET, N. W.
WASHINGTON, D. C. 20007
202-342-2550
FACSIMILE: 202-342-6147

December 8, 1986

Ms. Joan Aikens
Chairman
Federal Election Commission
Washington, D. C. 20463

BY HAND

Re: MUR 2171, Metier Management Systems, Inc.

Dear Ms. Aikens:

Metier Management Systems, Inc. (Metier) hereby responds to the Federal Election Commission's (the Commission) letter dated November 13, 1986 in which the Commission charged that Metier may have violated 2 U.S.C. §441(b) of the Federal Election Campaign Act of 1971 (the Act), as amended.

Metier respectfully submits that, based on the facts it has thus far been able to ascertain, the Commission is mistaken in its charges against Metier.

Metier is a manufacturer and retailer of project management software. Metier's ARTEMIS software is a project management package designed specifically to manage large scale projects such as those for aerospace, defense and construction. ARTEMIS is often used by federal and state agencies and by contractors. ARTEMIS enables a user to perform probabilistic analysis, scheduling, modeling, manipulation of cost resources and budgeting. ARTEMIS is available in three basic versions, those being for mainframe computers, minicomputers and microcomputers.

The marketing of Metier's ARTEMIS software is generally a long-term process, requiring knowledgeable sales representatives and numerous sales calls and demonstrations. As part of its demonstrations to prospects, Metier routinely provides access to its computer resources and ARTEMIS software. In these demonstrations, which are frequently performed on several occasions over the course of weeks or months for a single prospect, Metier will assist prospects in using ARTEMIS to solve current project management problems the prospect is encountering at work. These

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86 DEC 9 P4:51
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COMMISSIONER

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COHEN & WHITE

Ms. Joan Aikens
December 8, 1986
Page 2

demonstrations are offered in the ordinary course of business and are often required to persuade a prospect of the usefulness of ARTEMIS to meet the prospect's business requirements.

The Commission's letter and attached Factual and Legal Analysis did not specify the facts on which the Commission based its determination that Metier may have violated the Act. In an initial attempt to ascertain the basis for the Commission's charges, Metier, through counsel, contacted Mr. Eric Kleinfeld, Esq., the Commission attorney for this matter, who stated that Metier had provided "computer resources" to the Committee on Arrangements for the 1984 Republican National Convention (RNC). Mr. Kleinfeld added that the RNC had apparently listed Metier as providing "ARTEMIS computer hardware and consulting assistance."

Based on Metier's investigation to date, however, Metier has not been able to ascertain what, if any, goods or services it may have provided the 1984 RNC. If the Commission's charges are based on demonstrations Metier may have provided, then Metier would respond that it routinely provides "computer resources" to prospects as part of Metier's sales practices and that "consulting assistance" is provided as part of Metier's sales effort.

However, to enable Metier to investigate this matter fully and to respond in greater depth to the Commission's charges, Metier would appreciate the opportunity to meet with the Commission to discuss the facts on which the Commission based its determination that Metier may have violated the Act. This would include the dates on which Metier supposedly provided the RNC with "computer resources" and "consulting assistance," the person(s) allegedly providing such resources and assistance, and any documentation underlying these transactions.

Metier would urge the Commission to recognize that without a better understanding of the basis of the charges against it, Metier cannot complete its investigation into this matter or respond in depth to the Commission.

It is Metier's sincerest desire to resolve this matter as quickly as possible. Metier is proud of its

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COHEN & WHITE

Ms. Joan Aikens
December 8, 1986
Page 3

reputation in the computer industry and will cooperate fully with the Commission to clear this matter. In the meantime, as soon as Metier completes its investigation of the charges against it, and trusting that the Commission will provide Metier with a better understanding of these charges, Metier will supplement this letter with a detailed factual presentation and legal analysis.

Yours very truly,



Andrew Mohr, Esq.
Attorney for Metier
Management Systems, Inc.

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86 DEC 12 P 3:46

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SUITE 504

1055 THOMAS JEFFERSON STREET, N. W.

WASHINGTON, D. C. 20007

202-342-2550

FACSIMILE: 202-342-6147

December 12, 1986

Ms. Joan D. Aikens
Chairman
Federal Election Commission
Washington, D.C. 20463

BY HAND

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DEC 15 1986
3:07

Re: MUR 2171, Metier Management Systems, Inc.; Request
for Extension of Time

Dear Ms. Aikens:

On December 8, 1986, Metier Management System, Inc. (Metier) filed its initial response to the Federal Election Commission's (Commission) November 13, 1986 letter in which the Commission stated its belief that Metier may have violated 2 U.S.C. §441(b) of the Federal Election Campaign Act of 1971. In its response, Metier informed the Commission that, because it has not yet been able to investigate this matter fully, Metier would be supplementing its response with a detailed factual presentation and legal analysis at a later date. For the reasons described below, Metier hereby formalizes its request for an extension of time in which to file its supplemental response.

58

As Metier explained in its response, the Commission's notification letter and attached Factual and Legal Analysis did not specify the facts on which the Commission based its determination that Metier may have violated the Act. Not knowing the dates on which Metier supposedly provided the Republican National Committee (RNC) with computer resources and assistance, the name(s) of the person(s) allegedly providing such resources and assistance, or what documentation substantiating these transactions, Metier was

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COHEN & WHITE

Ms. Joan D. Aikens

Page 2

December 12, 1986

hindered in its attempt to ascertain the facts and to assist the Commission in the speedy resolution of this matter.¹

Moreover, although Metier is proceeding with all due diligence, it is experiencing some difficulty because of the lapse of time since the occurrence of the alleged violation. It has been more than two years since the events underlying the Commission's charge occurred. Since that time, some of the Metier personnel having a recollection of the facts of the matter have transferred, while others have left Metier's employment. This made identification and location of persons with personal knowledge difficult, and continues to slow our investigation. As noted, Mr. Patrick L. Durbin, apparently a party to the transaction who was President of Metier at the time of the Convention, is now located in England. Another employee who may have a recollection of the events has left the company.

In addition, Metier's efforts to gather the facts relevant to the transaction in question are further complicated by the fact that the response period falls during the holiday season, which is one of the most difficult times of year to conduct business. This has again thwarted Metier's efforts to gather factual information.

Metier understands that other parties to the Commission's investigation have requested extensions of time in which to respond to the Commission's charge. Metier urges the Commission to treat Metier equally by granting Metier an extension of time. Metier therefore respectfully requests an extension of time of 30 days, or as much as granted other parties, in which to complete its investigation and to file its supplemental response. Such an extension would provide us with the opportunity to respond fully to the Commission's allegations and would in no way adversely affect the Commission's investigation or any potential enforcement action.

¹ Metier's investigation was also impeded by the fact that Metier's Mr. Patrick Durbin, the person to whom the Commission addressed its November 13, 1986 letter, is now in England. Thus, upon receipt of the Commission's letter in Houston, Texas, as addressed, the letter was sent to Mr. Durbin in England, who then referred the matter back to Metier's United States operations for immediate attention. This caused a loss of several days time.

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COHEN & WHITE

Ms. Joan D. Aikens

Page 3

December 12, 1986

In closing, Metier would like to reiterate that it is Metier's sincerest desire to resolve this matter as quickly as possible. Thank you for your cooperation in this matter.

Yours very truly,



Andrew Mohr
Counsel for Metier Management
System, Inc.

304176107

RICOH CORPORATION

5 Dedrick Place, West Caldwell, New Jersey 07006

Phone: 201-882-2000 Fax: 201-673-6881 Telex: 752930 ROA-UD

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CCE#265
86 DEC 15 A9:00

December 9, 1986

Eric Kleinfeld, Esq.
Office of General Counsel
Federal Election Committee
999 E Street, N.W.
Washington, D.C. 20463

86 DEC 15 P 3: 27

Re: MUR 2171
Rapicom, Inc.

Dear Mr. Kleinfeld:

In preparation for the pre-probable cause conciliation discussions which Ricoh had requested by its letter of December 1, 1986, we have been reviewing our files to ascertain such information as may be appropriate to further the discussions.

At this time, there is some doubt, based on our records, that the violation of the Federal Election Committees regulations occurred and prior to the conciliation conference taken place, Ricoh would request additional time to prepare and also the opportunity to provide information to the General Counsel which may indicate non-culpability on Ricoh's part.

Ricoh therefore, respectfully requests an extension of time, and a delay of the conciliation conference, until January 7, 1987 at which time Ricoh will have submitted its response or will be prepared to begin pre-probable cause conciliation discussions.

Your attention to this matter will be appreciated.

Sincerely yours,

RICOH CORPORATION

David R.S. Kennedy
David R.S. Kennedy
General Counsel
Office Products Business

DRSK:njw

cc: J. Sheehan
W. Manzon

RICOH
We respond

2266
RECEIVED AT THE FEC

GANDY MICHENER SWINDLE WHITAKER & PRATT

ATTORNEYS & COUNSELLORS

SUITE 600
2501 PARKVIEW DRIVE
FORT WORTH, TEXAS 76102

(817) 335-4417
METRO 429-6268

TELEX 75-1693
TELECOPIER (817) 335-6935

86 DEC 15 49:08

ROBERT D. ANERS
RICKY D. BALTHROP
GEORGE J. BARLOW
PAUL M. BUCHANAN
DONNA R. CALHOUN
JOHN ALLEN CHALK
WILLIAM L. DISMURE
ROBERT R. ESTES
H. DAVID FLOWERS
TAYLOR GANDY
KENNETH P. GUDGEN
KENDALL A. HALL
JOHN V. HOWARD
TOM L. LARIMORE
CHARLES R. LUNDELIOUS
BRUCE W. MCGEE

JOHN W. MICHENER, JR.
ROY G. MORRIS
DONALD O. PRATT
JAMES G. REYNOLDS
JERRY K. SAWYER
J. SHELBY SHARPE
RAMSAY H. SLUGG
JOSEPH W. SPENCE
MACK ED SWINDLE
RAGAN S. TATE
WAYNE M. WHITAKER

OF COUNSEL
GEORGE M. ALEXANDER, JR.
PAUL W. MASON

December 9, 1986

Federal Election Commission
Washington, D.C. 20463

RE: MUR 2171
Executive Presentation Systems

Gentlemen:

This will acknowledge receipt on December 4, 1986, of your letter dated November 13, 1986, advising Jim M. Madden, Sales Manager of Executive Presentation Systems ("EPS") that the Federal Election Commission has determined there is reason to believe that EPS had violated 2 U.S.C. §441b, a provision of the Federal Election Campaign Act of 1971, as amended. ("the Act").

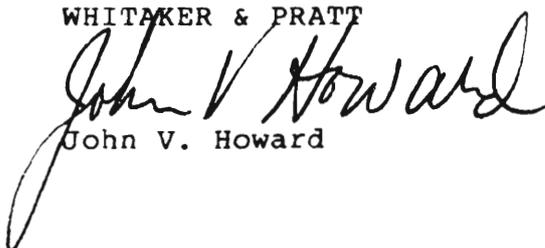
Due to the delay of EPS in receiving this letter, we are requesting an extension of time in order to accumulate the materials and information necessary to demonstrate that no action should be taken against Executive Presentation Systems.

Enclosed is the Statement of Designation of Counsel which has been dated and signed by Jim M. Madden ("Respondent").

Should you need additional information or have any questions, please contact me immediately.

Sincerely,

GANDY MICHENER SWINDLE
WHITAKER & PRATT



John V. Howard

JVH:ljm
Enclosure

CC: Mr. Jim M. Madden

3340721409

P 3:26

STATEMENT OF DESIGNATION OF COUNSEL

NUR 2171

NAME OF COUNSEL: John V. Howard

ADDRESS: 2501 Parkview Dr., Suite 600
Fort Worth, TX 76102

TELEPHONE: 817-335-4417

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

12/10/86
Date

Jim M. Madden
Signature

RESPONDENT'S NAME: Jim M. Madden

ADDRESS: Executive Presentation Systems/Dallas
Four Metro Square
2711 L.B.J.
LB 43 Suite 426
Dallas, TX 75234

HOME PHONE: _____

BUSINESS PHONE: 214-247-6177

8040721410

savin

GCC# 2287

Savin Corporation

9 West Broad Street
P. O. Box 10270
Stamford, CT 06904-2270
203/967-5168

Mari-Jo Florio Scopac
Assistant
General Counsel

December 15, 1986

Mr. Eric Kleinfeld
Office of the General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

Re: MUR 2171

Dear Mr. Kleinfeld:

In November, 1986, Savin Corporation, received the Federal Election Commission's letter regarding MUR 2171. Upon receipt of the letter, I discussed with you and then formally requested an extension of time in which to answer. You granted an extension through December 22, 1986. Because my initial inquiries indicate that it will be necessary to obtain information from files which are currently in storage as well as from a number of sources. I find it necessary to request additional time in which to complete the investigation. The investigation has been complicated by the fact that the response period falls during the Holiday season, which is one of the most difficult times of the year to conduct business. I understand that the Federal Election Commission staff has been looking into the matter for over two years, while Savin has had only a short time period in which to respond.

I have been advised that some respondents have requested a sixty-day extension of time in which to respond to the Commission's letter. I believe that such an extension of time should apply to all respondents. Such an extension would provide us with a better opportunity to fully respond to the Commission's allegations and would likely result in a prompt resolution of the matter than if the Commission were to impose a shorter time limitation. Moreover, the requested extension would in no way adversely affect the Commission's investigation or any potential enforcement action. Therefore, I believe such an extension to be in the public interest.

Sincerely,

Mari-Jo F. Scopac
Mari-Jo F. Scopac

MFS:mc

3040721911

DEC 16 3:50

RECORDED
INDEXED
DEC 16 1986
P12:42

Alum



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 18, 1986

David R.S. Kennedy, Esquire
General Counsel
RICOH Corporation
5 Dedrick Place
West Caldwell, New Jersey 07006

RE: MUR 2171
Rapicom, Inc.

Dear Mr. Kennedy:

This is in response to your letter dated December 9, 1986, in which you request an extension of time until January 7, 1987, to respond to the Commission's reason to believe determination in the above-captioned matter.

I have reviewed your request and agree to the requested extension. Accordingly, your response is due no later than January 7, 1987. If you have any questions, please contact Eric Kleinfeld, the attorney handling this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lois G. Lerner
Associate General Counsel

9040721412

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86 DEC 18 AM 8:28

CCC# 2289



**Southwestern Bell
Mobile Systems**

17330 Preston Rd., Suite 100A
Dallas, Texas 75252
(214) 733-2008

Donna Lynn Snyder
Vice President-
General Attorney & Secretary

December 12, 1986

DEC 18 AM 10:01

Mr. Eric Kleinfeld
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MUR 2171, Southwestern Bell Mobile Systems

Dear Mr. Kleinfeld:

As you are aware, my client has requested and obtained a two week extension of time within which to file its response to the General Counsel's investigation and legal brief regarding MUR 2171, thereby making its filing deadline December 19, 1986. My client has been diligent in its efforts to gather the facts relevant to the transaction in question. However, as was anticipated, it has taken a considerable period of time to locate and interview all of the people with knowledge of this transaction, as well as to search their files.

Furthermore, as we discussed, the Commission's letter to Southwestern Bell Mobile Systems requests Southwestern Bell to respond regarding its provision of cellular service as well as the provision of cellular telephones. Southwestern Bell Mobile Systems did not provide cellular telephones; these were provided by five independent agents. However, in an effort to provide the Commission with a full and complete factual account with respect to this transaction, Southwestern Bell Mobile Systems has contacted these independent agents and will obtain affidavits from them so that all issues will be addressed.

All necessary contacts have been made; but these people have not had enough time to prepare their affidavits, and a further extension of time is necessary. Such an extension would provide this Respondent with a better opportunity to fully answer the allegations and would likely result in a prompt resolution of the matter.

8040721415

Eric Kleinfeld
Page Two
December 12, 1986

I have been advised that several other respondents have requested a sixty day extension of time within which to respond to the allegations regarding their transactions. Assuming these respondents receive such an extension, Southwestern Bell Mobile Systems would take the position that it should also receive a commensurate period of time within which to respond.

This request for an extension should not adversely affect the Commission's investigation or any potential Commission enforcement action or remedy. On the other hand, the refusal to grant this extension will undoubtedly cause this Respondent serious hardship and may result in this Respondent not having an adequate opportunity to complete its own factual investigation and legal analysis.

Even at this preliminary stage, it is in the Commission's interest, as well as in the interest of all parties to this proceeding, that the General Counsel and the Commission reach a fair decision based upon an adequate record. Accordingly, for good cause, this Respondent requests a sixty day extension of time calculated from the date on which this Respondent received its letter (November 17, 1986), or, in the alternative, an extension of time commensurate with the longest period of time granted to any of the respondents in connection with this particular investigation.

Sincerely,



DONNA LYNN SNYDER

DLS/kn

cc: Commission Secretary

3040721414

Before the Federal Election Commission

In the Matter of)
)
Committee on Arrangements) MUR 2171
for the 1984 Republican)
National Convention)
George L. Clark, treasurer)
VMX, Inc.)

RECEIVED
FEDERAL ELECTION COMMISSION SECRETARY
NOV 11 1986
P 5:05

General Counsel's Report

I. Background

On November 5, 1986, the Federal Election Commission ("Commission") determined that there is reason to believe that the Committee on Arrangements for the 1984 Republican National Convention ("Convention Committee") and George L. Clark, as treasurer, violated 2 U.S.C. § 441b and 26 U.S.C. § 9008(d)(1), in connection with its "official provider" program for the 1984 Republican National Convention. The Commission also determined that there is reason to believe that VMX, Inc. violated 2 U.S.C. § 441b.

On November 13, 1986, the Convention Committee and VMX, Inc. were notified of the Commission's determinations. By letter dated November 26, 1986, counsel for the Convention Committee requested a sixty (60) day extension of time to respond to the Commission's reason to believe determinations (see Attachment 1). According to respondent, this additional time is necessary to permit the Convention Committee to contact its official providers, obtain and review relevant information, and prepare a full response to the Commission.

On December 4, 1986, VMX, Inc. also requested a sixty (60) day extension of time to respond to the Commission's reason to

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believe determination (see Attachment 2). According to VMX, Inc., this additional time is necessary to allow it to collect materials, conduct interviews, and prepare a full response.

The Office of General Counsel recommends that the Commission approve respondents' requests for an extension of time.

II. Recommendations

The Office of General Counsel recommends that the Commission:

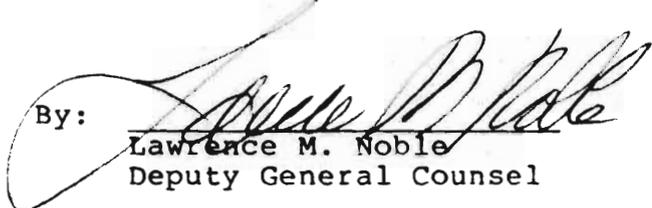
1. Approve the sixty (60) day request for extension of time to respond by the Committee on Arrangements for the 1984 Republican National Convention and George L. Clark, as treasurer.
2. Approve the sixty (60) day request for extension of time to respond by VMX, Inc.
3. Approve the attached letters.

Charles N. Steele
General Counsel

Date

12/11/86

By:


Lawrence M. Noble
Deputy General Counsel

Attachments

1. Request for extension (Convention Committee)
2. Request for extension (VMX, Inc.)
3. Letters (2)

3040721416

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee on Arrangements) MUR 2171
for the 1984 Republican)
National Convention)
George L. Clark, treasurer)
VMX, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 16, 1986, the Commission decided by a vote of 6-0 to take the following actions in MUR 2171:

1. Approve the sixty (60) day request for extension of time to respond by the Committee on Arrangements for the 1984 Republican National Convention and George L. Clark, as treasurer, as recommended in the General Counsel's Report signed December 11, 1986.
2. Approve the sixty (60) day request for extension of time to respond by VMX, Inc., as recommended in the General Counsel's Report signed December 11, 1986.
3. Approve the letters, as recommended in the General Counsel's Report signed December 11, 1986.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry and Thomas voted affirmatively for this decision.

Attest:

12-16-86

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 18, 1986

E. Mark Braden
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

Re: MUR 2171
Committee on Arrangements
for the 1984 Republican
National Convention and
George L. Clark,
treasurer

Dear Mr. Braden:

This is in reference to your letter dated November 26, 1986, requesting a sixty (60) day extension of time to respond to the Commission's reason to believe determinations in the above-captioned matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due no later than February 1, 1987.

If you have any questions, please call Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lois G. Lerner
Associate General Counsel

8040721418

plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 18, 1986

A. Hardcastle, Esquire
500 LTV Center
2001 Ross Avenue
Dallas, TX 75201-2916

Re: MUR 2171
VMX, Inc.

Dear Mr. Hardcastle:

This is in reference to your letter dated December 4, 1986, requesting a sixty (60) day extension of time to respond to the Commission's reason to believe determinations in the above-captioned matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due no later than February 3, 1987.

If you have any questions, please call Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: *Lois G. Lerner*
Lois G. Lerner
Associate General Counsel

8040721419

EXC # 2337
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86 DEC 23 40:01

LAW OFFICES
POLLET & NESBITT
A PROFESSIONAL CORPORATION
1880 CENTURY PARK EAST
SUITE 817
LOS ANGELES, CALIFORNIA 90067

TELEPHONE
(213) 203-0220

VENTURA OFFICE:
3875 TELEGRAPH ROAD
SUITE J
VENTURA, CALIFORNIA 93003

December 16, 1985

Mr. Eric Kleinfeld
Federal Election Commission
Washington, D.C. 20463

Re: Compucorp, a California corporation
Our File No.: 0515-031

Dear Mr. Kleinfeld:

As you know this law firm represents Compucorp connection with the above-referenced matter.

We have taken the opportunity afforded by your generous extension to investigate the matter. Unfortunately, we have been unable to ascertain any facts concerning this matter because all employees with firsthand knowledge have departed Compucorp. Accordingly, it is absolutely impossible for us to prepare a factual defense.

Additionally, Compucorp is now in a Chapter 11 Bankruptcy proceeding, case number LA 86-17550 CA. For that reason Compucorp is financially unable to enter into any kind of a conciliation because it is unable to pay a likely fine.

Based upon the foregoing, we certainly hope that you will be sympathetic to our client's plight. We also hope that you will be lenient in this situation as the present management had nothing to do with the alleged violations and are simply attempting to extricate the company from bankruptcy.

In the event that you have any questions or comments, please do not hesitate to contact the undersigned.

LAW OFFICES OF POLLET & NESBITT
A PROFESSIONAL CORPORATION

By *Andrew F. Pollet*
ANDREW F. POLLET

AFP:mo
cc: Mr. Phil Wolfson of Compucorp

16 DEC 23 10:50

RECEIVED
GENERAL COUNSEL

0251720000

GCC # 2339

GANDY MICHENER SWINDLE VENTRAKER & PRATT
ATTORNEYS & COUNSELLORS
SUITE 600
2501 PARKVIEW
FORT WORTH, TEXAS

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

(817) 335-4417
METRO 429-6268
TELEX 78-1693
TELECOPIER (817) 335-6935

JOHN W. MICHENER, JR.
ROY G. MORRIS
DONALD O. PRATT
JAMES G. REYNOLDS
JERRY K. SAWYER
J. SHELBY SHARPE
RAMSAY H. SLUGG
JOSEPH W. SPENCE
MACK ED SWINDLE
RAGAN S. TATE
WAYNE M. WHITAKER

ROBERT D. AKERS
RICKY D. BALTHROP
GEORGE J. BARLOW
PAUL M. BUCHANAN
DONNA R. CALHOUN
JOHN ALLEN CHALK
WILLIAM L. DISMUKE
ROBERT R. ESTES
H. DAVID FLOWERS
TAYLOR GANDY
KENNETH P. GUDGEN
KENDALL A. HALL
JOHN V. HOWARD
TOM L. LARIMORE
CHARLES R. LUNDELIUS
BRUCE W. MCGEE

DEC 23 11:06

December 18, 1986

OF COUNSEL
GEORGE R. ALEXANDER, JR.
PAUL W. MASON

The Honorable Joan D. Aikens
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MUR 2171
Executive Presentation Systems

Dear Chairman Aikens:

This letter is a request for an extension of time in which Executive Presentation Systems ("EPS") may respond to the Federal Election Commission's determination that there is reason to believe that EPS may have violated provisions of the Federal Election Campaign Act of 1971, as amended. On December 9, 1986 I submitted an initial request for an extension. This letter is to provide supplemental information as to our reasons for this request.

EPS is requesting an extension of sixty (60) days in which to fully respond to the Commission's allegations. The allegation contained in the General Counsel's factual analysis relate to events arising in 1984. It will take time for EPS to review its files and obtain the documentation relating to the 1984 Republic National Convention which occurred such a long time ago. Because of this great length of time it seems reasonable that EPS should have more than fifteen (15) days to respond to the allegations and determination.

EPS' response requires contacts and discussions with representatives of the Republican National Committee and other parties located in other areas of this county. It is impossible to have all these discussions in a fifteen day period especially during the holiday season.

For these reasons and the fact that an extension of time would in no way prejudice the Commission's responsibilities or any known party's rights, EPS is requesting a sixty-day extension. Such an extension would provide EPS with sufficient time to fully respond to the Commission's allegation and would, in all probability, result in a quicker resolution of the matter than

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DEC 23 11:06

GANDY MICHENER SWINDLE WHITAKER & PRATT

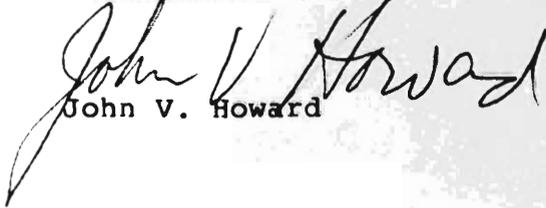
The Honorable Joan D. Aikens
Page 2
December 18, 1986

would occur if EPS attempted to meet the time frame and was unable to respond in appropriate detail.

If you have any questions or comments I would be happy to discuss and resolve them with the Commission Staff.

Sincerely,

GANDY MICHENER SWINDLE
WHITAKER & PRATT



John V. Howard

JVH:ljm

3040721422

SENSITIVE

Before the Federal Election Commission

In the Matter of)
)
Southwestern Bell) MUR 2171
Mobile Systems)
)

General Counsel's Report

I. Background

On November 5, 1986, the Federal Election Commission ("Commission") determined that there is reason to believe that Southwestern Bell Mobile Systems ("Southwestern Bell") violated 2 U.S.C. § 441b as an "official provider" for the 1984 Republican National Convention.

On November 13, 1986, Southwestern Bell was notified of the Commission's determination. On November 25, 1986, Southwestern Bell requested a two week extension of time to respond to the Commission's reason to believe determination. This extension, until December 19, 1986, was granted by the Office of General Counsel, and respondent was notified of this by letter dated December 1, 1986. By letter dated December 12, 1986, Southwestern Bell requested a second extension, equal to the sixty day extension granted to other respondents in this matter. Southwestern Bell claims this time is required in order to review its files and complete its own investigation.

On December 16, 1986, the Commission granted a sixty (60) day request for an extension of time by VMX, Inc., another of the official providers in this matter. The response of VMX is due on February 3, 1987. The Office of General Counsel recommends that

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that Southwestern Bell be granted an extension of time until February 3, 1987, in order to allow them equal time to respond to this matter.

II. Recommendations

The Office of General Counsel recommends that the Commission:

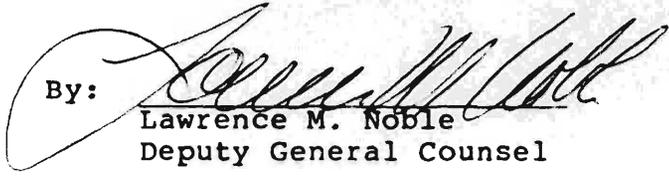
1. Approve the the extension of time by Southwestern Bell Mobile Systems to respond by February 3, 1987.
2. Approve the attached letter.

Charles N. Steele
General Counsel

Date

12/29/86

By:


Lawrence M. Noble
Deputy General Counsel

Attachments

1. Request for extension
2. Letter

3040721424

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Southwestern Bell
Mobile Systems

)
)
)
)

MUR 2171

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 5, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2171:

1. Approve the extension of time by Southwestern Bell Mobile Systems to respond by February 3, 1987, as recommended in the General Counsel's Report signed December 29, 1986.
2. Approve the letter, as recommended in the General Counsel's Report signed December 29, 1986.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

1-6-87

Date

Marjorie W Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:	Tues.,	12-30-86	12:43
Circulated on 48 hour tally basis:	Tues.,	12-30-86	4:00
Deadline for vote:	Mon.,	01-05-87	4:00

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plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 7, 1987

Donna Lynn Snyder, Esquire
Southwestern Bell Mobile Systems
17330 Preston Road
Suite 100A
Dallas, TX 75252

Re: MUR 2171
Southwestern Bell
Mobile Systems

Dear Ms. Snyder:

This is in reference to your letter dated December 12, 1986, requesting an extension of time to respond to the Commission's reason to believe determinations in the above-captioned matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due no later than February 3, 1987.

If you have any questions, please call Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: **Lois G. Lerner**
Associate General Counsel

8040721426

Before the Federal Election Commission

In the Matter of
Metier Management
Systems, Inc.
Savin Corporation

)
)
)
)
)
)

MUR 2171

01 DEC 30
P12:43

COMMUNICATIONS SECTION

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General Counsel's Report

I. Background

On November 5, 1986, the Federal Election Commission ("Commission") determined that there is reason to believe that Metier Management Systems, Inc. ("Metier") and Savin Corporation ("Savin") violated 2 U.S.C. § 441b as "official providers" for the 1984 Republican National Convention.

On November 13, 1986, Metier was notified of the Commission's determination. By letter dated December 8, 1986, counsel for Metier responded, in part, to the Commission's determination, indicating a further response would be forthcoming. On December 12, 1986, counsel for respondent further responded requesting an extension of time, in order to "gather the facts relevant to the transaction in question ... " (Attachment 1). Respondent's former President, who was apparently involved in this matter, is presently residing in England. Respondent requested an extension of thirty (30) days or "as much as granted other parties."

On November 20, 1986, Savin requested a twenty (20) day extension of time to respond to the Commission's reason to believe determination. This extension, until December 22, 1986,

3049721427

was granted by the Office of General Counsel. By letter dated December 15, 1986, Savin requested a second extension, equal to the sixty day extension granted to other respondents in this matter. Savin claims this time is required in order to review its files and complete its own investigation.

On December 16, 1986, the Commission granted a sixty (60) day request for an extension of time by VMX, Inc., another of the official providers in this matter. The response of VMX is due on February 3, 1987. The Office of General Counsel recommends that both Metier and Savin be granted extensions of time until February 3, 1987, in order to allow them equal time to respond to this matter.

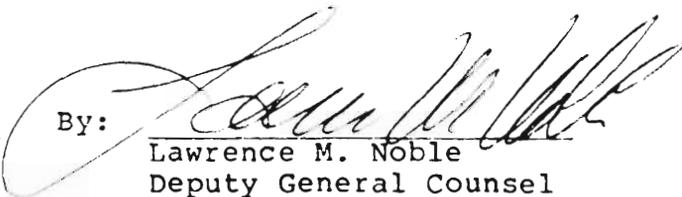
II. Recommendations

The Office of General Counsel recommends that the Commission:

1. Approve the the extension of time by Metier Management Systems, Inc. to respond by February 3, 1987.
2. Approve the extension of time by Savin Corporation to respond by February 3, 1987.
3. Approve the attached letters.

Charles N. Steele
General Counsel

12/29/86
Date

By: 
Lawrence M. Noble
Deputy General Counsel

Attachments

1. Request for extension (Metier Management Systems, Inc.)
2. Request for extension (Savin Corporation)
3. Letters

3040761423

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 2171
Metier Management)	
Systems, Inc.)	
Savin Corporation)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 5, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2171:

1. Approve the extension of time by Metier Management Systems, Inc. to respond by February 3, 1987, as recommended in the General Counsel's Report signed December 29, 1986.
2. Approve the extension of time by Savin Corporation to respond by February 3, 1987, as recommended in the General Counsel's Report signed December 29, 1986.
3. Approve the letters as recommended in the General Counsel's Report signed December 29, 1986.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

1-6-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:	Tues.,	12-30-86	12:43
Circulated on 48 hour tally basis:	Tues.,	12-30-86	4:00
Deadline for vote:	Mon.,	01-05-87	4:00

3040721429

plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 7, 1987

Andrew Mohr, Esquire
Cohen & White
Suite 504
1055 Thomas Jefferson Street, N.W.
Washington, D.C. 20007

Re: MUR 2171
Metier Management
Systems, Inc.

Dear Mr. Mohr:

This is in reference to your letter dated December 12, 1986, requesting an extension of time to respond to the Commission's reason to believe determination in the above-captioned matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due no later than February 3, 1987.

If you have any questions, please call Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lois G. Lerner
Associate General Counsel

8040721430



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 7, 1987

Mari-Jo F. Scopac, Esquire
Assistant General Counsel
Savin Corporation
9 West Broad Street
Stamford, CT 06904-2270

Re: MUR 2171
Savin Corporation

Dear Ms. Scopac:

This is in reference to your letter dated December 15, 1986, requesting an extension of time to respond to the Commission's reason to believe determination in the above-captioned matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due no later than February 3, 1987.

If you have any questions, please call Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

By: Lois G. Lerner
Associate General Counsel

8040721431

Before the Federal Election Commission

In the Matter of)
Executive Presentation)
Systems, Inc.)

MUR 2171

SENSITIVE

97 JAN 6
P12:04

REC'D
FEB 11 1987

General Counsel's Report

I. Background

On November 5, 1986, the Federal Election Commission ("Commission") determined that there is reason to believe that Executive Presentation Systems, Inc. ("EPS") violated 2 U.S.C. § 441b as an "official provider" for the 1984 Republican National Convention.

On November 13, 1986, EPS was notified of the Commission's determination. On December 9, 1986, EPS requested an extension of time to respond to the Commission's reason to believe determination, without specifying the amount of time needed or the reason that this extension was necessary. By letter dated December 18, 1986, EPS renewed their request for an extension, equal to the sixty day extension granted to other respondents in this matter. EPS claims this time is required in order to review its files and complete its own investigation.

On December 16, 1986, the Commission granted a sixty (60) day request for an extension of time by VMX, Inc., another of the official providers in this matter. The response of VMX is due on February 3, 1987. The Office of General Counsel recommends

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that EPS be granted an extension of time until February 3, 1987, in order to allow them equal time to respond to this matter.

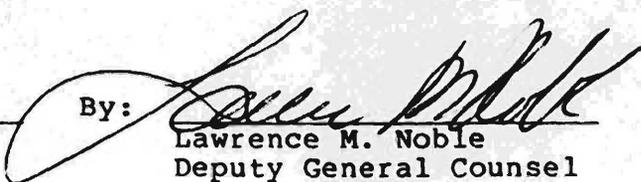
II. Recommendations

The Office of General Counsel recommends that the

Commission:

1. Approve the the extension of time for Executive Presentation Systems, Inc. to respond by February 3, 1987.
2. Approve the attached letter.

Charles N. Steele
General Counsel

1/6/87
Date _____ By: 
Lawrence M. Noble
Deputy General Counsel

Attachments

1. Request for extension (2)
2. Letter

8040721433

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Executive Presentation) MUR 2171
Systems, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 8, 1987, the Commission decided by a vote of 6-0 to approve the following actions in MUR 2171:

1. Approve the extension of time for Executive Presentation Systems, Inc. to respond by February 3, 1987, as recommended in the General Counsel's Report signed January 6, 1987.
2. Approve the letter, as recommended in the General Counsel's Report signed January 6, 1987.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry and Thomas voted affirmatively for this decision.

Attest:

Jan. 8, 1987

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: Tues., 1-6-87, 12:04
Circulated on 48 hour tally basis: Tues., 1-6-87, 4:00
Deadline for vote: Thurs., 1-8-87, 4:00

3040741434



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 9, 1987

John V. Howard, Esquire
Gandy, Michener, Swindle, Whitaker & Pratt
Suite 600
2501 Parkview Drive
Fort Worth, TX 76102

Re: MUR 2171
Executive Presentation
Systems, Inc.

Dear Mr. Howard:

This is in reference to your letter dated December 18, 1986, requesting a sixty (60) day extension of time to respond to the Commission's reason to believe determinations in the above-captioned matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due no later than February 3, 1987.

If you have any questions, please call Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel


By: Lois G. Lerner
Associate General Counsel

8040721435

plm

RICOH CORPORATION

5 Dedrick Place, West Caldwell, New Jersey 07006

Phone: 201-882-2000 Fax: 201-673-6881 Telex: 752930 ROA-UD

CCC#2503
RECEIVED AT THE FEC
HAND DELIVERED
87 JAN 16 AM: 06

January 15, 1987

Eric Kleinfeld, Esq.
Office of General Counsel
Federal Election Committee
999 E. Street, N.W.
Washington, DC 20463

RE: MUR 2171
Rapicom, Inc.

- JAN 16 PM 12:14
RECEIVED
GENERAL COUNSEL

Dear Mr. Kleinfeld:

I have attempted to contact you several times since Wednesday, January 7, 1987 and, due to both your schedule and mine, it has been impossible to speak to you.

As you are no doubt aware Ricoh Corporation's response was due to be received on January 7, 1987; however, recent events, including the unavailability of any of the officers necessary to sign a sworn affidavit have made it impossible to meet that date. I have been advised that the earliest an officer, with knowledge of the situation, will be available is Monday, January 19, 1987. At that time it is expected the affidavit (already prepared) will be signed and notarized, and Ricoh's response to you forthcoming.

I regret the delay but would ask your indulgence due to the fact that it has been caused by circumstances outside of my reasonable control.

Any questions, please do not hesitate to contact me.

Very truly yours,

RICOH CORPORATION

David R. S. Kennedy
David R. S. Kennedy
General Counsel
Office Products Business

DRSK/rh

8040721436

RICOH CORPORATION

5 Dedrick Place, West Caldwell, New Jersey 07006

Phone: 201-882-2000 Fax: 201-673-6881 Telex: 752930 ROA-UD

CCC# 2548

January 21, 1987

Ms. Joan D. Aikens
Federal Election Commission
999 E. Street, N.W.
Washington, DC 20463

Re: MUR 2171
Rapicom, Inc.

97 JAN 27 11 33:19
COMMUNICATIONS SECTION

Dear Ms. Aikens:

The purpose of this letter is to set forth Ricoh Corporation's (formerly Rapicom, Inc.) response to your letter of November 13, 1986 addressed to Mr. William R. Manzon, Southwest Regional Manager of Ricoh Corporation. The letter was received by Mr. Manzon on November 17, 1986 and Ricoh Corporation, through its in house counsel, had requested an extension of time to respond on December 9, 1986.

At the request of the management of Ricoh Corporation, a brief investigation has been undertaken into the allegations set forth in the General Counsel's analysis. It is Ricoh Corporation's belief that certain of the facts used in that analysis are not correct or are incomplete. In order that the Commission may have a complete record, enclosed herewith is the affidavit of John Sheehan, Senior Vice President of Ricoh Corporation's Communication Products Group (formerly Rapicom, Inc.) which sets forth the facts as the company understands them.

Based upon the facts presented it is the conclusion of Ricoh Corporation that there is no basis upon which to find that a violation of 2 U.S.C. Section 441b has occurred by the provision of two (2) Rapicom model facsimile transceivers to the Committee on Arrangements of the Republican National Convention. The facsimile transceivers in question were provided to the Committee as a normal business transaction made in the ordinary course of business and upon terms and conditions which are customary and reasonable in the office equipment industry. Ricoh received both the publicity attendant to its designation as Official Fax Vendor and its normal fees for installation, removal, and supplies.

Additionally, a review of the applicable exemptions, as set forth in 11 C.F.R. Section 9008.7 (c)(1), makes it clear that the provision of the two (2) facsimile transceivers to the Committee

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04

Ms. Joan D. Aikens
January 21, 1987
Page 2 of 2

at a charge for shipping, installation, removal, toner and paper was permissible. Ricoh Corporation is involved in the sale, lease, and rental of, among other types of office equipment, facsimile transceivers. It is a typical business transaction for Ricoh Corporation to provide office equipment, including facsimile transceivers, on a temporary basis and charge only for the shipping, installation, removal, and supplies necessary to utilize the product while waiving any rental charge for events of national prominence. In exchange for this consideration Ricoh Corporation had received the right to be designated as the official supplier of facsimile transceivers to the Republican National Convention.

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The waiver of rental charges to customers for events of relatively short duration is a reduction or discount given in the ordinary course of Ricoh Corporation's business. The transaction is also not without consideration due to the favorable publicity which the Company received from the designation as an official supplier and because the Company was reimbursed for its reasonable expenses of shipping, installation, removal, and the supplies for use in the facsimile transceivers. Accordingly, the express language of 11 C.F.R. Section 9008.7 (c)(1) would seem to specifically authorize the transaction in question. Ricoh Corporation will continue to cooperate fully with both the Federal Election Commission and its General Counsel in the review and resolution of the transaction in question. Should you feel that additional factual information is needed in order that the proper conclusion of the matter can be reached and a finding that there is no probable cause to believe a violation has occurred by Ricoh Corporation, please do not hesitate to contact me.

Sincerely yours,

RICOH CORPORATION (formerly Rapicom, Inc.)

David R.S. Kennedy

David R.S. Kennedy
General Counsel - Office Products Business

DK:kt

cc J. Sheehan

FEDERAL ELECTION COMMISSION

WASHINGTON, DC

In re :
Rapicom, Inc. : MUR 2171
Respondent : Affidavit of J. Sheehan

STATE OF NEW JERSEY)
COUNTY OF ESSEX) ss:

J. Sheehan, being duly cautioned and sworn, states as follows:

1. I am the Senior Vice President of the Ricoh Corporation Communication Products Group (formerly Rapicom, Inc.). In 1984 I was the Senior Vice President of Rapicom, Inc. with the responsibility for directing and controlling the sale, lease or rental of Rapicom facsimile transceivers in North America through Ricoh's direct sales force. Upon receiving notification of the matter under review I directed certain individuals within Ricoh Corporation to conduct an investigation and review of the Company's records regarding the provision of two (2) Rapicom facsimile transceivers to the Committee on Arrangements for the 1984 Republican National Convention which was held in Dallas, Texas in August 1984. I make this affidavit based upon the knowledge and information available to Ricoh Corporation as a result of that investigation.

2. Ricoh Corporation ("Ricoh") is a wholly owned subsidiary of Ricoh Company, Ltd. of Tokyo, Japan. Ricoh, in 1984, was the sole distributor in North America of facsimile transceivers manufactured by Ricoh Company, Ltd. and which were sold in North America under the Rapicom brand name through its direct sales force. Ricoh maintains its headquarters in West Caldwell, New Jersey and sells its products directly to end-users through its direct sales outlets in New York, NY; Rosalyn, VA; Houston, TX; Long Beach, CA; and Hillside, IL in addition to numerous other locations in most other states.

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3. As part of the ordinary conduct of its business Ricoh provides certain of its office products, including facsimile transceivers, to events which attract the attention of the national news media; to the national news media; and to certain large corporations and other commercial or government entities which require the products for a relatively short period of time at a heavily discounted or on a rental free basis. The only charges normally billed to customer's fitting the category described above are shipping, installation, and removal fees, and supplies for the products. In exchange for the provision of its products without rental charges, Ricoh was entitled to receive a designation as the official provider of the facsimile transceivers in question to the Republican National Convention. In the past, Ricoh has, in the ordinary course of its business, provided facsimile transceivers under similar arrangements to the Democratic National Convention in New York City; the Winter Olympic Games in Lake Placid, New York; and to the National News Networks (ABC, CBS, and NBC) for coverage of such events as space shots; conventions; important court trials, etc.

All of these transactions were arranged in the ordinary course of Ricoh's business and the rental revenues foregone were charged internally as advertising and product promotion expenses.

4. On or about January 13, 1984, Mr. Jim Blythe of the consulting firm of Blythe-Nelson approached Ricoh and indicated that Ricoh might receive the designation of "Official Facsimile Vendor" from the Republican National Committee in exchange for the use of Ricoh facsimile equipment by the Committee if it could submit an acceptable proposal. (see 1/13/84 W. Manzon memo to S. Joerg - Attachment "A").

5. On or about February 9, 1984 Ricoh's proposal was set forth in a letter from W. Manzon to J. Blythe. The letter states that all rental charges would be waived in exchange for the Official Fax Vendor designation but that shipping, installation, removal; and supply charges would be due from the Committee. A copy of the letter is affixed as Attachment "B".

6. On or about April 24, 1984 Ricoh received an order from the Committee for one (1) R-6100 facsimile transceiver to be installed, for the Committee, in Dallas, Texas. Ricoh's files do not contain this order but, according to Ricoh's records one (1) R-6100 facsimile machine was to be shipped to Dallas, Texas for use by the Committee on or about May 3, 1984 (see internal memo from W. Manzon to S. Joerg affixed as Attachment "C") and it is assumed that such shipment took place as planned.

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7. On or about June 5, 1984 Ricoh received a letter advising that "...Rapicom, Inc. has been selected to be the official 'facsimile vendor' for the 1984 Republican National Convention". A copy of the letter from Ernest Angelo, Jr., Chairman of the Committee, to William Manzon, Southwest Regional Manager is affixed as Attachment "D".

8. On or about June 25, 1984, in response to a letter dated June 22, 1984 from W. Manzon to G. Hatfield (Attachment "E"), the Committee on Arrangements issued Request for Purchase Order Number's 00207 and 00208 setting forth the charges to be received from the Committee by Ricoh for the shipping; installation; removal; and supplies for the two (2) machines in question (Attachments "F" and "G").

9. On or about August 7, 1984, the Committee orally requested that the second facsimile transceiver be installed and an internal memo generated to expedite processing of the R-3300 facsimile machine (August 7, 1984 internal memo W. Manzon to S. Joerg affixed as Attachment "H"). Written confirmation to confirm that Request for Purchase Order (#00208) was in fact a purchase order and was received on or about August 8, 1984 (see Telex No. 713-939-1811 from Mary Frances of the Committee to Louise Dunn of Rapicom - Attachment "I").

10. In response to all of the correspondence referenced above, most particularly Attachment "D", Ricoh, on or about August 17, 1984 prepared Rental Agreement No. S-60537 and an Amendment thereto (Attachment "J"). This Agreement and Amendment were forwarded to the Committee on Arrangements. No signed copy of the Agreement was ever received by Ricoh.

11. Under the terms of the Agreement, as amended, Ricoh agreed to supply the National Convention with two (2) facsimile transceivers. Since the Committee had, by its Request for Purchase Order No's. 002007 and 002008 unequivocally accepted the essential terms of the agreement, Ricoh provided the facsimile equipment in question without insisting on a fully executed agreement. This same accommodation would have been made for any other event of national preminence in order to protect the reputation of Ricoh Corporation.

12. While the original proposal to the Committee indicated that three (3) facsimile transceivers would be provided, Ricoh only installed two (2) machines at the Convention site in Dallas. The third (3rd) machine, to be installed at Committee Headquarters in Washington, D.C., was not required due to the

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fact that the Committee obtained access to an already installed facsimile machine. Ricoh did not install the machine which the Committee utilized and has no knowledge about where such product was obtained.

13. The total rental revenue which Ricoh Corporation had agreed to forego with respect to the two (2) Rapicom brand facsimile transceivers provided to the 1984 Republican National Convention during the periods indicated below was \$777.00.

R-6100: May 3, 1984 - August 30, 1984

R-3300: August 15, 1984 - August 30, 1984

By:

John Sheehan
Name: John Sheehan
Title: Senior Vice President
Date: January 21, 1987

Sworn to and subscribed personally before me this 21st day of January 1987.

Patricia Ann Mordini
Notary Public

PATRICIA A. MORDINI
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES SEPT. 9, 1991

8040721442

A Ricoh Company. We respond.

FAXEDDATE *1-13-84**FF 123**Sal 116*

date 1-13-84

to STEVE JOERG

from Bill Manzon

subject Republican National Convention

refer to

Jim Blythe of Blythe-Nelson, a Dallas Consulting firm, confirms that if we offer and the Republican National Committee accepts the use of our equipment, we, for value received, have the option of using this in our advertising.

I recommend that we pursue and if you agree I will extend our offer in writing to Mr. Blythe who will put it forth at a convention committee meeting on January 20th. Please advise.

Also, they are interested in the use of Ricoh copiers. Suggest we have someone from the copier division contact Mr. Blythe at (214) 634-3900 to discuss this possibility.



Bill Manzon

WRM/ld

xc: C. Marland
M. McBride ✓

3-R6100's
2 in Dallas
1 in Washington

8040721445



ATTACHMENT "B"
Page 1 of 2

RAPICOM, Inc.
7878 Grow Lane, Suite 124
Houston, TX 77040
Phone: (713) 462-7553
Fax: (713) 462-0393

February 9, 1984

Mr. Jim Blythe
Blythe-Nelson Co.
8700 N. Stemmons
Suite 301
Dallas, TX 75247

Dear Mr. Blythe:

Pursuant to our discussions with you and Marlene English, Rapicom is pleased to be considered as a potential supplier of facsimile equipment for use during the Republican National Convention.

Rapicom proposes the placement of three (3) R-6100 facsimile units. Two (2) of these units would be installed in Dallas and the third in Washington D.C.

The Rapicom 6100 is a high-speed (9600 BPS) digital facsimile unit that uses a dry toner process. This is in contrast to the thermal printing process that is in wide-spread use by most facsimile vendors, including Rapicom. Our recommendation, however, is made with the thought of providing the Committee with archival quality documents. As you know, thermal processed documents are subject to fading over time.

We feel that permanency is an important factor in your anticipated use of facsimile equipment.

Normal rental of the above equipment is \$270.00 per month. By extension, the total charges would be \$4860.00.

Rapicom proposes to waive these rental charges. In consideration of the no-charge use of the equipment during the convention, Rapicom would be designated at the Official Facsimile Vendor. This designation would include, but is not limited to:

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Mr. Jim Blythe
February 9, 1964

ATTACHMENT "B"
page 2 of 2

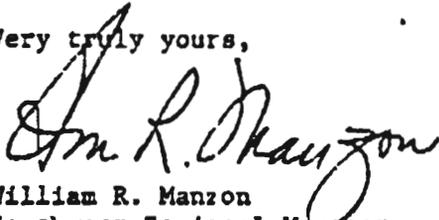
Page -2-

1. Use of this title in any advertising in which Rapicom opts to utilize this designation.
2. Case history representation.
3. Feature articles to be published in various magazines.
4. Use of this designation in the full range of advertising and promotional materials.

Should the above meet with your approval, normal installation, removal and supply costs for the equipment as we have previously outlined would apply to this offer.

We sincerely look forward to serving you.

Very truly yours,



William R. Manzoni
Southwest Regional Manager

WRM/ld

Approved _____

Title _____

Date _____

3040721445

FAXEDDATE 4-21-84
201-676-1272

to STEVE JOERG
 from Bill Manzoni
 subject Republican National Convention

ATTACHMENT "C"

date 4-24-84

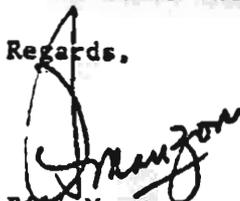
refer to

Steve, faxing order form and TTI sheet for a R-6100 for the Republican Convention. This is the first of three units that will be required.

RNC are to be billed for shipping, installation, removal and supplies.

Due date is May 3, so would appreciate your approving and passing on to order entry.

Regards,



Bill Manzoni

WRM/ld

xc: L. Salazar
 C. Marland
 M. Eagan
 D. Orrick

Guy Hatfield, RNC
214-220-1984

P.O. # for supplies & freight

Mary Fran O. M. can help in Guy's absence.

Unit	150.00
Tone	88.00
Paper	104.00
Removal	150.00
Total	\$ 492/unit

Fax # 214 220 4000

8040721446

1984 Republican National Convention

Frank J. Fahrenkopf, Jr.
Chairman
Republican National Committee

ATTACHMENT "D"

June 5, 1984

COMMITTEE ON ARRANGEMENTS

Ernest Angelo, Jr.
Chairman

Trudy McDonald
Vice-Chairman

George Clark, NY
Treasurer

Mary Silvers, GA
Secretary

Roger Allan Moore
General Counsel

SUBCOMMITTEE CHAIRMEN

- ✓ Don Adams, IL
- ✓ Nancy Apgar, OK
- ✓ Fran Chiles, TX
- ✓ Jack Couricmanche, CA
- ✓ Jennifer Dunn, WA
- ✓ Noël Gross, NJ
- ✓ Bill Harris, AL
- ✓ Ginny Martinez, LA
- ✓ Dennis Olson, ID
- ✓ Shelia Roberge, NH
- ✓ Ken Stout, AL
- ✓ Peter Secchia, MI

STAFF

- Ronald H. Walker
Convention Manager

Douglass Blaser
Deputy Convention Manager

Daniel Denning
Deputy Convention Manager

Peggy Venable
Executive Director

Mr. William R. Manzon
Southwest Regional Manager
Rapicom, Inc.
7878 Grow Lane, Suite 124
Houston, Texas 77040

Dear Mr. Manzon:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that Rapicom, Inc. has been selected to be the official "Facsimile Vendor" for the 1984 Republican National Convention.

This designation is contingent upon a letter of agreement between the Committee on Arrangements and Rapicom, Inc. This letter of agreement will be forwarded to you shortly for your appropriate review and signature.

Let me take this opportunity to thank you and your company for extending this valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely,



Ernest Angelo, Jr.
Chairman

Dallas, Texas—August 20—23, 1984

Dallas Convention Center Office, 850 South Griffin, Dallas, TX 75202 • (214) 220-1984

RICOH CORPORATION

7878 Grove Lane, Suite 124, Houston, TX 77040

RAPICOM COMMUNICATIONS PRODUCTS

Phone: 713-482-7553 Fax: 713-482-0393 Fax: 713-836-1811

June 22, 1984

ATTACHMENT 'E'

Mr. Guy Hatfield
Republican National Convention
Dallas, Texas

Dear Mr. Hatfield:

To date we have not received a purchase order for charges attendant to the R-6300 facsimile machine currently installed at the RNC headquarters in Dallas, Texas.

These charges include:

Shipping	\$165.00
Installation	\$150.00
Removal	\$150.00
1 Ctn. of Paper	\$104.00
1 Ctn. of Toner	<u>\$ 88.00</u>
TOTAL	\$657.00

These are the charges per unit as outlined in our offer letter of February 7th to Mr. Jim Blythe of Blythe Nelson.

It has come to our attention that you will require an additional machine of a different model to accommodate traffic from slower speed fax machines. Charges for this unit differ from the above. Please issue your purchase order as follows:

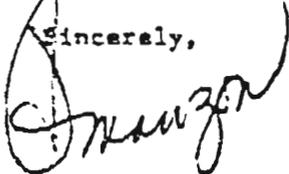
One R-3300 or R-3100 fax unit.

Rental	No Charge
Installation & Freight	\$150.00
Removal	\$100.00
1 Ctn. of Paper	<u>\$ 96.00</u>
TOTAL	\$346.00

The above purchase orders should be mailed to my attention. To expedite delivery of the new machine, it would be helpful if you would first fax these documents to us at (713) 939-1811.

Thank you for your attention to this matter.

Sincerely,



William R. Manzon
Southwest Regional Manager

WRM/lid

xc: V. Michael

RICOH.
We respond.

3040721448

FAXED

DATE 8/7/94

204-696-1202
201-595-6774
214-383-9266

date 8-7-86

ATTACHMENT "H"

to STEVE JOERG
from Bill Manson
subject Republican National Convention

refer to

Steve, faxing order form and TII sheet for a K-3300 for the Republican Convention.

RNC are to be billed for shipping, installation, removal and supplies.

Due date is immediately, so would appreciate your approving and passing on to order entry.

Regards,

Bill Manson
Bill Manson

Approved
8/8/94

WEM/ld

- cc: L. Salazar
- V. Michael
- M. Hagan
- D. Orrick

8/9
Louise - Watch for this to show up on the shipping schedule.

BU for next week!

8040741451

Region 3 0	Branch 3 7	Salesman #	Salesman - Name Manzon	SIC Code	Customer P.O. Number 00207 00208
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RAPICOM RENTAL AGREEMENT

ATTACHMENT "J"
page 1 of 4 S 60537

Republic National Convention (Customer) agrees to rent from Rapicom, Inc. (RAPICOM) of 7 Kingsbridge Road, Fairfield, New Jersey and Rapicom agrees to sell to Customer subject to the terms and conditions of this Agreement, the Rapicom equipment and accessories in the quantities, models and prices designated below for a _____ month rental period.

Division and Company <u>Republic National Convention</u>	INITIAL SUPPLY ORDER ____ CTN FAXPAPER @ ____ /CTN ____ CTN FAXMIX @ ____ /CTN
Attention of/Department <u>Doug Blazer</u>	
Street <u>310 1st St. S.E.</u>	
City, State, Zip Code <u>Washington, D.C. 20003</u>	

This document, together with the terms and conditions set forth on the reverse hereof and Rapicom's Order Form, shall constitute the entire Agreement between Customer and Rapicom ("Agreement"). The terms and conditions of this Agreement shall supersede any inconsistent terms and conditions contained in Customer's purchase orders and/or other documents unless such purchase orders and/or other documents have been accepted, in writing, by a duly authorized officer of Rapicom. This Agreement may not be changed or amended without the prior written approval of an authorized officer of Rapicom and an authorized representative of the Customer. See "Amendment to Rapicom Rental Agreement No. S-60537".

EQUIPMENT ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit*
M-6100	R-6100	1	\$150.00	No Charge
M-3300	R-3300	1	\$150.00	No Charge

*Monthly base rental includes NORMAL equipment maintenance and parts.

ACCESSORY ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit*
A-1107	GII	1	No Charge	No Charge
A-1306	TCR	1	No Charge	No Charge
A-1254	TTI	1	No Charge	No Charge
A-1261	RTI	1	No Charge	No Charge
A-1300	9.6	1	No Charge	No Charge
A-1109	GI/GII	1	No Charge	No Charge
A-1012	NCU20E	1	No Charge	No Charge

If customer is tax exempt, check box and attach copy of Exemption Certificate

If no Purchase Order is required by Customer, check box and sign

(Customer)

Republic National Convention

(Customer)

RAPICOM, INC.

By _____
Authorized Signature Date

By _____
Authorized Home Office Acceptance Date

Print _____
Name and Title

Print _____
Name and Title

SEE REVERSE SIDE OF AGREEMENT FOR TERMS AND CONDITIONS
HOME OFFICE OPERATIONS DEPT. - Golden Red Customer Copy A - Canary Customer Copy B - Blue
HOME OFFICE-ACCOUNTING DEPT. - Green Branch Office Copy - Pink

TERMS AND CONDITIONS

Attachment 3
page 2 of 4

ACCEPTANCE — This Agreement is subject to acceptance by Rapicom through its Home Office. Such acceptance will be evidenced by return to the Customer of a countersigned copy of this Agreement. Prior to such acceptance, this Agreement shall have no force or effect.

RENTAL PERIOD — Rental Period shall commence on the date of installation of the Equipment (or the second item of Equipment if more than one item) and shall expire at the end of the Term of this Agreement.

RENEWAL/TERMINATION — This Agreement may be terminated by Customer or Rapicom at the end of the Rental Period, or any renewal thereof, only by giving the other party at least 30 days prior written notice. Unless so terminated by either party, this Agreement shall be automatically renewed for an additional 12 month Rental Period.

SURRENDER — Customer agrees to surrender the Equipment and all Accessories upon the expiration or termination of this Agreement in the same condition as received and agrees to pay Rapicom all costs incurred in connection with any damage to the Equipment or Accessories subject only to ordinary and usual wear and tear.

REMOVAL CHARGES — Customer agrees to pay to Rapicom removal charges for the removal of all Equipment and Accessories rented hereunder at the then prevailing rates in effect at the time of removal.

TERMS OF PAYMENT — All invoices for rental charges for the Equipment and/or Accessories are due and payable to Rapicom within thirty (30) days from the date of the invoice without discount or set-off. A carrying charge of one percent (1%) per month (12% ANNUAL RATE) will apply to all past due accounts.

DAMAGES/TERMINATION — If Customer breaches this Agreement or attempts a termination hereof except as provided herein, Customer shall pay as liquidated damages, the parties hereto agreeing that the true measure of damages is so uncertain that the same cannot be readily determined, the aggregate rental contracted under this Agreement for the remaining months of the Rental Period, plus all costs and expenses incurred in connection with the cost of repair of any damage to the Equipment and Accessories and the cost of removal of the Equipment and Accessories. All unpaid invoices shall become due and payable upon termination and Customer shall pay all costs and expenses of collecting any unpaid indebtedness including, but not limited to, reasonable attorney's fees and court costs. In the event of any breach of this Agreement by Customer, the same may be terminated by Rapicom and the Equipment and Accessories shall, at the request of Rapicom, be tendered to Rapicom in good condition and repair. The Customer shall pay the then prevailing Rapicom removal charges for all Equipment and Accessories removed upon termination.

ACCESSORIES — Optional devices for use with the Equipment ("Accessories") which Rapicom may from time to time offer to Customer, will be furnished at published rates for rental, installation, and removal, on a month-to-month basis, subject to 30 days prior written notice of cancellation given by Customer.

EQUIPMENT PROTECTION — Customer shall permit only Rapicom personnel, who shall have full and free access for such purpose, to make any alterations, repairs, adjustments, disassembly, or inspection of Equipment and Accessories, except for "Key Operator" functions performed by Customer's personnel. Alterations requested by Customer are not covered by this Agreement. Customer shall not remove, permit removal of or relocate the Equipment or Accessories from the location where installed without prior written consent of an authorized Rapicom representative, which consent shall not be unreasonably withheld. Rapicom may display notice of Rapicom ownership on any Equipment and Accessories.

LOSS OR DAMAGE — All Equipment, Accessories and/or Supplies shall be shipped F.O.B. Rapicom's nearest warehouse. Customer shall bear all risk of loss or damage to Equipment and Accessories under this Agreement from delivery thereof to a common carrier, except as caused by (i) negligence of Rapicom personnel or (ii) reasonable wear and tear under normal working conditions. Customer hereby indemnifies, agrees to defend, and holds Rapicom harmless from and against all claims, costs, expenses, damage, actions, causes of action, and liabilities, including reasonable attorney's fees, arising out of or in connection with any loss or damage to or resulting from or pertaining to any use of Equipment and Accessories hereunder or any damage or injury to persons, including death, or property in connection with the use thereof. Customer agrees to train all "Key Operator" personnel in accordance with the operation manual provided by Rapicom.

WARRANTY — RAPICOM WARRANTS THAT THE EQUIPMENT AND ACCESSORIES COVERED BY THIS AGREEMENT, WHEN INSTALLED, WILL BE IN GOOD WORKING ORDER. THE SOLE OBLIGATION OF RAPICOM WITH RESPECT TO THIS WARRANTY SHALL BE TO REPAIR OR REPLACE, AT ITS OPTION, ANY DEFECTIVE PART OR COMPONENT OR THE ENTIRE EQUIPMENT IN ACCORDANCE WITH THE TERMS HEREOF. RAPICOM MAKES NO OTHER WARRANTY EXPRESS OR IMPLIED, OR ARISING OUT OF CUSTOM OR USAGE WITH RESPECT TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONDITION, QUALITY OR OTHERWISE. RAPICOM SHALL NOT IN ANY EVENT BE LIABLE FOR ANY SPECIAL, RESULTING, OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS OCCASIONED BY ANY BREACH OF WARRANTY, MACHINE DOWNTIME OR OTHERWISE.

MISCELLANEOUS — Rapicom shall retain title to the Equipment and Accessories at all times. This Agreement is not assignable by Customer and Customer shall not sublease, sell, pledge, transfer, or permit any encumbrance upon Equipment and Accessories. Rapicom may assign this Agreement and any interest therein, and its assignee may assign the same. This Agreement shall be governed by the laws of the State of California.

PERSONAL PROPERTY TAXES — Customer shall file, pay and be liable for all personal property taxes on Equipment and Accessories which Customer has in its possession on the tax assessment date.

NON-RAPICOM SUPPLIES — If Customer uses supplies other than those sold or approved by Rapicom and it is determined by Rapicom that the use of such supplies caused the Equipment and Accessories rented hereunder to malfunction, Customer shall be billed, at Rapicom's standard billing rates, for all service required to repair the Equipment and Accessories.

AMENDMENT TO
RAPICOM RENTAL

Attachment "J"
page 3 of 4

AGREEMENT NO. S-60537

This Amendment is made and entered into as of the 17th day of August, 1984 by and between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principal offices located at 310 First Street, S.E. Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the RNC (hereinafter referred to as the "Committee") and Ricoh Corporation, a New York corporation with its principal office located at 5 Detrick Place, West Caldwell, New Jersey 07006 (hereinafter referred to as "Ricoh").

WITNESSETH

Whereas, Ricoh, the Committee and the RNC are parties to the Rapicom, Inc. Rental Agreement No. S-60537 dated the 17th day of August, 1984 (hereinafter referred to as the "Agreement"); and

Whereas, the parties hereto "desire" to amend and clarify certain terms and conditions of the Agreement to create a document which more correctly reflect the agreement between them.

Now, therefore, in consideration of the premises and mutual covenants contained herein, the parties hereto agree as follows:

1. Ricoh understands that this Agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising shall be restricted to the statement "Official Facsimile Vendor of the 1984 Republican National Convention".
2. In connection with this Agreement, Ricoh shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of or any breach of any obligation under this Ricoh Agreement.
3. The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.
4. The parties hereto agree to make the following changes to the terms and conditions printed on the reverse side of the Agreement.

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- a. The following provisions shall be deleted entirely:
 - I. Renewal/Termination; and
 - II. Damages/Termination;

- b. The following provisions shall be amended as follows:
 - I. REMOVAL CHARGES - delete the words, "then prevailing rates in effect at the time of removal", replace with, "rates shown on the face of this Agreement."
 - II. LOSS OR DAMAGE - line one (1), delete the words "Rapicom's nearest warehouse.", replace with, "Customer's delivery point.". Line seven (7), after the words "...with the use thereof." add, "where such loss or damage is caused by or is the result of the negligence of willful misconduct of Customer, Customer's officers, employees, agents, servants or invitees."
 - III. TERMS OF PAYMENT - delete the word "rental." After the last line add, "Rapicom agrees to waive rental charges and to place the Equipment covered by this Agreement in Customer's premises on rental free loan. The only charges to Customer shall be the shipping, installation, removal and supplies charges as are set forth in this Agreement."

The Agreement is hereby amended as expressly provided in this Amendment. Except as expressly provided in this Amendment, the terms and condition of the Agreement remain in full force and effect without modification. In the event of any inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of the Amendment shall control.

IN WITNESS WHEREOF, each of the parties hereto have caused this Amendment to be duly executed by its authorized representative as of the day and year first above written.

APPROVED AS TO FORM:
1984 REPUBLICAN NATIONAL CONVENTION

By: _____
R. Carter Sanders, Jr.
Counsel

By: _____
Ernest Angelo, Jr.
Chairman
Committee on Arrangements

ATTEST:

RAPICOM, INC. (RICOH CORPORATION)

By: _____

By: _____

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BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

GCCT#2614
RECEIVED AT THE FEC.
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87 FEB 2 12:12

January 31, 1987

Mr. Eric Kleinfeld
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

Dear Mr. Kleinfeld:

As we emphasized in our letter to you of November 17, 1986, Blythe-Nelson is a Texas General Partnership and, therefore, we do not understand how the Commission's finding regarding donations concerns Blythe-Nelson.

Nevertheless, even if Blythe-Nelson were a corporation, the professional services we provided the Committee on Arrangements were, in fact, all in the ordinary course of business, as the attached affidavit explains.

I trust that this should resolve any questions concerning Blythe-Nelson to your full satisfaction. I anticipate that the investigation as it concerns our Partnership will be closed immediately.

As always, we are pleased to cooperate with the U.S. Government. Should you have any questions, please let me know.

Sincerely,

James L. Blythe
James L. Blythe

cc: Mr. George B. Reid, Jr.
Covington & Burling

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RECEIVED
OFFICE OF THE
GENERAL COUNSEL

Attachment

Letter dated January 28, 1987

Mr. Eric Kleinfeld

Affidavit of James L. Blythe

1. My name is James L. Blythe. I am a founding partner of Blythe•Nelson ("B•N"), an information systems consulting partnership. My business address is 8700 N. Stemmons Freeway, Suite 301, Dallas, Texas 75247. In addition to the Dallas home office, we now have affiliated corporations located in Atlanta, Chicago and Washington, D.C. I have worked in information and telecommunications systems consulting for ten years.

2. I founded the partnership in June of 1981 along with Mart D. Nelson, a Professional Engineer. Like many another fledgling operation, B•N sought out work opportunities for experience, promotion of the firm's name in the business community, and, as much as possible, a full fee.

3. After reading in the Dallas newspapers that the 1984 Republican National Convention would take place in Dallas, I approached the Republican National Committee in an effort to provide our consulting services on a fee

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basis. In October 1982, B°N made an initial presentation on automated concepts to representatives of the Committee on Arrangements ("the Committee"). This presentation suggested to the Committee a wide range of telecommunications and information systems services that would make for a very efficient Convention. B°N proposed to evaluate, recommend, and assist with the implementation of all of these automated systems for the Committee.

4. On several occasions during the months following this presentation, I contacted Mr. Richard Shelby, then the Convention Manager, about our services. To my disappointment, B°N was not hired at this time to provide the range of services presented to the Committee.

5. During the first half of 1983, I saw an opportunity for our services on a spot project. Southwestern Bell proposed a communications system to the Committee, and I recognized the need for evaluation, recommendation and planning services for this system. B°N offered its services on this matter to the Committee on a for-fee basis. For every two hours worked, B°N would bill the Committee for one hour of its services, plus any applicable travel and miscellaneous expenses.

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6. B•N had previously worked projects with discounts or for no fee at all in order to get business. In 1982, for example, B•N analyzed the communication system needs of Hughes and Hill, a law firm, at no charge. Approximately \$5,000 worth of services were provided to perform this analysis. While these free or discounted services do not always result in new business, this particular promotion proved valuable, as B•N was later paid to implement the suggestions made to Hughes and Hill and was retained for nearly two years of follow on services.

7. B•N had also previously provided services to charitable groups purely to promote our firm name and capabilities with the major business executives who sit on the Boards of these organizations. In 1981 and again in 1982, for example, B•N provided approximately \$15,000 to \$20,000 of services each year for the Arlington Boys Club Talent Show. Prior to our Convention work, B•N also provided about \$5,000 of free telephone planning and implementation services to the Duncanville Church of Christ solely for promotional purposes.

8. I believe the use of these commercially-motivated discounted services (including free ones) to be a common practice in the information services consulting industry.

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9. Because B•N believed that work for the Committee would result in excellent contacts, and would allow us to demonstrate our capabilities, a discount for this spot project was good business. Moreover, B•N needed work opportunities at this stage because we were still a very young business. Fortunately, our offer was accepted, and for the first time, B•N saw the possibilities not only of national publicity and experience, but also of full-fee services down the road.

10. Later in 1983, B•N started turning the corner as a commercial organization. We started to make a profit, and we had on our payroll the number of employees that for the first time made it possible for us to handle the Convention in the way we first envisioned. In June 1983, the Committee met in Dallas, and B•N again presented its automation concepts plan for the Convention. The presentation went well, I thought. The Committee saw the need for the information and telecommunications ideas B•N suggested. However, the Committee did not want to pay the fees for our advice that we proposed.

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11. By the latter part of 1983, B•N's name had appeared in the local media in connection with our Convention consulting services. For example, The Dallas Times Herald reported in its August 21, 1983 issue about the nature of our services and our hopes to be designated as the official Convention information systems consultants. I am quoted as saying, "You have to be able to get your name up there to attract venture capital....It's worth a try to be working on the convention to get a name...if, because of that designation, we can create interest, we can raise money." The article reporting this information, "Businesses See Dollar Signs in Grand Old Promotions," is attached as Exhibit A.

12. B•N evaluated the opportunity to receive exceptional publicity from this national event, were we to play a central role in advising the Committee as to what services it needed and which vendors would best supply those services. As with other clients where we see great opportunity for expanded business and promotion, B•N offered to provide consulting services from February through July 1984 at no cost in exchange for the official designation as "The Information Systems Consultant of the 1984 Republican National Convention." The B•N offer also

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provided for our services on a full-fee basis during the busy Convention month of August. In addition, the Committee would reimburse B•N for any business expenses during this entire period.

13. Fortunately, the Committee formally accepted this proposal on January 24, 1984. I believe this was fortunate because B•N received significant promotional value from the services rendered the Committee that resulted in new client billings of \$249,394.63. This income alone is nearly three times the value of the hours exchanged for B•N's designation as Official Information Systems Consultant. The new clients that came our way as a direct result of our Convention work are: APCO; Arthur Andersen & Co.; Britches of Georgetowne; Covington & Burling; Hogan & Hartson; International Management Group, Inc.; Jackson Walker; Powell, Goldstein, Frazer & Murphy; and Weinberg and Green. Moreover, we owe the existence of our Washington, D.C. office to our official work at the Convention.

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14. In addition, the free publicity B•N received from our official status with the Convention was tremendous. B•N was interviewed five times on the major television stations in regards to our role at the Convention. Each major network interviewed B•N at least once. Moreover, two major Dallas newspapers, The Times Herald and The Morning News, each reported on our Convention services and quoted me on several occasions in 1984. The monthly Dallas Magazine published articles in July and August 1984 that discussed our role at the Convention. Our industry reporter, MIS Week, provided information about our Convention services in its July 4, 1984 issue.

15. B•N took advantage of the business opportunities our official Convention status provided us with by sending out two newsletters to more than 2,000 potential clients and by taking out a full page advertisement in the June 16, 1985 issue of The Dallas Morning News centering on our Convention services. Copies of the sections of the newsletters reporting our official status are attached as Exhibit B; the full page advertisement is attached as Exhibit C. Additional business from at least one client, the Dallas law firm of Jackson Walker, can be traced directly to the newsletters.

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16. Even now, every time B•N sits down to discuss services with a prospective client, our work as Official Provider at the Convention is presented as one of our major projects. Attached as Exhibit D is a recent prospectus, providing a list of client references that includes the Republican National Convention, as well as clients we gained as a direct result of our Convention work.

17. All the services we provided for the Committee were motivated by commercial reasons. Fortunately, as I have indicated above, B•N's belief that we were seizing an exceptional promotional opportunity has panned out into almost a quarter of a million dollars worth of income.

18. As indicated by examples above, B•N had promoted our services in this way prior to the Convention. While all such promotions do not lead to full-fee jobs, B•N continues to try to attract business in this way today. On December 8, 1986, for example, we offered more than \$18,000 worth of our services to the State of Texas at no cost other than travel expenses just to get more business. A copy of the letter presenting that offer, as well as a copy of the signed contract with the State accepting that offer, is attached as Exhibit E.

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I hereby certify and affirm under the penalty of perjury that the foregoing Affidavit is true and accurate to the best of my knowledge and belief.

James L. Blythe 1/31/87
JAMES L. BLYTHE DATE

Sworn to and subscribed before me this 31st day of January, 1987.

J.R. Murant Jr.
J.R. MURANT JR.
NOTARY PUBLIC

My Commission Expires: 8-30-89.

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...-line and communication secretary in the weeks ahead.

Other designations are likely in high-technology area. Beyond word processing and voice messaging, the convention may make use of advanced telephone communications, electronic banking services, computerized city directories, even a closed-circuit television system, but how far these go is not clear.

The structure of the convention is still being worked out. Dallas Convention and Visitors Bureau has been instrumental in the planning process. The bureau is expected to coordinate the convention's activities with the city's other major events.

The convention is expected to be a major event for Dallas. It is expected to bring in a large number of visitors to the city. The convention is expected to be a major event for Dallas. It is expected to bring in a large number of visitors to the city.

The convention is expected to be a major event for Dallas. It is expected to bring in a large number of visitors to the city. The convention is expected to be a major event for Dallas. It is expected to bring in a large number of visitors to the city.

...about the same as for Key Cosmetics gathering.

Before and during the convention, those associated with the GOP convention will spend \$30 million or more on hotels, meals, transportation, entertainment and retail purchases.

Expenses in other categories have also risen. More money will be spent on advertising, public relations and other projects. The total cost of the 1980 Republican National Convention is \$115 million, Kansas City, Mo., estimates. \$37 million in benefits from the 1976 GOP meeting.

The most direct beneficiaries will be the 125 area hotels and motels which are expected to take in more than \$13 million from the convention. The party has reportedly 23,000 rooms within a 25-mile radius of the Dallas Convention Center, and these contracts do not include the Hyatt Regency and Loews Anatole, which will be host to top party and administration officials, including the President's inauguration.

Lodging contracts represent one of the most sensitive issues associated with the convention. Scalping has been a problem at previous political conventions, and the party is requiring lodging establishments to state in writing that they will charge no more for room or board during the convention than during other times of the year.

"You've always got a few Bol-

sheviks any business," says Alex Seymour, executive director of the Dallas County Hotel-Motel Association. "But, overall, these hotels and motels are not going to gouge people, because they're going to want them to come back. They aren't going to want them to leave here with a bad taste in their mouth about Dallas and the hotel they stayed in."

For firms outside the hospitality industry, the difference between political, convention, and a consumer show is the unusual opportunity for promotion it provides. The Dallas Convention Center is expected to be crawling with thousands of reporters and broadcast journalists looking for a story to tell.

Even businesses with no direct involvement in the convention want to be part of that story. "They want to be identified with something that people have warm, friendly feelings about and that there is a lot of interest in," says Fred Meyer, Dallas County GOP chairman and director of the Republican Host Committee.

"A lot of businesses are going to be interested in it more from an altruistic basis than anything else," Meyer says. "But the line between altruism and opportunism can be a hard one. Even if there is no immediate return, the good will generated by a firm's involvement in the convention effort can translate into dollar signs in the years ahead."

Jim Clear, the president of the Central Business District Association, says the widespread exposure provided by the convention could become a factor in decisions by individuals, and possibly by organizations, to relocate in Dallas.

"Most of the growth in downtown business has come from expansion of existing business, people making individual decisions to move to Dallas," Clear says.

Tourism officials in Kansas City estimate that the publicity generated by the 1976 Republican convention was comparable to as much as \$10 million spent on promotional advertising. That amounts to about 20 years worth of publicity for Dallas, a city that usually spends less than \$500,000 a year to promote itself.

Kansas City's success in handling the Republicans seven years ago also helped it book other conventions it is convinced it would not have attracted otherwise.

The effect the Republican session will have on Dallas' future convention trade is not lost on city officials, who estimate that conventions already add \$500 million annually to the local economy and provide about 60,000 jobs for area residents.

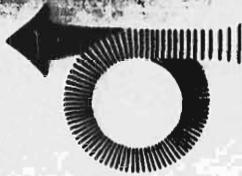
"I'm looking at future economic impact more than immediate impact," says Charles Bass, director of the Dallas Convention and Visitors Bureau. "If we do a hell of a job on this convention, that's going to help us get more business in the future."

"I can't think of a business that won't benefit from this convention," Bass says. "It's a chain reaction."

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EXHIBIT B



BLYTHE-NELSON REPORT

A publication of Blythe-Nelson • Information Systems Consulting • Dallas, Texas

PERSPECTIVE

The Breakup of the Bell System, Was It Necessary?

by Mart D. Nelson

The net effect of the divestiture of the Bell System is to break up the best run communications network in the world and place it in an environment where it cannot effectively function.

Original Intent: Affordable Universal Service

The Justice Department settlement with AT&T resulting in the breakup of the Bell System into several separate companies ended a fifty-year-long monopoly originally established by the congress to "provide universal telephone service at a reasonable cost."

The philosophy behind the original legislation (the Communications Act of 1934) was to exempt the Bell System from anti-trust regulations as a way to provide for a uniform and consistent public communications network. This allowed all telecommunications users in the United States reasonably equal access to telephone service at prices that were affordable to all.

The concept of "universal service" has indeed been ac-

complished by the Bell System in cooperation with approximately 2000 independent telephone companies in the United States. The public communications network in the United States today is a standard by which the rest of the world measures the quality of telephone service. It is provided at a reasonable cost in an environment where the primary objective is service, rather than high profit.

The System Now

As a result of the Justice Department settlement, the effect of the Communications Act of 1934 is nullified. The Bell System has become a number of separate companies, including seven regional holding companies which among them now own the existing 22 Bell operating companies, and AT&T company with its several holding companies. AT&T company now has as its subsidiaries:

(1) **AT&T Technologies**, including **AT&T Information Systems**, which manufactures and sells telephone equipment, switching systems, computers, and office automation equipment;

(2) **AT&T communications**, which provides long distance services; and

(3) **Bell Telephone Laboratories**, which is a research organization; plus a number of other smaller subsidiaries.

Continued on page 6

Republican National Committee Taps Blythe-Nelson

Blythe-Nelson has been designated the official Information Systems Consultant for the 1984 Republican National Convention in Dallas, an important role for the growing Dallas based consulting firm.

Since the summer of 1983, Blythe-Nelson has assisted the Republican National Committee with the selection and evaluation of a communications system for the 1984 convention. The result is that AT&T's System 85 has been selected the communications system for the convention.

Other systems and services being utilized or under consideration are:

- Computerized color graphics presentations systems;
- Voice messaging services;
- Cellular mobile phone services; and
- An automated message center.



State Of The Art Tools

Through the use of sophisticated computers and communications technology, the committee will realize greater flexibility planning for the convention.

With these tools, convention coordinators and convention attendees will experience a more enhanced, more sophisticated convention than ever before. ■



**Southwestern Bell
Telephone**



**AT&T
Information Systems**

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"High Tech" Convention A Success

by James L. Blythe

In the initial issue of the Blythe-Nelson Report, we wrote of our designation as the official Information Systems Consultant for the 1984 Republican National Convention held in Dallas this past August. Now that the dust has settled, we can proclaim the 1984 Republican National Convention a "High Tech" success.

Most certainly, history will record a popular President and Vice President as being re-nominated by their party. What history may not record is that this convention was the most technologically advanced political convention ever. Even more unique was the transparency of this technology.

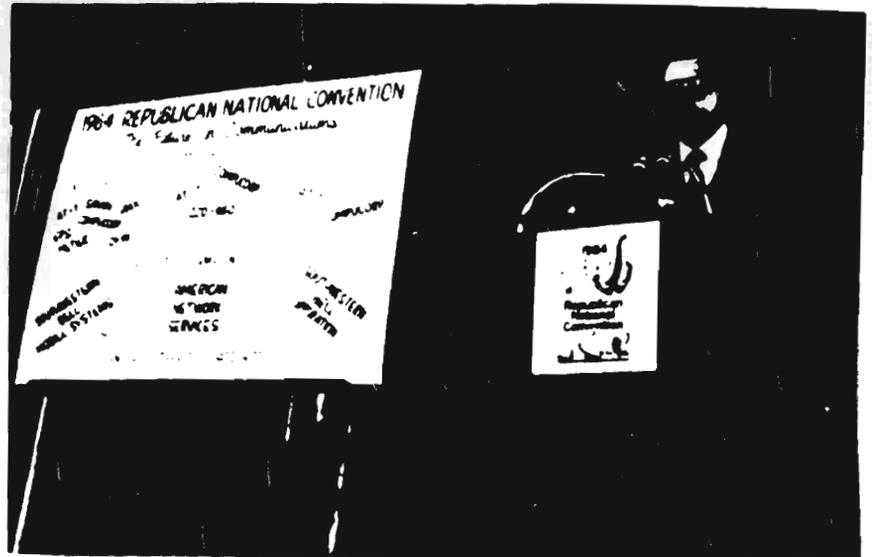
Function Not Flash

In planning for over a year and a half prior to the convention, we recommended to our client, The Republican National Committee, that high technology products and services be integrated into the very infrastructure of both the planning processes and functional physical processes of the convention. In this way the technology would be functional, not flashy.

Beginning in February 1984, convention planners living and working in Dallas utilized various technologies in planning the convention (many for the first time in a political convention).

Some of these firsts include:

- An automated message center was provided through the cooperative efforts of **AT&T Communications**, a regulated subsidiary of AT&T, and **Compucorp**, a California based computer company. The heart of the system was an electronic mail network on the convention floor where delegates received messages electronically while the con-



Mart D. Nelson explains technology used during the convention.

vention was in progress.

- Cellular mobile phone service used during July and August by approximately 50 convention planners. **Southwestern Bell Mobile Systems**, a deregulated subsidiary of Southwestern Bell Corporation, provided this state-of-the-art service.
- Voice messaging (electronic "voice" mail) from **VMX, Inc.** of Dallas for communicating messages in a fast-paced, hectic environment.
- Other services provided were:
- Computerized (high resolution) graphics from **Executive Presentation Systems** of Dallas for producing transparencies, door signs, directional signs, etc.
- Automated delegate information services were provided by a California based firm, **American Network Services (ANS)**, a provider of high speed data communications networks. ANS provided each delegation (at their hotel) a CRT based workstation for document creation and editing, as well as for electronic distribution of information to the other delegations.

Other providers of quality services were:

- **AT&T Information Systems**

for Digital PBX services

- **Savin Corporation** for copiers
- **Rapicom** for facsimile equipment
- **Southwestern Bell Telephone Co.** for local access to the public network.

Whether or not history actually records, or even acknowledges, the successful use of these products and services in a complex, highly volatile environment, such as a national political convention, is of little or no concern.

"High Tech" Success

What we at Blythe-Nelson are proud of is our "success" in accelerating the Republican Party into the world of "High Tech." ■



James L. Blythe at RNC Press Conference.

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EXHIBIT C

BLYTHE • NELSON

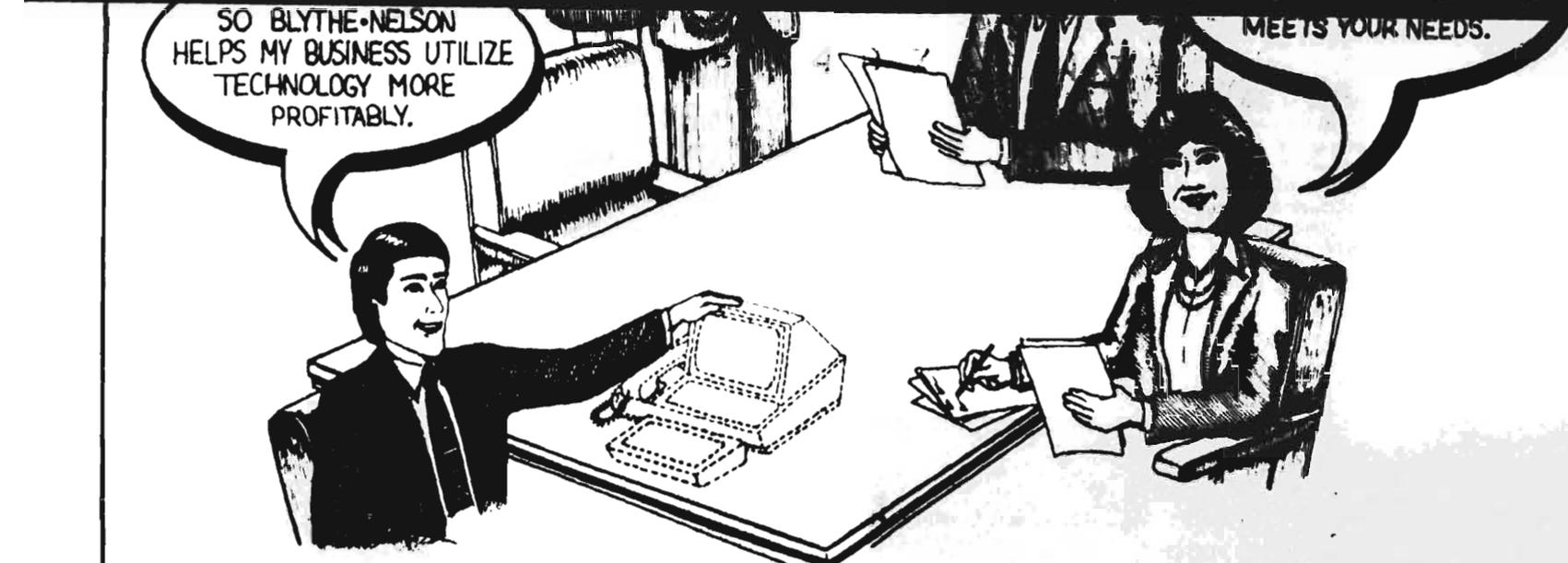
YOUR TECH



GREAT.....

AS WE HAVE ADVISED YOU, THERE ARE HUNDREDS OF VENDORS THAT OFFER PRODUCTS AND SERVICES.

IN WORKING WITH YOU, BLYTHE-NELSON WILL RECOMMEND WHICH VENDOR



SO BLYTHE-NELSON
HELPS MY BUSINESS UTILIZE
TECHNOLOGY MORE
PROFITABLY.

MEETS YOUR NEEDS.

Last summer, Dallas/Ft. Worth welcomed to Texas our President and his convention, the **Republican National Convention**.

For nearly two years, Blythe • Nelson worked with the **Republican National Committee** to plan and create the most technologically advanced political convention in history.

From analyzing current technology through systems selection, negotiations and implementation management, we are proud of our efforts in coordinating the technology for a most successful 1984 Republican National Convention.

Blythe • Nelson is a consulting and systems engineering firm based in **Dallas**, with offices in

Chicago, Atlanta, Washington and Houston.

We provide high level, technical consulting for businesses and organizations relating to telephone systems, computer systems, word processing and all facets of computer technology.

Blythe • Nelson professionals maintain a working and engineering knowledge of all vendors' products to assist our clients in evaluating, selecting and implementing cost effective systems.

In essence, we are the technology interface between the vendor community and our clients.

BLYTHE-NELSON



Bruton Park
6700 N. Stemmons Freeway, Suite 301
Dallas, Texas 75247
(214) 694-9900

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Exhib. + D

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INTRODUCTION

Blythe•Nelson is a management consulting and systems engineering firm based in Dallas, with offices in Atlanta, Chicago, and Washington, D.C. The firm provides high level, technical and management consulting to a broad base of clients. The firm has no affiliation, association, or connection with any vendor of any type. However, a working and engineering knowledge of all vendors' products is maintained to assist our clients in evaluating, selecting and implementing cost-effective information systems.

Blythe•Nelson has strategically developed a broad-based, highly technical staff of professionals, and appropriate support personnel. We provide consulting services in the following areas:

- Integrated/Automated Office Systems Planning
- Telecommunications
- Data Communications
- Data Processing
- Word Processing
- Networking
- Shared Tenant Services
- Electronic/Voice Messaging
- Energy Management
- E911 Planning and Implementation
- Business/Resources/Systems Development Management Systems
- Staff Development
- Systems/Marketing Research and Analysis
- Information/Data Security Systems

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Introduction (continued)

Blythe•Nelson specializes in evaluating the effectiveness of existing information management procedures and the systems which accompany them. We place particular emphasis on effective information flow and the compatibility and integration of various information systems into a dependable, user-friendly, cost-effective component of your firm. Our professional staff have kept pace with technology as the state-of-the-art advances. We are available to help resolve information systems problems and needs in a professional and cost-effective manner.

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SCOPE OF SERVICES

Blythe•Nelson provides information systems consulting and engineering involving:

- Feasibility and Conceptual Design Studies
- System and Support Planning
- Specification Development
- Systems Engineering Studies, Analysis and Design
- Development of Request for Proposals
- Evaluation of Proposals
- Support of Systems Integration
- Implementation/Installation Management
- Development of Acceptance Test Requirements
- Training
- Marketing Plan Development
- Single and Multiple Location Systems

Any one or all of these tasks can be performed for a client depending on the specific needs.

An information system may consist of telecommunications, data processing, word processing and system management functions that are interrelated. An information system may even be located in one office at one location or distributed among many offices and locations. Blythe•Nelson provides the expertise and assistance to properly relate functions, needs and locations to cause a system or systems to form a coherent whole.

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JAMES L. BLYTHE

Mr. Blythe has ten years experience in information systems and telecommunications systems consulting. His area of expertise lies in the design and implementation management of complex communications systems, as well as in planning for office systems integration for major legal, accounting and financial institutions. One of his most creative projects involved assisting a major insurance company with the conceptual planning and design of a sophisticated agent support system.

Mr. Blythe is a summa cum laude graduate of Texas Wesleyan College, Fort Worth, where he received a Bachelor of Arts Degree in Political Science.

As an Account Executive for the Bell System prior to the founding of Blythe-Nelson, Mr. Blythe was directly responsible for numerous advanced and innovative information and communications systems, including the following:

- The first application in an international accounting firm of a highly sophisticated, computerized PBX with electronic telephone sets, call detail recording, least cost routing, systems management via a customer administration terminal and centralized attendant service for offices in the Dallas/Ft. Worth Metroplex
- Design and implementation of the first Automated Information System, incorporating voice and data, in an international accounting firm

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James L. Blythe (continued)

- **Design and implementation of an internal routing system for a professional firm to maximize productivity and provide a more efficient flow of information involving word processing, data processing, mail and supplies**

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MART D. NELSON, P.E.

Mr. Nelson has 20 years experience in information systems and telecommunications systems applications. He is a graduate of the University of Houston, where he received a Bachelor of Science Degree in Electrical Engineering and a Master of Science Degree in Computer Science. He is a Professional Engineer, licensed to practice electrical engineering in Texas.

As an information systems consultant, Mr. Nelson has successfully assisted major law firms, accounting firms, insurance companies and banks with significant projects, including the following:

- Development, selection and implementation of word and data processing systems for a large law firm, including system design for an automated support system
- Systems analysis, planning, design and implementation management of multi-location communications systems
- Design and implementation of a state-wide message communications system for an independent bank to integrate its information resources with outlying banks in Texas

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Hart D. Nelson, P.E. (continued)

Prior to the founding of Blythe•Nelson, Mr. Nelson acquired extensive experience in complex systems as an applications planner for Western Electric Company, including:

- The design and implementation of a nationwide stored program control communications network
- The design of multiple access data switching systems providing local terminal access to computer ports and private line data circuits
- The development of the first application of a stored program control communications system at a major Dallas hotel, including automatic wake-up services, room status, maid status, and an on-line interface to the property management system at the hotel
- The development of local network arrangements to allow integrated communications systems operations for multiple location firms in Dallas/Port Worth

In addition, Mr. Nelson has addressed organizations such as Interface '82, Texas Computer Conference, Southwest Telecommunications Association and the LTV Office Automation Committee.

G. TRUETT BALL

Mr. Ball has ten years experience in the communications industry. Five of those years were spent with the Bell system as a Communications Consultant and an Account Executive. He has a broad base industry knowledge encompassing the Governmental, Medical, Financial, Industrial, and Educational markets.

Mr. Ball's area of expertise lies in the analysis and development of cost efficient communications systems solutions. More specifically, he is proficient in the application and integration of special communications equipment into new or existing systems. His background encompasses a wide range of communications systems including PBX, emergency systems, special services circuits and group alerting systems for state and local governments. An example of his expertise is the conceptual design and implementation of timed and controlled lockout telecommunications for jail inmates at a newly constructed county jail.

Mr. Ball received his formal education at Amarillo College, West Texas State University, and the University of Maryland. In addition to extensive Bell system training, he has received specialized training from Motorola and the U.S. Army.

JEANETTE C. BELL

Formerly with AT&T Information Systems, Ms. Bell has 15 years experience in the telecommunications industry assisting major companies in planning, selecting and implementing complex communications and information systems.

Ms. Bell is proficient in her ability to identify and address business applications and provide a cost-effective solution, utilizing sophisticated products and services. Ms. Bell's extensive experience in telecommunications allows her to handle coordination efficiently to assure proper planning and implementation of communications systems.

Ms. Bell also specializes in the development and presentation of customized training packages for clients implementing sophisticated communications systems.

Ms. Bell received her formal education at the University of Oklahoma and Oklahoma State University, as well as having received extensive training in data processing, data communications and professional consulting.

While with Blythe•Nelson, Ms. Bell has assisted a broad spectrum of clients in:

- Development of specifications
- Development of Request for Proposals
- Proposal evaluations
- Vendor selection
- Training and implementation

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Jeanette C. Bell (continued)

Ms. Bell was one of the principal consultants for the information and telecommunications systems developed and implemented for the 1984 Republican National Convention. She is also very capable in the office automation/integration and shared tenant services areas.

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WENDELL R. CALLAWAY

Mr. Callaway has 11 years experience in telecommunications with Southwestern Bell and AT&T Information Systems. His background includes recommendation and implementation of complex communications systems for some of the nation's foremost professional services firms.

Mr. Callaway's education complements his experience with a Bachelor of Business Administration Degree in Advertising/Marketing and a Master of Arts Degree in Journalism/Advertising, both from Texas Tech University.

As a Marketing Support Specialist with AT&T Information Systems, Mr. Callaway was most recently responsible for implementation of the first shared communications services installation in the southwest at Park Central in Dallas. He was assigned as project coordinator working on site with the developer in a multi-tenant, multi-building environment.

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SUZANNE S. deLARIOS

Ms. deLarios held several positions in her five years with the Bell System. Her first two years were spent assisting Gas Exploration and Transmission Companies in planning, selecting, and implementing complex communications systems in the Houston area. After relocating to Dallas, she managed a team of consultants responsible for all major telecommunications activities for the Utility, Security and Answering Service Industries in North Texas. Her last year was spent as an Account Executive responsible for all sales of communications systems for Security and Answering Services in Texas.

Ms. deLarios is an honor graduate of the University of Texas with a Bachelor of Business Administration in Marketing. She has complemented her formal education with her experience.

Her extensive experience with the Answering Service Industry gives her valuable operations perspective in evaluation, design, and implementation of message centers and information flow within an organization. Her management experience at Bell gives her valuable expertise in resolving difficulties arising from implementation of complex business systems.

While at Blythe-Nelson, Ms. deLarios has proven herself to be very valuable in providing assistance to very large clients in systems evaluations and audits. She has cost-effectively

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Suzanne S. deLarios (continued)

accomplished an engagement with one of the world's largest electronics firms. She has also been responsible for evaluation, design and implementation of communications systems for the State of Texas and the Republican National Convention (1984). Ms. deLarios is also very proficient in feasibility and conceptual design efforts and later implementation/installation management directed towards:

- Networking
- Shared Tenant Services
- Office Automation/Integration

She also provides support to Marketing Plan development in these areas.

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EARLENE S. OEFINGER

Prior to joining Blythe•Nelson, Ms. Oefinger spent six years with Arthur Andersen in Dallas, managing the communications requirements of the Dallas and Fort Worth offices. While at Arthur Andersen, she was responsible not only for administrative personnel in the telecommunications area, but also for the telecommunications systems management functions for the Dallas, Fort Worth and Houston offices.

Ms. Oefinger is well-versed in system administration practices and in the development of training and orientation procedures for sophisticated telecommunications systems. Her strength lies in her unique understanding of communications systems from an in-house management perspective.

Since joining Blythe•Nelson, Ms. Oefinger has been responsible for the evaluation, design and implementation of telecommunications systems for several large clients to include the training of client personnel. She also has provided consulting assistance in shared tenant services and automated/integrated office systems efforts. Ms. Oefinger is proficient in the special information and telecommunications needs of:

- The Banking Industry
- The Accounting Firm
- The Law Firm
- Manufacturing
- The News Publication Media

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BLYTHE-NELSON ATLANTA INC.

JUDITH W. BRAMBLETT

As President of Blythe-Nelson Atlanta Inc., Mrs. Bramblett brings 18 years of Bell System experience to the firm. Formerly with Southern Bell, Mrs. Bramblett worked with major law firms and CPA's in Georgia and South Florida. With AT&T Long Lines, she directed and assisted in major systems implementation for national transportation accounts. Most recently, Mrs. Bramblett designed networks for national and major accounts in the southeast for AT&T Communications.

Mrs. Bramblett managed a team of consultants responsible for selecting and implementing communications at Atlanta's new Hartsfield International Airport. She participated with a team that implemented an Electronic Tandem Network for a national railroad account. With AT&T Communications, she utilized the most sophisticated network design systems available to the industry today, working with state government, textile manufacturing and retail accounts. Her experience gives her valuable perspective in virtually every area of communications.

She attended the University of Miami and Oglethorpe University in Atlanta. Mrs. Bramblett is Chairman of the Sandy Springs Clean & Beautiful Committee. She is a member of the Women's Commerce Club, North Fulton County Republican Women's Club and the Atlanta Women's Network. She is active in local Chambers of Commerce along with other civic organizations.

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BLYTHE-NELSON MIDWEST INC.

R. JEFF ROGERSON

In his 37 years with the Bell System, Mr. Rogerson developed significant expertise in telecommunications systems and operations. But beyond the normal systems areas Mr. Rogerson became, and remains, one of a handful of true experts in the planning, development, delivery and management of 9-1-1, emergency number services.

Mr. Rogerson's career has included supervisory and management assignments in the telecommunications systems installation and maintenance department of Illinois Bell Telephone Company as well as the commercial and marketing departments. During a six year period in public relations, Mr. Rogerson wrote and lectured on space age communications. He was sent to Bell Labs, AFAT and the Space Station, Andover, Maine, to gain experience in satellite communications.

A pioneer in emergency number services, Mr. Rogerson was, for 14 years, Illinois Bell's product manager for 9-1-1 and that company's coordinator of 9-1-1 installations. In that capacity, Mr. Rogerson developed a unique appreciation and understanding of the needs of governmental bodies charged with planning, installing and operating 9-1-1.

Among other special assignments and recognitions, Mr. Rogerson was appointed to represent Illinois Bell on a special statewide 9-1-1 planning task force headed by the Chief Engineer of the Illinois Commerce Commission. He served for several years on the 9-1-1 Steering Committee of the Illinois Telephone Association. A charter member and chief organizer in 1981 of the National Emergency Number Association (NENA), Mr. Rogerson is a member of NENA's Executive Board as Commercial Member Chairman.

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BLYTHE-NELSON WASHINGTON, D.C. INC.

LINDA S. DOWNS

Ms. Downs has six years experience in the planning and implementation management of telecommunications systems. She is especially skilled in translating today's state-of-the-art technology into practical business solutions.

Ms. Downs was a member of the four man team responsible for the development of Tandy Corporation's new business telephone division. She was instrumental in creating tracking procedures, marketing strategy and training programs for marketing representatives. Additionally, her responsibilities included:

- Monthly profit and loss analysis
- Development of an implementation schedule and the associated documents
- Personnel evaluation and staffing decisions

More recently, as a Major Account Representative for a leading distributor of telecommunications systems, Ms. Downs was directly responsible for communications systems evaluations and recommendations designed to address the total communications needs of a given business or industry. Her experiences include:

- Developing an efficient and cost-effective network for a major department store chain
- Addressing the total communications needs of a large advertising firm which required integrating a Voice Messaging System, Call Accounting System and a PBX

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Linda S. Downs (continued)

- Analyzing the flow of information for a major beverage distilling company which resulted in an enhanced network design and installation of a new telecommunications system engineered to expedite the internal exchange of pertinent information

Ms. Downs attended Mount Saint Joseph College for Women and has also gained specialized training in the field of telecommunications and office automation. Her civic contributions resulted in her induction into the Outstanding Young Women of America.

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BLYTHER NELSON
CLIENT REFERENCES
(Partial List)

Arthur Andersen & Co., Dallas, Houston, San Antonio, Fort Worth, 1982-86

- Reference: Mr. Ron Ebest
(214) 741-8300

Baker & Botts, Dallas, 1985-86

- Reference: Ms. Mary Driskell
(214) 979-3202

Boy Scouts of America (National Headquarters), Irving, 1984

- Reference: Ms. Vicki Rothenberger
(214) 658-2044

Bramalea, Ltd., Dallas, 1984-85

- Reference: Mr. Dave Osborn
(214) 761-6167

Carrington, Coleman, Sloman & Blumenthal, Dallas, 1983-85

- Reference: Mr. Tommy Thompson
(214) 698-8000

Collin County, McKinney, Texas, 1985-86

- Reference: Mr. Glen Renfro
(214) 231-7170

Covington & Burling, Washington D.C., 1985-86

- Reference: Mr. D. James Lantonio
(202) 662-6032

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Client References (continued)

Cowles & Thompson, Dallas, 1981-86

- Reference: Mr. Hardy Thompson
(214) 670-1103

Equifax Services, Atlanta, Dallas, Houston, 1985-86

- Reference: Mr. Norm Campbell or Mr. Ted Hughes
(404) 885-8640 (404) 885-8988

General Portland, Dallas, 1985-86

- Reference: Mr. V.C. Gilmore
(214) 934-7100

Haynes & Boone, Dallas/Fort Worth, 1984-86

- Reference: Ms. Marilyn Phillips
(214) 744-0550

MBank Wichita Falls, Wichita Falls, Texas, 1984-86

- Reference: Mr. Scott Baker
(817) 322-7861

Members Insurance Co., Dallas, 1985-86

- Reference: Mr. Harley Barrett
(214) 980-5656

City of Plano, Texas, 1983-86

- Reference: Mr. Bill Morris
(214) 424-6531

**RepublicBank Corporation, Dallas, Houston, San Antonio,
1982-84**

- Reference: Mr. Bud Whitney
(214) 761-3421

Client References (continued)

Republican National Convention, Washington/Dallas, 1983-84

- Reference: Mr. Dan Denning
(202) 695-1438

Rosewood Corporation, Dallas, 1985-86

- Reference: Mr. Charles Tusa
(214) 871-8585

**Standard Oil of Indiana, General Headquarters Building,
Chicago, 1984-86**

- Reference: Mr. Ted Varnadoe
(312) 856-6111

**State of Texas, Capitol Complex Communications System
Project, Austin, 1983-84**

- Reference: Mr. Neal F. (Buddy) Jones
(512) 480-8061

Texas Instruments, Inc., Dallas, 1984-86

- Reference: Mr. Roy Reynolds or Mr. Jim McNie
(214) 995-3838 (214) 995-6688

City of Wichita Falls, Texas, 1984-85

- Reference: Mr. Ed Barrett
(817) 322-5811

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EXHIBIT E

3040721503

BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

COPY

December 8, 1986

Mr. Lias B. "Bubba" Steen
Executive Director
State Purchasing and
General Services Commission
111 E. 17th Street
LBJ Building, Room 914
Austin, Texas 78711

Dear Bubba:

Jim and I appreciate the time you spent with us today on such short notice. Hopefully, you can tell that we were totally shocked at the unfounded accusations made by Mr. Clapsaddle.

Regarding our offer to assist you and Mr. Carroll with unraveling the telephone system situation, the following outline and fee schedule is provided for your review and consideration.

Engineering Study Outline

- Perform IBX switch inventory
- Confirm instrument counts by type utilizing the IBX software
- Identify and prioritize key agencies/user groups with operational problems
- Work with the most critical of these groups to alleviate problems and perceptions of the system
- Make overall functional/operational recommendations

The following professional staff we recommend for this Engineering Study is our best.

- James L. Blythe - Partner-in-Charge
- Mart D. Nelson, P.E. - Engineering Partner
- Jeanette C. Bell - Senior Consultant

(continued)

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Mr. Lias B. "Bubba" Steen
Page two

We project that this assistance will require approximately 160 man hours.

<u>Staffing</u>	<u>Projected Man Hours</u>	<u>Standard Hourly Rates</u>
James L. Blythe	32	\$120
Mart D. Nelson, P.E.	48	\$150
Jeanette C. Bell	80	\$ 90

As you can see, this study would normally require a professional fee of over \$18,000.

However, we propose to accomplish this effort for the cost of travel expenses only. We offer this because we value our long term relationship with you and the State as a client.

Additionally, we wish to demonstrate that our professional work standards always have required, and continue to require, the highest quality and professionalism.

We very much want to help you and Mike with this most serious situation, and no one more than us has the specific background and engineering expertise to do this.

I look forward to seeing you and Mike Wednesday morning at 8:30 a.m. in your office. Thank you.

Sincerely,



Mart D. Nelson, P.E.

cc: Mr. Michael A. Carroll
Director
State Telecommunications

P.S. Please extend Jim's and my warmest regards to Mike.

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The State of Texas

County of Travis

PROFESSIONAL SERVICES CONTRACT

PARTIES:

This contract is made and entered into by and between the State Purchasing and General Services Commission, an Agency of the State of Texas, hereinafter referred to as "Agency," and Blythe-Nelson Information Systems Consulting, hereinafter referred to as "Engineers." The parties have severally and collectively agreed to be bound to the mutual obligations and to the performance and accomplishment of the tasks hereinafter described.

SERVICES TO BE PERFORMED:

Engineers shall provide professional services, consultation, and expertise to the Agency's Telecommunications Services Division for use by and benefit of the Agency, its Executive Director, and its Commission. Specifically, Engineers shall:

1. Perform IBX switch inventory;
2. Confirm instrument counts by type utilizing the IBX software;
3. Identify and prioritize key agencies/user groups with operational problems;
4. Work with the most critical of these groups to alleviate problems and perceptions of the system; and
5. Make overall functional/operational recommendations to the Agency.

The following professional staff will perform these services:

James L. Blythe - Partner-In-Charge

Mart D. Nelson, P.E. - Engineering Partner

Jeanette C. Bell - Senior Consultant

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TERM OF CONTRACT:

Services to be performed pursuant to the provisions of this contract will commence on December 14, 1986. With respect to items 1 and 2 enumerated in the preceding section, those services shall be performed and a report detailing such findings shall be delivered to the Agency no later than ~~December 31, 1986~~ ^{January 7, 1987}. Services for the remaining items enumerated in the preceding section shall be concluded on or before February 9, 1987.

PAYMENT FOR SERVICES:

In consideration of the services to be performed by Engineers, the Agency shall reimburse Engineers for travel expenses only. The rate of reimbursement shall not exceed Seventy-five and no/100 Dollars (\$75.00) per person per day for lodging and meals. The Agency shall also reimburse Engineers for actual transportation costs. In no event, however, shall the total dollar amount of this contract exceed Eight Thousand and no/100 Dollars (\$8,000.00). Payment will be made by the Agency upon completion of the contract. Engineers shall certify delivery of all contract services and completion of the contract on State of Texas Voucher Forms as prescribed by the Comptroller of Public Accounts. The above stated consideration shall not be exceeded unless a written amendment to this contract is executed by both parties. The Agency shall not be required to reimburse Engineers for any additional expenses not included in the above stated consideration without the execution by both parties of a written amendment to this contract.

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MKO
WJR

GENERAL PROVISIONS:

All information, materials, products, reports, and management letter(s) developed pursuant to this contract shall become the property of the Agency upon completion of the contract. Engineers shall not assert any claims at common law or in equity or establish any claim to statutory copy-right to such materials.

This contract shall be governed by the laws of the State of Texas.

Agreed : Mant D. Nelson Date: 12-31-86 ¹²⁻¹⁴⁻⁸⁶ ^{MLC}

For : Blythe-Nelson Information Systems Consulting

Address : Bruton Park

: 8700 N. Stemmons Freeway, Suite 301

City/State : Dallas, Texas 75247

Approved and accepted on behalf of the State Purchasing and General Services Commission this 31st day of December, 1986. ^{14th} ^{MLC}

[Signature]
Lias B. "Bubba" Steen
Executive Director ^{MLC}

80407-1508

CC#2630

GANDY MICHENER SWINDLE WHITAKER & PRATT

ATTORNEYS & COUNSELLORS

SUITE 600
2501 PARKVIEW DRIVE
FORT WORTH, TEXAS 76102

(817) 335-4417
METRO 429-6268

TELEX 75-1693
TELECOPIER (817) 335-6035

DIRECT DIAL

(817) 878-

January 30, 1987

ROBERT D. AKERS
RICKY D. BALTHROP
GEORGE J. BARLOW
PAUL M. BUCHANAN
DONNA R. CALKOUN
JOHN ALLEN CHALK
WILLIAM L. DISMUKE
WILLIAM T. FITZGERALD
H. DAVID FLOWERS
TAYLOR GANDY
KENNETH P. GUDGEN
KENDALL A. HALL
JOHN V. HOWARD
TOM L. LARIMORE
CHARLES R. LUNDELIUS
BRUCE W. MCGEE

JOHN W. MICHENER, JR.
DONALD O. PRATT
JAMES G. REYNOLDS
JERRY K. SAWYER
J. SHELBY SHARPE
RAMSAY H. SLUGG
JOSEPH W. SPENCE
MACK ED SWINDLE
RAGAN S. TATE
WAYNE H. WHITAKER
OF COUNSEL
GEORGE R. ALEXANDER, JR.
PAUL W. MASON

The Honorable Joan D. Aikens, Chairman
Federal Election Commission
999 East Street, N.W.
Washington, D.C. 20463

3.
P 5: 05

RE: MUR 2171

Dear Chairman Aikens:

In response to your letter of November 13, 1986, addressed to Respondent, Executive Presentations Systems, Executive Presentation Systems (hereinafter referred as "the Respondent") denies the findings of the Federal Election Commission (hereinafter referred to as "the Commission") that Respondent violated 2 U.S.C. §441(b), a provision of the Federal Election Campaign Act of 1971, as amended (hereinafter referred to as "the Act"). Respondent provides the following information to demonstrate that Respondent has not violated the Act in any way and that no further action should be taken against Respondent.

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GENERAL COUNSEL
FEB 1 1987

Respondent is responding to the Commission's findings within the sixty (60) day extension of time granted pursuant to letter of January 9, 1987. A copy of the extension is attached.

NGM, Inc. is a Texas corporation doing business as Executive Presentation Systems (Respondent). Respondent sells computer graphic hardware, software and services and supplies to businesses and individuals interested in its products primarily in the Dallas/Fort Worth market as well as across the United States. The computer graphic market is a highly competitive market; therefore, Respondent's success depended upon its making its products and services known and establishing a customer base. It is common practice industry-wide for businesses such as Respondent to offer the use of its equipment and services to potential customers on a trial basis at discounted rates or at no cost at all, with the expectation that potential customers would like the equipment and subsequently purchase equipment or entire graphics systems. In addition, businesses commonly provide the services of their personnel to demonstrate the usage of their products. The consideration received by the business is exposure

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The Honorable Joan D. Aikens, Chairman
Page 2
January 30, 1987

of its products and services and possible future sales, which can only be measured on a case-by-case basis.

Respondent has, in its normal course of business, followed the above practice on many occasions. In October of 1983, Respondent approached RepublicBank/Dallas as a potential customer. Respondent installed at RepublicBank/Dallas a computer graphics terminal, printer and plotter and furnished supplies for a 30-day trial period. Respondent did not charge RepublicBank/Dallas for either the use of the equipment, its installation or the supplies during the trial period. The value of the equipment was approximately \$35,000. After the 30-day trial period, RepublicBank/Dallas purchased the system. Another example is Lear Petroleum. In September of 1984, Respondent installed the same type of equipment installed at RepublicBank/Dallas at Lear Petroleum plus a film recorder, with a total retail value of approximately \$70,000. Respondent also trained an operator of the equipment and provided supplies, all free of charge. After the 30-day trial period, Lear Petroleum purchased the equipment. In about May of 1984, Respondent installed at Bricpak a computer terminal, printer, plotter and computer software with a retail value of approximately \$30,000, all at no cost. After the 30-day trial Bricpak purchased the equipment and also paid Respondent \$506.00 for supplies used in the trial period. Other examples of companies who tried Respondent's equipment in this manner and later purchased are Arthur Young, Total Assets Protection of Arlington, Lenox Industries, North Richland Hills Church of Christ and Alcon Laboratories.

However, not all trials have resulted in sales. In about May or June of 1985, Respondent installed at Rockwell International the same type of system as installed at RepublicBank/Dallas, for a 30-day period. Rockwell was not charged for the equipment, installation, operator training or supplies. After the trial period, Rockwell declined to make a purchase. Examples of other companies declining to purchase after a trial period were LTV and Touche Ross.

In exchange for the official provider designation, the Respondent provided graphic services to the Committee on Arrangements for the Republican National Committee (hereinafter referred to as "the Committee") at a discounted rate, in its ordinary course of business, all in accordance with 11 C.F.R. §9008.7(c)(1). The services provided to the Committee at no cost included the installation of a computer graphics terminal and graphics printer, training of an operator of the computer, prepa-

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The Honorable Joan D. Aikens, Chairman
Page 3
January 30, 1987

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ration of approximately twenty 35mm slides, preparation of parking signs for dignitaries' cars and preparation of approximately 10 to 15 meeting room signs. The computer equipment was in place for approximately sixty (60) days and had an approximate retail value of \$30,000. The Respondent is only aware of the computer being used for a total of about 4 or 5 days and believes approximately five charts were made using supplies purchased by the Committee. A small amount of graphics supplies was sold to the Committee at normal cost, \$506.00, and paper was sold at normal cost, \$75.78, and equipment was moved for normal cost, \$96.00, for a total expenditure of \$677.78. The only services and products supplied to the Committee at no cost were the use of the equipment, its installation and training of an operator, which were standard services and products provided to the Respondent's customers and potential customers in its ordinary course of business either in quantity or value. Therefore, the Respondent did comply in every respect with the regulations of 11C.F.R. §9008.7(c)(1). Copies of invoices detailing the products and supplies furnished are attached hereto as Exhibit "A." The equipment was returned to Respondent after the Convention.

In further support of the above, the Respondent believed, based upon conversations with Emily Ford and other representatives of the Committee, that the Republican National Committee was an on-going entity and might see the need to install a graphics system in its headquarters in Washington, D.C. Thus, the provision of use of the graphics equipment in Dallas was also made in anticipation that the Republican National Committee might purchase a system on a much greater scale for its headquarters. This is the same practice the Respondent follows in providing use of its equipment to its potential customers on a trial basis. The Committee, not unlike some of Respondent's customers declined to purchase after use of the equipment on a trial basis. The Respondent received the exposure of its products to persons attending the Convention who saw the equipment displayed. However, Respondent believes that the value of the exposure of its products exceeded the value received by the Committee in the use of the equipment. Respondent retained ownership of the equipment and the equipment did not lose any value as a result of the use by the Committee.

The Respondent requests that the Commission consider its arguments contained in this response and find that no violation of 2 U.S.C. §441(b) has occurred and that its provision of goods and services to the Committee were made in accordance with 11C.F.R. 9008.7(c)(1).

GANDY MICHENER SWINDLE WHITAKER & PRATT

The Honorable Joan D. Aikens, Chairman
Page 4
January 30, 1987

Please contact me if any further information or support
of this response is necessary.

Sincerely,

GANDY MICHENER SWINDLE
WHITAKER & PRATT

John V. Howard
John V. Howard

JVH:ljm
Enclosure

cc: Mr. Jim M. Madden
Executive Presentation Systems

Mr. Eric Kleinfeld
Office of the General Counsel

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DELIVERED
3 All: 24
GCC#2623

**Southwestern Bell
Mobile Systems**

17330 Preston Rd., Suite 100A
Dallas, Texas 75252
(214) 733-2008

Donna Lynn Snyder
Vice President-
General Attorney & Secretary

February 2, 1987

Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attention: Eric Kleinfeld

RE: MUR 2171
Respondent, Southwestern Bell Mobile
Systems, Inc.

Dear Mr. Kleinfeld:

Enclosed herewith are the affidavits of John H. Atterbury, Robert H. Digneo, Joe L. Villarreal and Steve Richardson, with attachments. These sworn statements establish that the transaction between Southwestern Bell Mobile Systems, Inc. (SBMS) and the Republican National Committee (RNC) and the Committee on Arrangements (Arrangements Committee) was a commercial transaction wherein SBMS unquestionably received commensurate consideration in exchange for the services it provided. SBMS entered the Access and Lease Agreement (Access Agreement) with the RNC and the Arrangements Committee because of the unique and invaluable advertising and promotional opportunities which would flow therefrom. The retail value of the services SBMS provided were reflected on its financial books and records as an advertising expense. SBMS was fully and adequately compensated for the services it provided; therefore, no contribution occurred under 2 U.S.C. § 441b.

Assuming arguendo that SBMS' provision of services under the Access Agreement was a "contribution", this transaction is still permissible under 11 C.F.R. § 9008.7(c)(1)(i), which permits the provision of goods or services at reduced or discounted rates, if such arrangement is in the ordinary course of business. SBMS has a regular and customary practice of offering the use of its telephones and air time to non-political entities in exchange for the

- FEB 3 1987 4:00
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OFFICE OF THE
GENERAL COUNSEL

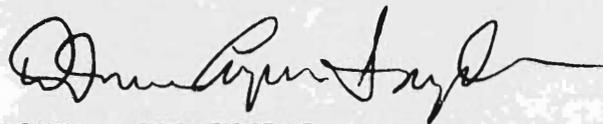
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Office of the General Counsel
Federal Election Commission
Page Two
February 2, 1987

same type of consideration received under the Access Agreement--publicity, advertising, and promotional opportunities

For the above reasons, there is no reasonable cause to believe that SBMS violated the Federal Election Campaign Act of 1971. Accordingly, SBMS urges this Commission to immediately close the file as to this Respondent.

Sincerely,



DONNA LYNN SNYDER

DLS/kn

Enclosures

503K.9

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BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF)
)
SOUTHWESTERN BELL)
MOBILE SYSTEMS, INC.)

MUR 2171

AFFIDAVIT OF JOHN H. ATTERBURY

STATE OF TEXAS)
)
COUNTY OF)

BEFORE ME, the undersigned authority, on this day personally appeared John H. Atterbury, known to me to be the person who made this affidavit, who on his oath stated as follows:

1. My name is John H. Atterbury. I am over eighteen years of age, of sound mind and capable of making this Affidavit. I am currently the Vice President-Marketing of Southwestern Bell Telephone Company. My business address is 1010 Pine, Room 2504, St. Louis, Missouri 63101. All of the facts stated herein are true and correct based upon my personal knowledge or information and belief.

2. From April 1, 1984, through October 31, 1985, I was the President and Chief Executive Officer of Southwestern Bell Mobile Systems, Inc. ("SBMS"). SBMS is a Delaware corporation with a permit to do business in various states, including Texas. SBMS was incorporated on September 12, 1983. However, it was not until January 1, 1984, coincidental with the divestiture of American Telephone & Telegraph Company (AT&T), that AT&T transferred its stock in the regional

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cellular service company which became SBMS, to Southwestern Bell Corporation. On January 1, 1984, SBMS launched its new company with the business purpose of developing, establishing and operating cellular communications systems, as well as retailing cellular radio services.

3. Cellular technology represents a true breakthrough in mobile telephone service. It greatly multiplies the availability of mobile service, while also dramatically improving transmission quality. Where less than two dozen calls from conventional mobile phones can be made simultaneously in most markets, hundreds can be completed at the same time with cellular technology.

4. SBMS moved quickly to construct and operate cellular networks in several high potential markets. In 1984 alone, SBMS constructed and began operation of systems in Dallas/Ft. Worth, Kansas City and St. Louis. By year end, the Dallas market had become one of the top four markets in the country, based on the number of customers served. By February, 1985, SBMS was the first company in the cellular industry to have six operating systems. SBMS also had a minority interest in cellular systems located in Houston and Austin, Texas and Tulsa, Oklahoma. SBMS' entry into markets was not limited to cities where it had full or partial ownership of cellular service facilities. SBMS broke new ground as the first company to enter the retail cellular marketplace outside its home

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territory. During 1984, SBMS operated as a reseller in Houston, Texas; Los Angeles, California; Phoenix, Arizona; and Miami/Ft. Lauderdale, Florida. SBMS was also considering the possible expansion of its reseller business into 12 other cities, located in five different states.

5. Attached hereto, as Exhibit A, is a true and correct copy of the "Access and Lease Agreement" (Access Agreement) I signed on behalf of SBMS, with the Republican National Committee (RNC) and the Committee on Arrangements for the 1984 Republican National Convention (Arrangements Committee). On July 23, 1984, at the time the Access Agreement was signed, SBMS actually had no cellular networks in operation. However, less than one month later, when the Republican National Convention (Convention) began, SBMS had three networks operating and two more under construction. During this same time period, SBMS had additional applications filed with the Federal Communications Commission (FCC) to serve three more markets in Arkansas and Texas. Plans were also underway to file applications in 27 other markets within the states of Texas, Oklahoma, Kansas, Arkansas and Missouri. SBMS was seeking to quickly and aggressively establish its name and reputation, on a nationwide basis, as a premier provider of cellular service.

6. In the Access Agreement, SBMS agreed to exchange cellular radio telecommunications service (cellular

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service)* in an amount not to exceed \$50,000 calculated at SBMS' retail rates, for the right to advertise and represent SBMS as the "Official Provider of Cellular Telephone Service to the 1984 Republican National Convention" (Official Provider).

7. At this time, few people were even aware of the cellular mobile communications industry; and even fewer people had any idea how cellular service worked. My intent and purpose in entering into this Access Agreement was to take advantage of what I believed to be a unique and invaluable advertising and promotional opportunity. SBMS believed that the RNC would draw large numbers of local, state and national business leaders. These same people would constitute the initial target of SBMS' advertising. Therefore, exposure at this Convention appeared to be an invaluable opportunity. SBMS intended to advertise and

* At all times relevant to the Access Agreement, the Federal Communications Commission (FCC) prohibited SBMS, which was owned by a divested Regional Holding Company, from offering cellular telephone equipment, except through a fully separated company. Therefore, the cellular telephones loaned to the RNC and the Arrangements Committee were provided by SBMS' authorized agents. The FCC has since lifted these restrictions on SBMS' provision of telephone equipment.

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promote itself to this select group of individuals, from all over the country, as a "high tech provider" of this revolutionary type of mobile communications service.

8. SBMS was also eager to demonstrate its new technology and to make contacts with prospective customers specifically in the Dallas market. Dallas is one of the nation's largest geographical areas in which the FCC granted a cellular license. Dallas is also the largest urban area in Texas, both in population and acreage. SBMS believed that Dallas would be one of its best, if not the best, market for its service. On July 31, 1984, just one week after the Access Agreement was signed, SBMS began its Dallas operations. SBMS had invested significant capital to build its Dallas system, which covered a 2,900 square mile area. While it was important for SBMS to publicize cellular, in general, and SBMS, in particular, SBMS had an acute need to add customers as quickly as possible to its then-vacant Dallas system.

9. The grant by the RNC and the Arrangements Committee, of the designation "Official Cellular Provider to the 1984 Republican National Convention", as well as the other opportunities attendant therewith, represented a significant value to SBMS. Even before the Republican Convention began, the RNC provided a list of all of the other

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businesses and individuals which were providing goods and services to the Convention and which were helping to coordinate the event. SBMS, and its authorized agents, attempted to contact each of these businesses in an effort to encourage their purchase of cellular service for use during the Convention, and/or thereafter. SBMS perceived this exposure to Dallas businesses to be a terrific beginning for its new network.

10. The Official Provider designation also entitled SBMS to set up a lobby display/exhibit in a prime traffic area at the Convention. Hundreds of personal contacts were established between SBMS salespeople and prospective subscribers. This provided SBMS with an exceptional opportunity to increase its name recognition and to actually demonstrate its cellular service. It also saved SBMS the considerable expense of individual sales calls.

11. Additionally, SBMS expected, and in fact received, valuable media coverage in connection with the Official Provider designation as well as its provision of services. Attached hereto, as Exhibit B, is a list of the media coverage of which SBMS kept a record. The list reflects numerous newspaper articles and television interviews over a period of months. Attached hereto, as Exhibit C, is a copy of a newspaper article specifically spotlighting SBMS.

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12. SBMS further capitalized on its participation at the Convention with other advertising. SBMS purchased billboard space adjacent to the Convention Center, advertising our cellular service as "unconventional". A picture of the billboard is attached hereto as Exhibit D. SBMS also produced an insert which was distributed at the Convention. A copy of that advertising piece is attached hereto as Exhibit E.

13. I also believed that SBMS could get further exposure to prominent Dallasites who would be shuttling dignitaries to and from events. It was my understanding that these people would be provided the use of cellular telephones and service in their shuttle cars. Finally, SBMS also hoped to sell briefcase units to the RNC for its ongoing use; and a sales presentation was made.

14. The retail maximum value of the service SBMS was willing to provide under the Access Agreement was \$50,000. However, the retail value of the actual services provided was \$10,024.05. Considering the fact that SBMS had a new system with very few subscribers, the actual cost to SBMS was negligible. In fact, from a technical perspective, the usage by the RNC and the Arrangements Committee gave SBMS a valuable opportunity to further test its system and "work the bugs out."

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15. In summary, my expectation in entering the Access Agreement was that SBMS would be fully and adequately compensated by its receipt of the Official Provider designation from the Convention, the media coverage attendant therewith, and the lobby exhibit. It is also my opinion and belief that SBMS, in fact, did receive much greater value from its exposure locally and nationally than the value of what it offered, and eventually provided, pursuant to the Access Agreement.

John H. Atterbury
JOHN H. ATTERBURY

SWORN TO AND SUBSCRIBED before me on this 2nd day of February, 1987, to certify which witness my hand and seal of office.

Quincy Nabors
Notary Public in and for the State of Texas

My Commission Expires:
10-18-88

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ACCESS AND LEASE AGREEMENT

THIS Agreement entered into as of the 23 day of July, 1984, between the 1984 Republican National Committee, an unincorporated political Committee organized in the District of Columbia with its principal offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), (collectively referred to as "Client"), and Southwestern Bell Mobile System, Inc., a Delaware corporation (hereinafter "Contractor"), having a principal place of business and the persons and entities listed in Exhibit A hereto (collectively the "Agents" and individually an "Agent");

W I T N E S S E T H:

WHEREAS, the Contractor is in the business of providing cellular radio telecommunications services ("Cellular Service);

WHEREAS, each Agent is in the business of selling and leasing cellular mobile radio units and related equipment used in connection with Cellular Service provided by the Company; and

WHEREAS, the 1984 Republican National Convention (hereinafter "Convention") has been advertised as "high tech" in connection with the sophisticated technology to be utilized at said Convention; and

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WHEREAS, the Contractor is desirous of obtaining the benefit of being associated with the Convention and the attendant good will, advertising and public relations; and

WHEREAS, the Client desires to enter into this Agreement with the Contractor and the Agents in order to obtain the same before and during the 1984 Republican National Convention to be held in Dallas, Texas; and

WHEREAS, as consideration for the Cellular Service to be provided and the Equipment to be leased hereunder, the Client, among other things, has agreed to grant to the Contractor and the Agents the right to advertise the Contractor as the "Official Provider of Cellular Telephone Service to the Convention" and the equipment to be leased hereunder as the equipment used in connection therewith;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

Section 1. Cellular Service. The Contractor hereby agrees to provide Cellular Service to the Client (including up to fifty (50) access numbers to be used in connection therewith) for the period commencing July 1, 1984 and ending August 31, 1984. The Contractor's obligation to provide Cellular Service shall be subject to the terms, conditions and limitations set forth in Section 4 hereof, and shall be for the consideration, rates and charges specified in Section 3 hereof.

Section 2. Lease of Equipment. Each Agent hereby leases to the Client, and the Client hereby leases from each Agent, the

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cellular mobile radio units and related equipment specified for each such Agent set forth in Exhibit A annexed hereto (such equipment, together with all replacement parts, repairs, additions and accessories incorporated therein and/or affixed thereto, is herein called the "Equipment"), for the period commencing July 1, 1984 and ending August 31, 1984. The lease of the Equipment by each Agent shall be subject to the terms, conditions and limitations set forth in Section 5 hereof, and shall be for the consideration, rates and charges specified in Section 3 hereof.*

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Section 3(a). Consideration, Rates and Charges. As consideration for (a) the first Fifty Thousand and 00/100th Dollars (\$50,000.00) worth of Cellular Service provided hereunder by the Contractor (which shall include, at the Contractor's standard rates, all monthly per unit charges and all per minute access charges incurred by the Client and (b) the lease of the Equipment by the Agents to the Client hereunder, the Client hereby grants to the Contractor and the Agents the right to advertise and represent the Contractor as the "Official Provider of Cellular Telephone Service to the Convention" and the Equipment as the equipment used in connection therewith. In addition, the Client agrees to pay (i) to the Contractor, at the Contractor's standard rates, all amounts charged for Cellular Service during the term hereof in excess of the initial Fifty Thousand and 00/100th Dollars (\$50,000.00) of Cellular Service provided and (ii) to the Agents all other amounts that become payable under Section 5 hereof.

Handwritten notes and initials in the bottom left corner, including "MCO" and "SMR".

The Client understands and agrees that the provision of the briefcase units is subject to availability from the Manufacturer and may not be available on July 1, 1984. As soon as the units are received, the units will be furnished to the Client.

Section 4. Terms, Conditions and Limitations of Cellular Service. The Contractor's obligation to provide the Cellular Service to the Client is subject to the following terms, conditions and limitations:

(a) Service Limitations.

(i) Cellular Service is available to cellular mobile radio units equipped for Cellular Service when within the range of cell sites located in the Greater Dallas Metropolitan Area Cellular Geographic Service Area (the "Cellular Geographic Service Area"). Cellular Service is subject to transmission limitations caused by atmospheric and like conditions.

(ii) Cellular Service may be temporarily refused or limited because of the cellular carrier's system capacity limitations.

(iii) Cellular Service to any or all customers may be temporarily interrupted or curtailed due to equipment modifications, upgrades, relocations, repairs and similar activities necessary for the proper or improved operation of the Cellular Service.

(b) Liability Limitations. The Contractor's sole liability to the Client and authorized users for interruptions in Cellular Service furnished by the Contractor is as follows:

(i) A credit allowance will be made, at the Client's request, in the form of a pro rata adjustment of the fixed monthly charges billed by the Contractor and rendered inoperative by the interruption as its full and complete

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liability. In the event the Client or authorized user is affected by such interruption for a period of less than twenty-four (24) hours, no such adjustment shall be made.

(ii) A credit allowance will not be given for interruptions caused by the negligence or willful act of the Client or interruptions caused by failure of equipment or service not provided by the Contractors.

(iii) The Contractor shall in no event be liable for interruption or delays in transmission, or errors of defects in transmission, or failure to transmit when caused by acts of God, fire, war, riots, government authorities or other causes beyond its control.

(c) Use Limitations.

(i) Cellular Service is furnished for use only by the Client or employees or agents of the Contractor or persons otherwise authorized by the Contractor ("authorized users").

(ii) An access number may not appear in more than one mobile radio unit.

(iii) Orders, including those which involve start, a change or discontinuance of service, will be accepted by the Contractor only from the client or an authorized Agent of the Client;

(iv) Cellular Service shall not be used for any purpose in violation of laws.

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(v) Cellular Service shall not be used in such a manner as to interfere unreasonably with the use of the service by one or more other customers of the Contractor.

(d) Termination of Service.

(i) The Contractor shall not be obligated to provide Cellular Service unless and until the cellular carrier Dallas SMSA Limited Partnership shall have received the necessary approvals and licenses from the Federal Communications Commission on or before, July 1, 1984. In the event the Contractor shall not have obtained such approvals and licenses, the Contractor shall have the option, by written notice to the other parties hereto, to immediately terminate this Agreement, in which event none of the parties hereto shall have any liabilities or obligations to the other parties hereto.

(ii) The Client may terminate Cellular Service by notifying the Contractor. The Client is responsible for payment of outstanding charges for the period service was rendered. If termination occurs prior to expiration of the term hereof, charges apply for the full contract period.

(iii) Upon non-payment of any sum due the Contractor, or upon a violation of any of the terms and conditions of this Agreement, the Contractor may, by notice in writing to the other parties to this Agreement, without incurring any liability, either temporarily discontinue Cellular Service, or terminate this Agreement.

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(iv) Cellular Service may be refused or discontinued without notice in the event that service is used in such a manner that will adversely affect the Contractor's service to others.

(v) The Contractor may terminate this Agreement if cellular services are not available to the Contractor from or cease to be furnished by, the Dallas SMSA Limited Partnership, the party furnishing cellular services to the Contractor.

(e) Operator Assistance and Toll Charges. Operator assistance and toll calls are not provided by the Contractor. Said services are obtained from long distance carriers not affiliated with Contractor and the Client shall be responsible for charges incurred in connection therewith.

(f) Equipment. The contractor is not responsible for the installation, operation, quality of transmission or maintenance of any Equipment. The Client or authorized users must provide and maintain all mobile radio unit equipment and ensure that it is technically and operationally compatible with the cellular system and in compliance with applicable federal communications rules and regulations. The operating characteristics of the Equipment used shall be such as not to interfere with Cellular Service offered by the Contractor.

(g) Access Numbers. The Client has no property right in the access numbers. The Contractor reserves the right to assign, designate, or change any such numbers, when, in its sole opinion,

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such assignment, designation or change is reasonably necessary in the conduct of its business.

(h) Rates and Charges, and Payment.

(i) The Client is responsible to pay the Contractor for all toll charges resulting from the origination of mobile calls to points outside the Cellular Geographic Service Area, collect calls, and other charges or calls billed to the customer's access number. These charges are in addition to the charges for usage set forth in Section 3.

(ii) The Contractor's current monthly charge per unit is \$35.00. The Contractor's current rates for Cellular Service are \$.38 per "peak" minute usage and \$.22 per "off-peak" minute. The Contractor reserves the right to increase any and all rates and charges contained herein upon thirty (30) days notice to the Client.

(iii) The client will be billed for Cellular Service on a monthly basis. All payments due hereunder shall be due and payable to the Contractor immediately upon receipt of all billings.

Section 5. Terms, Conditions and Limitations of Leased Equipment. The Agents' obligations to lease equipment to the Client is subject to the following terms, conditions and limitations.

(a) No Warranties by the Agents.

(i) The Client acknowledges that the Agents may purchase the Equipment from a seller (the "Seller") and

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arrange for delivery to the Client at the Client's expense. The Agents shall have no responsibility for delay or failure of Seller to fill the order for the Equipment.

(ii) THE CLIENT AGREES THAT THE AGENTS HAVE MADE AND MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING THE SUITABILITY OF THE EQUIPMENT, ITS DURABILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, ITS MERCHANTABILITY, ITS CONDITION, AND/OR ITS QUALITY, AND AS BETWEEN THE CLIENT AND THE AGENTS OR THE AGENT'S ASSIGNEE, THE CLIENT LEASES THE EQUIPMENT "AS IS". THE AGENTS AND THE AGENTS' ASSIGNEE(S) SHALL NOT BE LIABLE TO THE CLIENT FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY BY ANY EQUIPMENT LEASED HEREUNDER OR INSTALLATION, USE OR MAINTENANCE THEREOF OR DELAYS IN INSTALLATION, OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIRS, SERVICE OR ADJUSTMENT THERETO, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY THEREOF OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED. NO REPRESENTATION OR WARRANTY AS TO THE EQUIPMENT OR ANY OTHER MATTER BY THE SELLER SHALL BE BINDING ON THE AGENTS NOR SHALL THE BREACH OF SUCH RELIEVE THE CLIENT OF, OR IN ANY WAY AFFECT, ANY OF THE CLIENT'S OBLIGATIONS TO THE AGENTS AS SET FORTH HEREIN.

(iii) If the Equipment is not properly installed, does not operate as represented or warranted by the Seller

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or is unsatisfactory for any reason, the Client shall make any claim on account thereof solely against the Seller and shall nevertheless pay the Agents all rent payable under this Agreement. The Agents agree to assign to the Client, solely for the purpose of making and prosecuting any such claim, any rights they may have against the Seller for breach of warranty or representation respecting the Equipment.

(iv) Notwithstanding any fees that may be paid to Seller or any agent of Seller, the Client understands and agrees that neither the Seller nor any agent of the Seller is an agent of the Agents nor are the Agents of the Seller. Neither the Seller nor his agent is authorized to waive or alter any term or condition of this Agreement. The Agents make no representation as to the treatment of this Agreement for tax or accounting purposes. The Client waives, insofar as permitted by law, trial by jury in any action between the parties.

(b) Title: Personal Property. No ownership to the Equipment or proprietary interest in software shall be deemed to be transferred from the Agents to the Client by virtue of this Agreement. All documents of title and evidence of delivery shall be delivered to the Agents. The Agents are hereby authorized by the Client, at the Client's expense, to cause this Agreement, or any statement or other instrument in respect of this Agreement showing the interest of the Agents in the Equipment, including Uniform Commercial Code Financing Statements, to be filed or

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recorded and refiled and re-recorded, and the Client authorizes each Agent, if each so elects, to file financing statements signed only by each Agent with respect to specific Equipment leased by such Agent. The Client agrees to execute and deliver any statement or instrument requested by each Agent for such purpose, and agrees to pay or reimburse the Agents for any filing, recording or stamp fees or taxes arising from the filing or recording any such instrument or statement, and the Client authorizes each Agent to execute such financing statements as the Client's agent in fact. The Client shall at its expense protect and defend the Agents' title against all persons claiming against or through the Client, at all times keeping the Equipment free from any legal process or encumbrance whatsoever, including, but not limited to, liens, attachments, levies and executions, and shall give the Agents immediate written notice thereof and shall indemnify the Agents from any loss caused thereby. The Client shall execute and deliver to the Agents, upon the Agent's request, such further instruments and assurances as the Agents deem necessary or advisable for the confirmation or perfection of the Agents' rights hereunder. The Client shall have no right to purchase or otherwise acquire title or ownership of any of the Equipment or any parts thereof may now be, or hereafter become, in any manner affixed or attached to real property or any improvements thereon.

(c) Care and Use of Equipment. The Client (i) shall maintain the Equipment in good operating condition, repair and appearance, and protect the same from deterioration, other than

normal wear and tear, shall use the Equipment in the regular course of business only, within the normal capacity, without abuse, and in a manner contemplated by the Seller; (ii) shall comply with all laws, ordinances, regulations, requirements and rules with respect to the use, maintenance and operations of the Equipment, shall not make any modification, alternation or addition to the Equipment (other than normal operating accessories or controls which shall, when added to the Equipment, become the property of the Agents) without the prior written consent of the Agents, which shall not be unreasonably withheld; (ii) shall not so affix the Equipment to realty as to change its nature to real property or fixture; (iv) shall keep the Equipment within the Cellular Geographic Service Area, and shall not remove the Equipment without the consent of the Agents, which shall not be unreasonably withheld. The Agents shall have the right during normal hours, upon reasonable prior notice to the Client and subject to applicable laws and regulations, to enter upon the premises where the Equipment is located in order to inspect, observe or remove the Equipment, or otherwise protect the Agents' interests. For the purpose of assuring the Agents that the Equipment will be properly serviced, the Client agrees, in the event that the Agents so request, to cause the Equipment to be maintained by the Seller pursuant to the Seller's standard preventative maintenance contract or a comparable maintenance contract satisfactory to the lessor. All replacement and repair parts shall be of type and quality approved by the Agents.

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(d) Net Lease: Taxes and Transportation. The Client intends the rental payments hereunder, if any, to be net to the Agents, and the Client (i) shall pay all transportation costs of the Equipment, sales, use, excise, personal property, stamp, documentary and ad valorem taxes, license and registration fees, assessments, fines, penalties and all other charges imposed on the ownership, possession or use of the Equipment during the term of this Agreement; (ii) shall pay all taxes (except Federal or State net income taxes) imposed on the Agents or the Client with respect to the rental payments hereunder; and (iii) shall reimburse the Agents. The Client shall file all returns required therefore and furnish copies to the Agents. If any event shall occur which results in the loss or recapture of federal income tax benefits claimed by the Agents with respect to the Equipment, the Client shall pay to the Agents in addition to all other payments required by this Agreement an amount equal to the value of such lost benefits.

(e) Indemnity. The Client shall and does hereby agree to indemnify and save the Agents and their agents, servants, successors and assigns harmless from any and all claims, liability, damages, or loss, including reasonable counsel fees, arising out of the ownership, selection, possession, leasing, renting operation (regardless of where, how and by whom operated) control, use, condition (including but not limited to latent and other defects, whether or not discoverable by the Client), maintenance, delivery and return of the Equipment, or in the event that the

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Client shall be in default hereunder, arising out of the condition of any item of Equipment sold or disposed or after use by the Client. The indemnities and obligations herein provided shall continue in full force and effect notwithstanding the termination of this Agreement.

(f) Insurance. The Client shall keep the Equipment insured against all risks of loss or damage from every cause whatsoever for not less than the replacement cost of the Equipment without consideration for depreciation. The amount of such insurance shall be sufficient so that neither the Agents nor the Client will be considered a co-insurer. The Client also shall carry public liability insurance, both personal injury and property damages, covering the Equipment. All such insurance shall provide that losses, if any, shall be payable to the Agents as a named insured. The Client shall pay the premiums for such insurance and deliver to the Agents satisfactory evidence of the insurance coverage required hereunder with long form Lender's Loss Payable endorsement upon the policies or by separate instrument that gives the Agents the right to thirty (30) days' written notice before the policy can be cancelled and the right to payment of premium without obligation. The proceeds of such insurance payable as a result of loss damage to any Equipment shall be applied to satisfy the Client's obligations as set forth in the immediately following paragraph (g). The Client hereby irrevocably appoints the Agents as the Client's attorney-in-fact to make claim for, receive payment of and execute and endorse all

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documents, checks or drafts received in payment for loss or damage under any such insurance policy.

(g) Risk of Loss. The Client hereby assumes the entire risk of loss, damage or destruction of the Equipment from any and every cause whatsoever during the term of this lease and thereafter until redelivery to the Agents. In the event of loss, damage or destruction of any item of Equipment, the Client at its expense (except to the extent of any proceeds of insurance provided by the Client which shall have been received by the Agents as a result of such loss, damage or destruction), and at the Agents' option, shall either (i) repair such item, returning it to its previous condition, unless damaged beyond repair, or (ii) pay the Agents all unpaid rental as may be allocated to such item, or (iii) replace such item with a like item acceptable to the Agents in good condition and of equivalent value, which shall become property of the Agents, included within the terms "Equipment" as used herein, and leased from the Agents herewith for the balance of the full term of this Agreement. Upon payment or replacement as provided for in clauses (ii) or (iii) hereof, this agreement shall terminate with respect to the items of Equipment so paid for or replaced, and the Equipment so paid for or replaced shall be transferred to the Client on an "as-is" basis. In any event where the Client fails to provide adequate insurance coverage the Agents may secure insurance coverage and the Client shall reimburse the Agents for all insurance premiums.

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(h) Performance by the Agents of the Client's Obligations. In the event the Client fails to comply with any provision of this Agreement, the Agents shall have the right, but shall not be obligated, to effect such compliance on behalf of the Client upon twenty (20) days' prior written notice to the Client. In such event all moneys expended by, and all expenses of, the Agents in effecting such compliance shall be deemed to be additional rental due hereunder, and shall be paid by the Client to the Agents within five (5) days after the date on which the Client receives such written notice.

(i) Lease Irrevocability and Other Covenants and Warranties of the Client. The Client agrees that this Agreement is irrevocable for the full term hereof; that the Client's obligations under this Agreement are absolute and shall continue without abatement and regardless of any disability of the Client to use the Equipment or any part thereof because of any reason including, but not limited to war, acts of God, governmental regulations, strike, loss, damage, destruction, obsolescence, failure or delay in delivery, failure of the Equipment properly to operate, termination by operation of law, or any other cause. The Client warrants that this Agreement has been duly authorized, and that no provision of this Agreement is inconsistent with the Client's charter, by-laws, or any agreement or other instrument to which the Client is a party or by which the Client or its property may be bound or affected.

(j) Default. If any one of the following events (each an "Event of Default") shall occur, then to the extent permitted by

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applicable law, each Agent shall have the right to exercise any one or more of the remedies set forth in the immediately following paragraph (k);

(i) If the Client fails to pay any rental or any other payment hereunder when due, and such failure continues for ten (10) days

(ii) If the Client breaches any other covenant, warranty or agreement hereunder, and such breach continues for twenty (20) days after written notice thereof.

(k) Remedies. If an Event of Default shall occur, each Agent, at its option, shall have the following rights and remedies, which shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law:

(i) To declare the entire balance of all amounts payable hereunder to such Agent immediately due and payable whereupon the Client shall become obligated to pay to such Agent such amounts.

(ii) Without demand or notice and without any court order or legal process to enter into the premises where the Equipment is located and take possession of any or all of the Equipment.

(iii) To terminate this Agreement.

(l) Assignment: Notice of Intended Assignment. Each Agent may, without the Client's consent, assign or transfer its interest in this Agreement or in any Equipment, any rent, or any other sums due or to become due hereunder, and in such event the Agent's assignee or transferee shall have all the rights, powers,

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privileges, and remedies of such Agent hereunder. In the event of such assignment the Client agrees not to assert, as against the Agent's assignee, any defense, setoff, recoupment, claim or counterclaim, whether arising under this Agreement or otherwise. The Client shall not assign this Agreement or any interests hereunder and shall not enter into any sublease with respect to the Equipment covered hereby without the Agent's prior written consent.

(m) Return of Property. Upon the termination or expiration of this Agreement the Client shall forthwith, deliver, freight prepaid, the Equipment to the Agents, at an address designated by the agents, complete and in good order and condition, reasonable wear and tear alone excepted. The Client shall also pay to the Agents such amounts as may be necessary to cover replacement for all damages, broken or missing parts of the Equipment. If upon such expiration or termination the Client does not immediately return the Equipment to the Agents, the Equipment shall continue to be held and leased hereunder (provided, however, that the Client shall then become liable for monthly rental payments for the Equipment then held at the Agents' customary monthly rental charges), subject to the right of either the Client or the Agents to terminate this Agreement upon thirty (30) days' notice, whereupon the Client shall forthwith deliver the Equipment to the Agents as set forth in this paragraph (m).

Section 6. Entire Agreement; Changes. This Agreement contains the entire agreement between the parties and may not be altered, amended, modified, terminated or otherwise changed

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except by a writing signed by each party hereto. This Agreement wholly cancels, voids and supersedes any agreement heretofore entered into between the parties hereto with respect to the subject hereof.

Section 7. This Agreement will be construed and enforced in accordance with, and the rights of the parties will be governed by, the laws of the State of Texas.

Section 8. In connection with this Agreement, the Contractor and Agents shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any ~~alleged~~ negligent act, omission or error on the part of the Contractor or any breach of any obligation under this Contract.

Section 9. Notices. All notices required to be given with regard to this Agreement shall be given in writing and addressed as follows:

If to the Client, to:

Committee on Arrangements
Republican National Committee
Dallas Convention Center
650 South Griffin
Dallas, Texas 75202

If to the Contractor, to:

Southwestern Bell Mobile Systems, Inc.
17330 Preston Road
Suite 100A
Dallas, Texas 75252

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If to the Agents, to:

c/o Southwestern Bell Mobile Systems, Inc.
17330 Preston Road
Suite 100A
Dallas, Texas 75252

Every notice or demand to be sent to any party shall be sent to such party at its address or telex number hereinbefore described or at such changed address or telex number as it may from time to time specify in a notice to the other party. Every notice or demand shall be deemed to have been received, in the case of a telex, at the time of dispatch thereof to the proper party, and in the case of a letter, at the time of certified receipt thereof.

Section 10. Waiver. The failure of a party to insist in any one or more instances upon strict compliance with any of the provisions of this Agreement, or to exercise any options or remedies provided for herein, shall not be construed to be a waiver or relinquishment of such party's right to thereafter require the compliance with any such party to thereafter exercise such option or remedy, but such provision or option or remedy shall remain in full force and effect.

Section 11. The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

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IN WITNESS WHEREOF, the parties hereto have set their respective hand and seal as of the day and year first written above.

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL CONVENTION

By: *R. Carter Sanders, Jr.*
R. CARTER SANDERS, JR.
Counsel

1984 REPUBLICAN NATIONAL COMMITTEE

By: *Ernest Angelo, Jr.*
ERNEST ANGELO, JR.
Chairman
Committee On Arrangements

88040721544

ATTEST:

Stan O. Pritchard

CONTRACTOR:

SOUTHWESTERN BELL MOBILE SYSTEMS, INC.

By: *John H. Otterberg*

ATTEST:

Stan O. Pritchard

AGENTS:

AMERICAN COMMUNICATION CORP.

By: *James H. Kelly*

ATTEST:

Stan O. Pritchard

COMMUNICATION ENGINEERING CO.

By: *Alan Walsh, President*

ATTEST:

Stan O. Pritchard

NATIONAL COMMUNICATION SALES

By: *[Signature]*

ATTEST:

Donald H. West

CAR-FONE, INC.

By: *Donald H. West*

ATTEST:

John A. Mayben

SPECTRUM CELLULAR COMMUNICATION
CORP.

By: *Patricia A. Mayben*

F 3 0 4 0 7 2 1 5 4 5

EXHIBIT B

Media Coverage

The following media coverage included information about SBMS, in particular, or cellular service, in general:

1. Jones, Latest in Computers Awaits GOP, Dallas Times Herald, May 6, 1984.
2. Edgar, Fourteen Firms Named "Official Sponsors" of Republican Convention, Dallas Morning News, June 9, 1984.
3. Alvareztores, Reaching Out, When Republicans Ring, Phone Companies Answer, Dallas Times Herald, July 29, 1984.
4. Alvareztorres, Bell Struts Its Stuff With Cellular Phones, Dallas Times Herald, August 23, 1984.
5. Rohrer, GOP to Computerize Convention in Dallas, Dallas Morning News, date not recorded.
6. Rohrer, Convention Chief Maps "Critical Path"; Convention to be Wired with Latest in Computers, Dallas Morning News; date not recorded.
7. Interview of Steve Richardson, Manager-Sales Strategy, SBMS, on Cable News Network.

88040721546

Dallas
(CITY)Texas
(STATE)Times Herald
(NAME OF NEWSPAPER)1-E
(PAGE)8-23-84
(DATE OF PUBLICATION)

Bell struts its stuff with cellular phones

By RAY ALVAREZTORRES

Staff Writer

As far as Southwestern Bell Mobile Systems is concerned, the Republican National Convention came to town at the right time.

In the past two months, the provider of cellular mobile telephone service has switched on phone networks in three major markets, including Dallas-Fort Worth. The company resells cellular service in six other markets. This week, Southwestern Bell is using the GOP's quadrennial bash as an inexpensive opportunity to strut its stuff.

Southwestern Bell is providing 50 portable cellular phones to the convention's communications staff for use by visiting VIPs and in security operations.

Southwestern Bell also is manning a promotional booth outside the convention arena, hoping to reach prospective customers in its more distant markets.

"We've probably had more people visit us here from California than from Dallas today," Steven Richardson, manager of strategic planning, said from his post at the convention center.

In addition to a Dallas-Fort Worth system, Southwestern Bell operates cellular telephone systems in Kansas City and St. Louis and has applied to the Federal Communications Commission for permission to run networks in San Antonio, Oklahoma City and Wichita, Kan.

The company also resells cellular service in Houston; Austin; Tulsa, Okla.; Phoenix, Ariz.; Los Angeles; Miami; and Tampa, Fla.

Fast gaining popularity in major markets across the country, cellular radio technology represents an improvement of old mobile radio technology. A traditional mobile network uses a single antenna to serve a geographic area, limiting usage and allowing some interference.

Using numerous antennae, or cells, to cover the same area allows cellular systems to provide better quality service to virtually unlimited customers simultaneously.

Southwestern Bell is calling the use of its specially designed portable units this week the first use of cellular technology at a major convention. If nothing else, the company will have enlisted one new disciple this week.

"Oh, man, this is it," said B.J. "Buck" Rogers, director of technical communications for the convention staff.

Rogers' job this week is to keep the lines of communication open among the convention staffers scurrying about behind the scenes to ensure that things appear smooth on stage. Easy access to the staff, from limousine drivers to convention manager Ron Walker, is imperative, he says.

As far as he is concerned, cellular technology has a prominent place in events such as major political conventions.

"You could design a whole (communications control) system around these things," Rogers said. "They have been very successful."

The system provides more flexibility than a standard radio network, he said. And the clarity and privacy offered by cellular service has allowed staffers to communicate while on the road, rather than having to stop to find a secure phone.

"There's all kinds of things flying around the air in Dallas this week," Rogers said. "Microwave, satellite, radio, you name it. There's no telling who could hear your transmissions."

"With the cellular phones, if there's a problem in the field, my guys just call in, right on the spot, and nobody has to know about it."

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Unconventional
communication.

 Southwestern Bell
Mobile Systems 988-8484

The billboard is a large, dark rectangular sign supported by a metal frame. It features the text "Unconventional communication." in a serif font. Below this, there is a circular icon containing a bell, followed by the text "Southwestern Bell Mobile Systems" and the phone number "988-8484". The billboard is set against a light, overcast sky. In the foreground, there is a dark, horizontal structure, possibly a fence or another sign, partially visible.

*Welcome to
the Republican
National Convention*

Southwestern Bell Mobile Systems, a wholly owned subsidiary of Southwestern Bell Corporation, provides high-quality, wirefree communications service to several markets throughout the United States using cellular technology.

Cellular networks are currently operated by Southwestern Bell Mobile Systems in Dallas/Fort Worth, St. Louis and Kansas City. Systems are also expected to be operational in other Southwest markets such as Oklahoma City, San Antonio and Wichita in the near future.

Southwestern Bell Mobile Systems also markets cellular service and equipment through authorized agents in several cities throughout the United States where it is not a system operator. Those cities include Houston, Los Angeles, Miami/Fort Lauderdale and Phoenix.

For more information about the availability of Southwestern Bell Mobile Systems service in your area, please call 1-800-331-0500.



Official cellular service provider
for the 1984 Republican National Convention

88040721549

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF)
)
SOUTHWESTERN BELL)
MOBILE SYSTEMS, INC.)

MUR 2171

AFFIDAVIT OF JOE L. VILLARREAL

STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned authority, on this day personally appeared Joe L. Villarreal, known to me to be the person who made this affidavit, who on his oath stated as follows:

1. My name is Joe L. Villarreal. I am over 18 years of age, of sound mind and capable of making this Affidavit. I have personal knowledge of the facts stated herein; and they are all true and correct.

2. I am currently Manager of Corporate Books at Southwestern Bell Mobile Systems, Inc. (SBMS). My business address is 17330 Preston Road, Suite 100A, Dallas, Texas 75252. In 1984, I was Manager-Revenue Accounting for SBMS. At that time, I supervised the staff which is responsible for keeping records with respect to the accounts receivable of SBMS, the recording of revenue entries to the general ledger and the write-offs for bad debt. I held that position at all times relevant to the transaction herein.

3. Every entry billed through the SBMS accounting system initially shows up as an account receivable. Ten Thousand Twenty-four Dollars and Five Cents (\$10,024.05)

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initially became an account receivable in connection with the cellular services provided to the Republican National Committee (RNC) and the Committee on Arrangements for the 1984 Republican National Convention (Arrangements Committee).

4. The attached Journal Entry Form reflects that on September 30, 1984, this account receivable was reclassified to show its actual character, which was an advertising expense. The attached form was signed by me and reflects that I approved the reclassification on October 5, 1984. Therefore, the billings associated with the provision of services to the RNC and the Arrangements Committee were at all times treated on the Company's books as an advertising expense.

4. Journal Entry Forms are used in the regular course of business by SBMS to record entries to the general ledger. I am a custodian of these records. Entries are made on Journal Entry Forms, at or near the time of transactions, from information transmitted by a person with knowledge, and are kept in the course of regularly conducted business activities at SBMS. It is the regular practice of SBMS to make these data compilations and records.



Joe L. Villarreal

88040721551

Subscribed and sworn to before me this 2nd day
of February, 1987, to certify which witness my hand
and seal of office.

Kristy Nabors
Notary Public

My Commission Expires:

10-18-88

489K

8 3 0 4 0 7 2 1 5 5 2

1 3 0 4 0 Journal Entry Form

311033-10
(1/84)

INC.
[] [] [] []

Effective Date: 9,30,84

ADVERTISING-EXP
AIR-RETAIL

C O P I	ACCOUNT NUMBER	CENTER		AMOUNT		OPTIONAL INFORMATION		
		SUB	DIV	DEPT	DEBIT	CREDIT	DESCRIPTION 2	DESCRIPTION 3
	106241209		11	32	10,024 03			
	6012010					10,024 05		
TOTAL					10,024 03	10,024 05		

EXPLANATION: To adjust AIR for promotional activities exp not billed

PREPARED BY:	DATE	PRELIMINARY APPROVAL:	DATE	APPROVED BY:	DATE
<i>Anthony [Signature]</i>	10-5	<i>[Signature]</i>	10/5	<i>[Signature]</i>	10/5

Journal Entry Number 25

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF)
)
SOUTHWESTERN BELL)
MOBILE SYSTEMS, INC.)

MUR 2171

AFFIDAVIT OF STEVE RICHARDSON

STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned authority, on this day personally appeared Steve Richardson, known to me to be the person who made this affidavit, who on his oath stated as follows:

1. My name is Steve Richardson. I am over eighteen years of age, of sound mind and capable of making this Affidavit. I am currently the Manager-Methods and Procedures, of Southwestern Bell Mobile Systems, Inc. (SBMS). My business address is 17330 Preston Road, Suite 100A, Dallas, Texas. All of the facts stated herein are true and correct based upon my personal knowledge or information and belief.

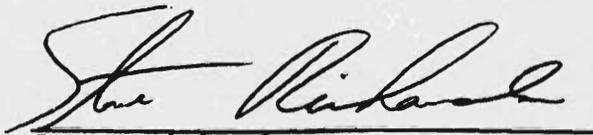
2. I participated in coordinating the provision of cellular telephones and cellular service to the Republican National Convention (RNC) and the Committee on Arrangements for the Republican National Convention (Arrangements Committee). During all times relevant to this transaction, I was the Manager-Sales Strategy of SBMS.

3. I delivered the cellular telephones to the RNC and the Arrangements Committee on August 2, 1984.

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4. I picked up the cellular telephones from the RNC and the Arrangements Committee on August 27, 1984.

5. Therefore, the telephones were only available for use during a 23 day period.


Steve Richardson

SWORN TO AND SUBSCRIBED before me on this 2nd day of February, 1987, to certify which witness my hand and seal of office.


Notary Public in and for the State of Texas

My Commission Expires:

10-18-88

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BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF)
SOUTHWESTERN BELL)
MOBILE SYSTEMS, INC.)

MUR 2171

AFFIDAVIT OF ROBERT H. DIGNEO

STATE OF TEXAS)
COUNTY OF DALLAS)

BEFORE ME, the undersigned authority, on this day personally appeared Robert H. Digneo, known to me to be the person who made this affidavit, who on his oath stated as follows:

1. My name is Robert H. Digneo. I am over eighteen years of age, of sound mind and capable of making this Affidavit. I have personal knowledge of the facts stated herein; and they are all true and correct.

2. I am currently Director-Public Relations, Southwestern Bell Mobile Systems (SBMS). My business address is 17330 Preston Road, Suite 100A, Dallas, Texas 75252. My responsibilities include developing and implementing SBMS' advertising and promotion programs, coordinating SBMS' involvement in special events, and creating favorable publicity about SBMS and its services. I have held this position since August 16, 1984.

3. My educational background includes a Bachelor's degree in Journalism and a Master's degree in Marketing.

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4. On July 31, 1984, SBMS launched the first cellular telephone system in Texas. The introduction of cellular phone service meant that thousands of persons who had been unable to obtain mobile phone service were going to have access to high-quality, direct dialed mobile communications. Cellular technology revolutionized the mobile phone industry by making mobile communications service available to far greater numbers of people, at lower rates and with higher transmission quality than had previously been available. This first Texas system was located in the Dallas/Ft. Worth area, and provided cellular service to an area including 2,900 square miles. As SBMS had just completed construction of this major cellular system, the Company's principal goal in Dallas was to promote and publicize the availability and benefits of cellular car phones and service.

4. One of SBMS' first customers in Dallas was the Republican National Committee (RNC) and the Committee on Arrangements for the 1984 Republican National Convention (Arrangements Committee). In August 1984, SBMS provided cellular radio telecommunications service (cellular service) to the RNC and the Arrangements Committee in exchange for the designation of "Official Provider of Cellular Telephone Service to the Convention" (Official Provider). In connection with this designation, SBMS was permitted to have a display and

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exhibit at the Convention, showcasing SBMS and cellular service. SBMS was also given the right to publicize its designation and its association with the Convention.

5. The approximately \$10,000 retail value of the services SBMS provided to the RNC and the Arrangements Committee represented significantly less than 1% of the amount SBMS spent on advertising in 1984. The anticipated investment of \$50,000 (about five times more than SBMS actually provided) would have been equivalent in cost to less than 3 days of advertising in the Dallas/Ft. Worth metropolitan newspapers, using the size and placement of advertisements typically run during that time period. In fact, even though the Dallas system was in operation only 5 months during 1984, SBMS invested over \$700,000 for advertising and promotion in Dallas during this time period. The Company believed that publicity and promotion were so important in 1984, that the Company spent more than 20% of its total actual expenses on advertising activities. That level of spending for advertising and promotion has decreased significantly in subsequent years.

6. Since SBMS was a new company, this exchange agreement with the Republican National Convention was the first of its kind for SBMS. However, since mid-1984, SBMS has regularly offered the use of cellular telephones and cellular service to a variety of different entities for other than

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monetary consideration. In exchange for the use of its cellular telephones and service, SBMS customarily requires the opportunity to publicize its provision of services to the particular entity or event. This publicity provides SBMS with favorable and increased Company recognition, in particular, and further understanding and acceptance of cellular technology, in general. Although the actual consideration received by SBMS has varied from transaction to transaction, SBMS has a history of providing cellular services to many different organizations, for other than monetary consideration.

6. For instance, in June 1985, SBMS loaned thirty portable briefcase telephones and provided cellular service to the 1985 Senior Players' Reunion Pro-AM Tournament. In exchange for the use of these telephones and the associated airtime, SBMS received: 1) the designation of "Official Cellular Provider to the 1985 Senior Players' Reunion Pro-AM"; 2) space for a display tent where SBMS was allowed to demonstrate cellular service; 3) Tournament tickets; and 4) assistance from Tournament officials in obtaining media coverage regarding the use of cellular service at the Tournament, as well as the commitment from Tournament officials to highlight SBMS participation and to encourage spectators to visit the SBMS tent. SBMS received no monetary consideration for its services.

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7. In October, 1985, six cellular telephones were loaned to the Office of the Commissioner of Baseball, along with the provision of associated airtime, in exchange for the right to issue a press release publicizing SBMS' involvement in the 1985 World Series. In March, 1986, approximately 40 briefcase telephones were provided to the Tournament Committee of the NCAA National Basketball Championship Tournament, along with associated airtime, for use by NCAA officials, the media and others. In exchange for the use of these telephones and cellular service, SBMS was allowed to distribute press releases about the use of its cellular telephones and service in connection with the Tournament.

8. In April, 1986, ten portable briefcase telephones were loaned to the Fort Worth Arts Festival Organization, along with the provision of associated airtime, for use at a civic event called "Main Street." In exchange for the use of the telephones and the cellular service, SBMS was listed as a sponsor of the event.

9. In June, 1986, SBMS loaned two briefcase telephones and provided free cellular service to the Texas Organizing Committee of the "Hands Across America" campaign, in exchange for the opportunity to publicize its assistance with this event. In May, 1986, two briefcase telephones were loaned to two high schools for the "SafeRides Program" during the high

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school graduation week. In return for the use of these telephones and the free cellular service, the schools agreed to allow SBMS to issue a press release describing the high schools' use of its cellular telephones and cellular service.

10. On an ongoing basis, SBMS makes cellular telephones and service available to different government entities in exchange for the publicity, good will and promotional opportunities. SBMS owns several "ACHIEVER" vans which are mobile advertising displays, containing several cellular telephones. SBMS has donated the use of its "ACHIEVER" vans, with telephones and associated airtime, to various cities for different purposes. For instance, the City of St. Louis has used the van in connection with its Disaster Resource Council. The St. Louis County Office of Emergency Preparedness has also used the van for emergency readiness. Similarly, the City of San Antonio has used the "ACHIEVER" van in a recent civil emergency involving a train derailment.

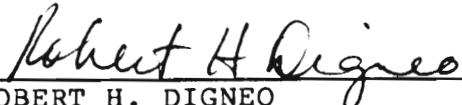
11. In September, 1986, when SBMS began the operation of its Corpus Christi cellular system, it promoted the initiation of service by loaning portable cellular telephones, and providing free airtime to five news media companies, including all three television stations in the area. This offering was made in an effort to publicize SBMS, in particular, and cellular service, in general.

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12. In all of the above transactions, as well as several others which have not been listed, SBMS has loaned cellular telephones and provided cellular service for other than monetary consideration. These instances occur regularly in the ordinary course of business. It is my opinion that the marketing and advertising benefits, public relations advantages and goodwill developed by these arrangements is good and sufficient compensation, and more than adequately covers SBMS' costs.

13. Since SBMS was such a new company in 1984, it had no history of providing cellular telephones and service in exchange for advertising opportunities. However, since 1984, SBMS has regularly entered into these kinds of transactions in its ordinary course of business operations.

14. It is my opinion that the advertising and promotional opportunities which SBMS received in connection with the Official Provider designation and the lobby exhibit, represented an unprecedented and unique advertising opportunity which had a value to SBMS far in excess of the retail value of the services SBMS agreed to provide. My opinion is based upon my educational background, as well as my approximately 10 years of experience in the field of public relations and advertising, including my knowledge of advertising and promotional costs.


ROBERT H. DIGNEO

83040721562

SWORN TO AND SUBSCRIBED before me on this 2nd day
of February, 1987, to certify which witness my hand and seal
of office.

Kristy Nabors
Notary Public in and for the
State of Texas

My Commission Expires:

10-18-88

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BAKER, SMITH & MILLS
A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS
500 LTV CENTER
2001 ROSS AVENUE
DALLAS, TEXAS 75201-2918

OF COUNSEL:
A. HARGCASTLE, JR.
HAROLD L. HITCHINS, JR.
R. TERRY MILLER

TELEPHONE (214) 220-8200
TELECOPY (214) 220-8333
TELEX 734108
BSM DAL UD

WRITER'S DIRECT DIAL NUMBER

(214) 220-8422

January 30, 1987

FEB 3 4:00
GENERAL COUNSEL

SUSAN L. ABBOTT
ROBERT A. BAKER
STEVEN ALAN BENNETT
STEPHEN R. BISHOP
TIMOTHY D. BLAKELEY
GEORGE K. BLEUHER, III
SUSAN VALENTINE BROWN
BENNY D. CAMPBELL
ROGER N. CHAUZA
JOSEPH M. COLEMAN
ROBERT W. COLEMAN
O. LUKE DAVIS, III
SAM J. DEALEY
MARK CHARLES ENOCH
PETER A. FRANKLIN III
CLIFFORD L. FRIEDMAN
SAM GLAST
MARK A. GOODMAN
THOMAS J. GORMAN
CHERYL M. GOSCH
J. ERIC GRIFFIN
HOWARD A. GROSS
TIMOTHY D. HAGEN
KATHRYN KOONS HARGROVE
JOHN W. HICKS, JR.
PATRICIA A. HILL
DAVID E. HOWE
GREGORY M. HOWISON
J. SCOTT JACKSON
MARIAN E. JACKSON
ROBERT B. JACKSON

JOSEPHINE JENKINS-MITCHELL
AILEEN E. JOHNSON
WAYNE A. JONES
JAMES R. KIMBERLIN
KIM L. LAWRENCE
ALAN W. LINTEL
JAMES W. LITSEY
MICHAEL A. LOGAN
CECIL S. MATHIS
MICHAEL L. MCCOY
LAWRENCE J. McNAMARA
ROBERT F. MIDDLETON
FRED L. MILLER
JERRY W. MILLS
L. DALE PARSONS
MICHAEL D. PARSONS
JEFFERSON PERKINS
DALE E. PLAXCO
JOHN E. RICHARDS
KANE ST. JOHN
SHARON CHARDAK SANTUCCI
JERRY R. SELINGER
PHILLIP N. SMITH, JR.
PATRICK V. STARK
DOUGLAS A. TATUM
CHRISTOPHER R. TURNER
J. GLENN TURNER, JR.
GAYLENE P. VADEN
FRANCES VALDEZ VALDEZ
ANDERSON WALLACE, JR.
MARTHA E. WATERS

*NOT ADMITTED IN TEXAS

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Federal Election Commission
Washington, D.C. 20463

Attention: Mr. Eric Kleinfeld

Re: MUR 2171
VMX, Inc.

Gentlemen:

Attached to this letter is an Affidavit of the under-
signed in response to the Federal Election Commission's
determination that there is reason to believe that VMX,
Inc. violated 2 U.S.C. 441(b) of the Federal Election
Campaign Act of 1971 as amended.

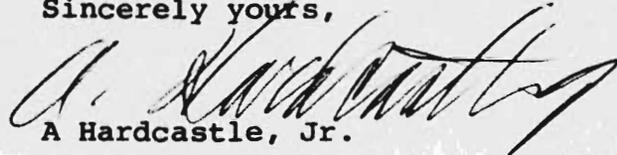
After you review the Affidavit and attached Exhibit,
I think you will agree that the service as provided by VMX,
Inc. was clearly in the ordinary course of their business
and was not prohibited corporate contributions in violation
of 2 U.S.C. §441(b). In fact, such activities are expressly
authorized under the Commission's own regulations as set
forth in 11 CFR §9008.7(c).

It seems apparent that the values assumed by the
Commission which prompted this inquiry were those values
erroneously stated in the New York Times' article which
are explained in the Affidavit and Exhibit.

Federal Election Commission
January 30, 1987
Page 2

It does not seem that an investigation prompted by a careless reporter's misstatement of value of the services contributed (by a factor of almost 100) should be the basis for further investigation, and VMX requests that this matter be terminated.

Sincerely yours,



A Hardcastle, Jr.

jm

Enclosure

cc: Mr. W. Dal Berry, President
VMX, Inc.
17217 Waterview Parkway
Dallas, Texas 75252

Sent by Federal Express
Ticket No. 2080440084

83040721565

AFFIDAVIT OF A. HARDCASTLE, JR.

Re: FEC Matter No. MUR 2171
VMX, Inc.

VMX manufacturers, markets, and services a patented micro-processor based software driven computer system called Voice Message Exchange^R (VMX^R). Using the VMX system, a person with an assigned Voice Mailbox^R ("Mailbox") with a single telephone call, can send, receive, reply to, and redirect voice messages to other users (persons with an assigned Mailbox). VMX markets its systems through a national sales force and distributor relationships. VMX also provides voice message services through a service center utilizing a large VMX system installed in its Dallas headquarters. From that center, voice mail services are provided on a complimentary basis for purposes of advertising, promoting and demonstrating the VMX name and products. In addition, the service center is used as a sales tool for demonstration purposes, and temporary voice Mailboxes may be rented by corporate and individual users who do not wish to purchase a system. It is the Dallas-based service center which is the subject of this matter. (In July, 1984, the service center was located in Richardson, Texas--a Dallas suburb.)

Most upper level employees of the company and all sales personnel have discretionary Mailboxes which they can assign without charge to persons or companies deemed appropriate for purposes of demonstrating or promoting the VMX product. Voice store and forward (VSF) is a relatively new technology, and VMX (only six years old in 1984) is the pioneer in the industry. VMX has thus been in a missionary sales mode since the first VMX system was installed in 1980. Complimentary Mailboxes are VMX's promotional equivalent of book matches. All VMX salesmen have a minimum of 25 discretionary Mailboxes which they can assign to a customer for demonstration and promotional purposes during a sales cycle and additional Mailboxes are available on request. For example, during November of 1984 our salesmen had assigned more than 240 complimentary Mailboxes to Northern Telecom, a potential customer. During the same month, Hersey's Chocolate Company had been assigned 18 complimentary Mailboxes by another salesman, and Eastman Kodak Company had been assigned more than 250 Mailboxes. Still another salesman had assigned 32 complimentary Mailboxes to the Burroughs Corporation.

Still using November, 1984 as an example, a total of more than 3,000 complimentary Mailboxes were assigned by various salesmen and company officials for purposes of sales, public relations, advertising and good will. Recipients were corporations, individuals, governments,

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(including the United States Air Force and Department of Defense), public officials, charitable, educational and religious organizations. In addition, VMX has routinely furnished complimentary Mailboxes to trade organizations such as the Executive Council of the American Electronics Association, and the Board of Governors of the International Communications Association. Industry analysts and consultants such as the Yankee Group, Dataquest, Inc., Advanced Office Concepts, Inc., and Office Systems Consulting Group are provided complimentary Mailboxes for publicity purposes. Routinely, month to month, VMX will have 3,000 or more complimentary Mailboxes assigned. The numbers are approximate because records are kept on a weekly basis and the turnovers among users are not readily ascertained in connection with complimentary Mailboxes. VMX uses complimentary Mailboxes as a very cost-effective promotional and advertising vehicle since it costs virtually nothing to assign a voice mailbox identification number (only a clerical entry into a terminal is necessary).

Pertinent to this matter, sometime during 1983, representatives of VMX contacted Mr. Ernest Angelo, a Republican National Committeeman, for the purpose of arranging a sales presentation to the Republican party concerning the purchase of a VMX system. During the course of those conversations, it was determined that Mr. Rick Shelby should be involved in discussions concerning possible purchase of a VMX system. On June 27, 1983, in order to demonstrate the systems' utility effectiveness, Mailbox identification numbers were assigned to Mr. Angelo and Mr. Shelby as well as five other persons deemed appropriate. Subsequently, 18 additional Mailboxes were assigned on or before December 14, 1983 to persons determined to be important to the sales effort. This procedure is normal corporate (and industry) sales practice as shown by the representative Kodak, Hershey and Burroughs examples above.

During this period of time, the Republican National Convention or Committee engaged Blythe-Nelson, a communications consulting firm in Dallas, Texas, to assist them in determining their communication needs. VMX made a formal presentation to Jim Blythe, of Blythe-Nelson, and Rick Shelby concerning the sale of the VMX system to the Republican party. VMX records are incomplete, but it is believed that Blythe-Nelson determined that the system was too expensive and/or too large for Convention use. A VMX system at that time ranged in price from \$250,000 to \$500,000 and was designed for user groups of from approximately 1,000 to 8,000 users.

Thereafter, VMX was asked to provide complimentary service to the Convention to assist in its smooth operation in exchange for advertising, public relations releases,

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press coverage, and other publicity benefits for VMX and its products. VMX was a relatively young company seeking credibility in an industry dominated by giants and VMX believed such publicity and "official provider" status to be highly beneficial. VMX also expected to gain some experience in furnishing services to convention groups. Thus, VMX agreed to do so and during 1984 (primarily during July and August) provided an additional 49 Mailboxes to various individuals. (All were assigned by the Dallas service center described above.) Public access numbers were also provided whereby any delegate to the Convention could access the system for purposes of leaving messages to designated individuals with assigned Mailboxes. These people were exposed to the VMX logo since each person dialing into the system hears the logo. This practice is also routine and ordinary in VMX's business, as shown by the trade group and analysts' examples above.

At the same time VMX was providing the 49 Convention Mailboxes, it was providing approximately 3,000 other complimentary Mailboxes to organizations similar to those mentioned as examples above for similar promotional and publicity reasons.

VMX was pleased with the nationwide and local newspaper publicity (aside from the New York Times article mentioned below) received from Convention participation and believes the benefits derived far exceeded costs to VMX. Certainly the Times' mention alone was worth many times the cost to VMX of providing Mailboxes.

Assuming use of all Mailboxes during 1984 was for the benefit of the Republican National Party and that all assigned Mailboxes were in fact used, a maximum fair market value of \$5,640 could be assigned to services provided by VMX. This is based on a monthly rental of \$30 per Mailbox. This is an optimistic valuation since VMX provides additional services to customers who are renting mailboxes at that rate, and VMX cannot determine whether or not all Mailboxes were assigned and used.

VMX believes that the basis for the Commission complaint is based on an erroneous and irresponsible report in the August 21, 1984 edition of the New York Times which misquoted a representative of VMX as follows:

"...his company had provided its service and equipment to the convention at no charge. He put the value of both at up to \$500,000."

The \$500,000.00 figure apparently refers to the approximate purchase price of VMX's largest systems, but no equipment was furnished to the convention, and the value of the

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Mailboxes was nominal. The quoted representative of the Company was Mr. R. Mitchell Jeffrey (then with Keller-Crescent, Inc., an advertising agency) and a letter from Mr. Jeffrey concerning the quotation is attached as Exhibit A.

VMX now believes that it has been very poorly treated and put to great expense because of the patently careless writing of the Times' reporter. Services provided to the Republican National Convention were, as shown above, done in the ordinary course of selling, advertising, and promoting its product. The services were of nominal cost to VMX in exchange for public exposure and publicity that couldn't have been purchased for any sum near the costs to VMX, or, for that matter, the maximum fair market value of the services.

Respectfully submitted,



A. Hardcastle, Jr.
Secretary and General Counsel
VMX, Inc.

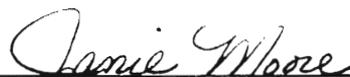
The undersigned, A. HARDCASTLE, JR., Secretary and General Counsel of VMX, Inc., hereby affirms that to the best of his knowledge and belief, the information stated herein is true and correct.



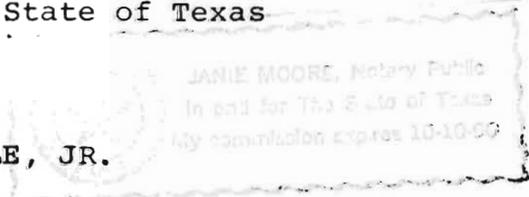
A. HARDCASTLE, JR.

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

SUBSCRIBED AND SWORN to before me this 30th day of January, 1987.


Notary Public, in and for
the County of Dallas, in the
State of Texas

My Commission Expires:
10/10/90



AFFIDAVIT OF A. HARDCASTLE, JR.

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DUDLEY-ANDERSON-YUTZY
The Ogilvy & Mather Public Relations Company

January 20, 1987

Mr. A. Hardcastle, Jr.
Baker, Smith & Mills
500 LTV Center
2001 Ross Ave.
Dallas, Texas 75201

Dear Mr. Hardcastle:

I have searched for the file on the Republican National Convention project with no success. Since that was more than two years ago, I would assume the file is destroyed. However, I do recall the incident you described quite well. It was one of the few times in my career in public relations that the press blatantly, and it seemed with glee, misquoted me.

During the convention, I received a call from a New York Times reporter interested in doing a story on VMX's contribution of voice messaging service to the Republican National Convention. I explained we had offered it to the convention planning committees of both parties and the Republicans had accepted. The mailboxes were operating off of the service bureau in Richardson, Texas. Pilot programs offering an introduction to this new office automation technology were an element in VMX's marketing program. No hardware was contributed, only the service.

One of the questions the reporter asked was about the value of the contribution. I told him no value had been established since no equipment had been donated or installed; only the normal activity of dedicating several mailboxes on the service bureau were required. Later in the interview he asked about VMX's range of product, features, functions and price. From that answer, and using his own editorial license, he reported the cost of one of VMX's large systems as the value of the mailboxes provided.

I wrote a letter of correction and hand-delivered it to the reporter. Sadly, the Times did nothing to state the truth. You should also know that a UPI reporter called the following day. He was interested in doing a follow-up story on the Times declared value of the contribution. After I explained the Times

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Mr. A. Hardcastle
January 20, 1987
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error, he expressed surprise at that kind of poor journalism and said there was nothing there to report.

I hope this helps clarify what happened and I regret that the file and a copy of the original letter to the reporter are lost. If I can be of further assistance, please do not hesitate to call me.

Sincerely,



R. Mitchell Jeffrey
Vice President

RMJ:cbs
DALtr

cc: Dal Berry

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GCCH# 2644

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2171

NAME OF COUNSEL: George B. Reid, Jr., Scott D. Gilbert,
Dwight C. Smith, III

ADDRESS: Covington & Burling
P.O. Box 7566, 1201 Pennsylvania Ave., NW
Washington, DC 20044

TELEPHONE: (202) 662-6000

RECEIVED
GENERAL COUNSEL
07 FEB 5 PM 4:00

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

Feb 5/87
Date

[Signature]
Signature

RESPONDENT'S NAME: Comm. on Amendments 84

ADDRESS: 310 1st St
West DC
20003

HOME PHONE: _____

BUSINESS PHONE: 867-8638

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@CC#2031
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SUITE 504

1055 THOMAS JEFFERSON STREET, N. W.
WASHINGTON, D. C. 20007
202-342-2550
FACSIMILE: 202-342-6147

February 3, 1987

07 FEB 3 P5:01

Ms. Joan Aikens
Chairman
Federal Election Commission
Washington, D. C. 20463

BY HAND

Re: MUR 2171, Metier Management Systems, Inc.

Dear Ms. Aikens:

Metier Management Systems, Inc. (Metier) hereby responds to the Federal Election Commission's (FEC) allegation that Metier may have violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971 (Act). Specifically, the FEC alleges that Metier may have violated 11 C.F.R. §9008.7(c) in providing computer resources at no cost to the Republican National Committee (RNC).

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I. INTRODUCTION

The FEC's allegation that Metier may have violated the Act by failing to comply with 11 C.F.R. §9008.7(c) is based on the FEC's misunderstanding of Metier's normal business practices. Metier's provision of computer resources to the RNC was the exact same type of services that Metier routinely and in the ordinary course of its business provides to prospective customers. Metier treated the RNC no differently

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than Metier treats its business prospects. Accordingly, Metier actions complied with 11 C.F.R. §9008.7(c).

As will be shown in detail below, Metier, as a manufacturer and retailer of a sophisticated software system, routinely provides prospects with computer resources at no charge. Metier does so in order to demonstrate its software system, to familiarize the user community with it, to generate good will, and to encourage sales. Indeed, Metier maintains demonstration systems at its facilities specifically dedicated to providing prospects with demonstrations at no charge. These demonstrations, which include the provision of computer resources at no charge to prospects over the course of weeks or months, are offered in the ordinary course of business. In fact, the computer resources provided to the RNC were far less than those provided to many prospects.

Metier certainly had no intent of making a contribution to the RNC. Rather, Metier was trying to make a sale by providing the use of its demonstration system to a Mr. Roy Van Steenberg, an employee of VSE Corporation, who was also working part-time for the RNC. Metier hoped that Mr. Van Steenberg's use of Metier's demonstration system would result in a sale to VSE, which was an active prospect at that time, or to the RNC, or to other companies that might learn

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of Metier's system. Again, providing a prospect such as Mr. Van Steenberg, and through him the RNC, with use of Metier's demonstration system at no charge is a routine business practice of Metier's.

Mr. Van Steenberg later put Metier into contact with the RNC convention manager regarding the designation of Metier as an "official provider" to the RNC. Metier believed that the official provider designation would prove beneficial to Metier and would promote the sale of Metier's system. Metier is constantly marketing its system, and Metier hoped that the designation would provide marketing exposure.

In sum, Metier did not violate the Act or the regulations promulgated thereunder. Metier simply provided the RNC with the same type of demonstration services that Metier provides free of charge to its prospects and thus complied with 11 C.F.R. §9008.7(c). Moreover, Metier had no intention of making a contribution to the RNC, and Metier accepted the official provider designation to gain additional marketing exposure for the demonstration services being offered to the RNC.

II. SUMMARY OF FACTS

Metier is a manufacturer and retailer of a sophisticated software system called "ARTEMIS." Metier was established in

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the United States in 1977 and now has over 800 employees at 56 locations worldwide. Affidavit of Patrick Durbin ¶3, attached hereto as Appendix A, hereinafter referred to as the Durbin Affidavit.

ARTEMIS is a dedicated project management software system. ARTEMIS is designed specifically for the management of complex, large scale projects such as those for aerospace, defense, or construction. ARTEMIS, which is sold to both the commercial and government sectors, enables a user to perform probability analysis and scheduling, including complicated modeling, manipulation of cost resources, and determination of annual expenditures. ARTEMIS is available in three versions, those being the mainframe computer version, the minicomputer version, and the microcomputer version for personal computers (PCs). Durbin Affidavit ¶ 4.

The sale of a sophisticated software system such as Metier's ARTEMIS requires extensive marketing efforts. Software such as ARTEMIS, which can cost several hundreds of thousands of dollars, does not sell itself. Rather, Metier must persuade users of the benefits of ARTEMIS before a prospect will commit to make such a large investment. Durbin Affidavit ¶ 6; Affidavit of John Shea ¶ 5, attached hereto as Appendix B, hereinafter referred to as the Shea Affidavit.

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After obtaining leads through referrals, trade information and "cold calls," Metier normally provides prospects with a "canned demonstration" of ARTEMIS. This formal demonstration, which is provided in the demonstration room at Metier's facility, involves a preprogrammed application designed to show the salient features of ARTEMIS. Shea Affidavit ¶ 8.

The next step in the sales cycle is the scheduling of a "customized" demonstration. In a customized demonstration, Metier provides a prospect with unrestricted use of Metier's demonstration system free of charge to solve problems the prospect is encountering at work. Experience has taught Metier that a prospect will often be persuaded of ARTEMIS' usefulness only after the prospect has used ARTEMIS to work on real-life projects . Shea Affidavit ¶ 9.

The importance of customized demonstrations cannot be overemphasized. Customized demonstrations for potential customers are Metier's single most important marketing tool. A full eighty percent of Metier's total sales result from customized demonstrations in which the sales prospect has used ARTEMIS in connection with an actual project that he or she is working on at his or her job. Again, without such an in-depth demonstration providing substantial hands-on experience with ARTEMIS, a customer often would not be able

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provides passwords to the prospect allowing the prospect to access the demonstration system at his convenience. These unsupervised prospects come and go on their own and use the demonstration system from terminals located in Metier's facility outside of the formal demonstration room. In the alternative, these unsupervised prospects can also communicate with Metier's demonstration system from a remote site via modem. Shea Affidavit ¶ 7, 11.

On occasion, Metier will provide a prospect with a complete hardware and software system at the prospect's site. The prospect is then permitted to use the system free of charge for several weeks or even months. When the demonstration is over, the system is returned to Metier. Shea Affidavit ¶ 11, 22.

The matter under investigation by the FEC arose because Metier was attempting to market ARTEMIS to VSE Corporation (VSE). VSE is an Alexandria, Virginia firm that engages in government contracting, including complex project management projects that are particularly suited to ARTEMIS. Metier had been trying to sell ARTEMIS to VSE since at least 1982, if not before. Shea Affidavit ¶ 23, 24; see Metier's letter to VSE, dated May 10, 1982, attached as Exhibit No. 1 to the Shea Affidavit.

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In 1983, Mr. John Shea, a Metier sales executive, contacted VSE and was put in touch with Mr. Roy Van Steenbergen. Before joining VSE, Mr. Van Steenbergen had been Deputy Director of Computing for the United States Army Corps of Engineers (Corps) and was familiar with ARTEMIS. Soon thereafter, Mr. Shea arranged for a canned demonstration of ARTEMIS to Mr. Van Steenbergen. Shea Affidavit ¶ 25.

Mr. Shea performed an initial demonstration of the ARTEMIS system for Mr. Van Steenbergen in Metier's offices on August 25, 1983. The demonstration was a simple canned demonstration with no customization or work on any project of Mr. Van Steenbergen's. No sale to VSE was made at that time. Shea Affidavit ¶ 26, 27; see also the Sales/Demonstration Report of this demonstration attached as Exhibit No.8 to the Shea Affidavit.

In October 1983, Mr. Van Steenbergen requested a customized demonstration to test ARTEMIS' capabilities by running a project of a scheduling problem he was working on for the RNC. As previously noted, Metier routinely encourages potential sales prospects to use the ARTEMIS system on actual problems or projects they are working on in their business. Because Mr. Van Steenbergen presented the opportunity for a sale of the minicomputer version of ARTEMIS to VSE at a cost of approximately \$500,000.00 and of a sale

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to the RNC, Metier approved of the customized demonstration. Shea Affidavit ¶ 27. Durbin Affidavit ¶ 9, 10.

Since Mr. Van Steenbergen was already familiar with ARTEMIS, Metier allowed him access to Metier's demonstration system at his convenience. In October, 1983, Mr. Van Steenbergen loaded data on the RNC scheduling problem into the demonstration system with minor assistance from Metier personnel. From December, 1983 through August, 1984, Mr. Van Steenbergen used the demonstration system for roughly one hour per week to prepare reports and print three reports. During this time, Mr. Van Steenbergen usually communicated with the demonstration system via modem from the RNC's terminal at its Capital Hill headquarters. During the Convention in August, Mr. Van Steenbergen communicated with the demonstration system via modem from Dallas, Texas, using a portable computer. Mr. Van Steenbergen's used the demonstration system for approximately 40 to 60 hours in all. Shea Affidavit ¶ 28.

During the course of the customized demonstration, Mr. Van Steenbergen put Metier into contact with the RNC about designating Metier as an "official provider" of the RNC. Believing that the designation would provide valuable marketing exposure, Metier agreed to accept the official provider designation. An agreement between Metier and the

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RNC was later executed on October 11, 1984. Durbin Affidavit ¶ 12.

After the 1984 Convention, Metier continued its sales efforts to VSE and the RNC through Mr. Van Steenberg. In November, 1984, after the election, Metier gave Mr. Van Steenberg a demonstration of ARTEMIS for a project he was working on for the inauguration. As stated in the November 7, 1984 Sales/Demonstration report, Mr. Van Steenberg apparently felt that the microcomputer version of ARTEMIS would be purchased for use for inaugural scheduling. Shea Affidavit ¶ 30; See the Sales/Demonstration Report, dated November 7, 1984, attached as Exhibit No. 9 to the Shea Affidavit.

Soon after the November 7 demonstration, the Committee for the 50th American Presidential Inaugural (Inaugural Committee) purchased the microcomputer version of ARTEMIS. The Inaugural Committee purchased the software package for \$2990.00, which is the normal retail list price. The Inaugural Committee did not receive any special rate or discount. Shea Affidavit ¶ 31; see Metier's invoice to Mr. Van Steenberg's company, Office Productivity Systems, attached as Exhibit No. 10 to the Shea Affidavit; see also the copy of the Inaugural Committee's cancelled check, attached as Exhibit No. 11 to the Shea Affidavit.

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After the Inaugural Committee's purchase of the ARTEMIS microcomputer version, Metier continued its sales efforts to VSE. As can be seen from the Sales/Demonstration Report attached as Exhibit No. 12 to the Shea Affidavit, Mr. Rick Bixler, a Metier Sales Executive contacted VSE on November 10, 1985. Shea Affidavit ¶ 32.

Metier has had no previous or subsequent contact with either the RNC other than that through Mr. Van Steenberg as described above. Durbin Affidavit ¶ 33.

III. METIER DID NOT VIOLATE THE ACT BECAUSE METIER IS A RETAIL BUSINESS THAT REGULARLY AND IN THE ORDINARY COURSE OF ITS BUSINESS OFFERS COMPUTER RESOURCES FREE OF CHARGE

In its November 13, 1986 notification to Metier, the FEC alleges that Metier may have violated 2 U.S.C. 441b, a provision of the Federal Election Campaign Act of 1971, by failing to comply with 11 C.F.R. §9008.7(c). Specifically, the General Counsel's Analysis asserts that Metier violated 11 C.F.R. §9008.7(c) by providing computer services at no cost to the Committee on Arrangements, an affiliate of the RNC.

The FEC's allegation is based on a misapprehension of Metier's business practices. Metier's provision of its demonstration system to Mr. Van Steenberg, who was working on an RNC project, was totally in keeping with Metier's

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normal and ordinary business practice. Accordingly, Metier complied with 11 C.F.R. §9008.7(c) and is not in violation of the Act.

A. Metier Complied With 11 C.F.R. §9008.7(c) As A Retailer Providing a Discount In The Ordinary Course of Metier's Business.

The Act prohibits corporations from making contributions in connection with a political convention held to select a candidate for political office. 2 U.S.C. §441b(a). However, section 9008.7(c) of 11 C.F.R., entitled, *In-kind contributions by businesses*, provides that the in-kind provision of goods and services made to a convention committee in the ordinary course of business are not considered contributions:

(1) *Discounts by retail businesses.* (i) Retail businesses may sell, lease or rent their products, materials, services or space to the national committee with respect to a presidential nominating convention at reduced or discounted rates: *Provided*, That such reductions or discounts are in the ordinary course of business.

The intent of this regulation was explained in the FEC's Explanation and Justification issued with the promulgation of 11 C.F.R. §9008.7(c). The Explanation and Justification also

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notes that the FEC will examine whether the discount was a standard business practice:

Subsection (c)(1) makes it clear that retail businesses may give normal discounts to a national committee with respect to the conventions. In order to prevent illegal contributions, it is required that such discounts be in the ordinary course of business. In enforcing this standard, the Commission would examine whether such discounts were in accordance with standard practice based on the quantity of similar goods or services sold or provided in similar transactions.

44 Fed. Reg. 63,037 (1979).

Metier's demonstration arrangement with Mr. Van Steenbergen complies with the FEC's regulations on in-kind contributions to national convention committees. An analysis of 11 C.F.R. §9008.7(c) shows that the in-kind provision of goods or services will not be construed as illegal contributions under the Act if: (1) they are provided by a retail business (2) which sells, leases or rents its products, material, services or space at reduced or discounted rates in the ordinary course of business.

Metier's demonstration arrangement with Mr. Van Steenbergen satisfies both of these criteria.

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First of all, Metier is an established retailer of the ARTEMIS system. As stated in the Affidavit of Patrick Durbin, President of Metier, Metier is a manufacturer and retailer of its ARTEMIS software system. Metier has over 800 employees at 56 locations worldwide. Metier markets and sells its ARTEMIS system directly to customers. Thus, Metier is a retailer. Durbin Affidavit ¶ 3.

As for the second criterion, Metier routinely offers use of its demonstration system in the ordinary course of business to potential customers. As stated in the Affidavits of Patrick Durbin and John Shea, Metier routinely provides prospects with both canned and customized demonstrations of ARTEMIS. The customized demonstrations, which can last for weeks or months, provide the prospect with hands-on use of Metier's dedicated demonstration system free of charge. On occasion, Metier even provides a prospect with an entire demonstration system at the prospect's site and encourages the prospect to use the system free of charge. Durbin Affidavit ¶ 6; Shea Affidavit ¶ 5, 8, 9, 10, 11, 22.

Metier conducts hundreds of demonstrations every year at its Alexandria, Virginia facility alone. This can be seen from the representative sampling of letters to prospects regarding demonstrations, attached to the Shea Affidavit as Exhibit No. 1. In addition, Metier's demonstration calendar,

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pages of which are attached to the Shea Affidavit as Exhibit No. 2, shows the frequent scheduling of formal demonstrations, while the annotated visitor's register, pages of which are attached to the Shea Affidavit as Exhibit No. 3, shows that numerous visitors came to Metier for demonstrations.

Metier maintains a dedicated computer system at its Alexandria, Virginia facility solely for demonstration purposes. This system is not a profit center for Metier. Metier does not charge prospects for the use of this system. Shea Affidavit ¶ 6.

Indeed, it was this system that Mr. Van Steenbergen used, both at Metier's office and from remote sites via modem. Mr. Van Steenbergen's total demonstration of ARTEMIS consisted of approximately 40 to 60 hours of computer time. He received minimal instruction and consultation by Metier personnel. Shea Affidavit ¶ 28.

Importantly, the nature and extent of Mr. Van Steenbergen's customized demonstration was well within Metier's standard business practice. In fact, the computer resources provided were comparatively less extensive than other demonstration arrangements entered into by Metier.

For example, Metier provided TRW with use of its demonstration system under an arrangement similar to that

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provided Mr. Van Steenberg. Since TRW's personnel, like Mr. Van Steenberg, were experienced, Metier permitted TRW unsupervised use of Metier's demonstration system at TRW's convenience. TRW's personnel used Metier's demonstration system for approximately 30 hours free of charge under this arrangement. Shea Affidavit ¶ 13; see also Metier's letter to TRW attached as Exhibit No. 5 to the Shea Affidavit.

Likewise, Metier provided the United States Army Corps of Engineers with use of Metier's demonstration system under an arrangement similar to the one provided to Mr. Van Steenberg. As stated in John Shea's Affidavit, Metier allowed the Corps' Mr. Stan Green, who was an experienced user, with unrestricted, unsupervised access to Metier's demonstration system free of charge. Metier assigned Mr. Green a password with which he used the system for approximately 25 hours. Shea Affidavit ¶ 14.

Again, Metier provided Lockheed Electronics with unrestricted use of Metier's demonstration system almost daily for four months. Lockheed used the system to prepare reports, graphs and other output. Under this arrangement, Lockheed used the demonstration system for hundreds of hours free of charge. Shea Affidavit ¶ 15.

Once again, Metier provided Robins-Gioia, a consulting firm, with use of Metier's demonstration system for every

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other day for a period of one year. The total use of the demonstration system amounted to 100 full days. As with the Van Steenberg demonstration, Robins-Gioia's personnel came and went at their own convenience. As a result of this demonstration, Metier sold Robins-Gioia a minicomputer version of ARTEMIS for \$500,000.00. This is the same type of system that Metier was trying to sell to VSE or to the RNC. Shea Affidavit ¶ 18.

For brevity's sake, Metier's demonstrations to Volkswagen of America and to Great Lakes Steel will not be discussed at this point. Nor will we describe Metier's demonstration at the United States Army Corps of Engineers, where Metier installed an entire demonstration system at the Corps' facilities for over one year at no cost to the Corps. For these examples and others, please see John Shea's Affidavit, ¶¶ 11, 16-17, 20-22. Even then, all of the examples described above and in John Shea's Affidavit are but a representative few of the numerous customized demonstration arrangements in which Metier has provided prospects with use of its demonstration systems free of charge.

Metier's provision of the use of its demonstration system to Mr. Steenberg, and through him to the RNC, complies fully with 11 C.F.R. §9008.7(c). Accordingly, the

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FEC must find that Metier's demonstration arrangement with did not violate the Act.

- B. The Commission's Own Precedent Supports The Argument That Metier's Provision Of Computer Resources At No Charge Was Not A Contribution Under The Act.

It is well-established by the FEC's own advisory opinions that benefits conferred in the normal course of business are not contributions under the Act. See, Free Videotape Provided to Congressman, AO 1978-60, CCH FEC Financing Guide ¶ 5350 (Sept. 1, 1978) (a free videotape given to a candidate is not a contribution if given in the normal course of business to all who so request); Response to Request for Opinion: Discount on Theatre Facilities, CCH FEC Financing Guide ¶ 6002 (July 29, 1976) (a discount in the rental of theatre facilities is not a contribution if similar discounts are available to non-political groups); and Billboard Ad As Contribution, AO 1976-86, CCH FEC Financing Guide ¶ 5224 (Oct. 6, 1976) (leaving a political advertisement on a billboard beyond the contract term is not a contribution if it is a normal business practice and normal efforts are made to replace the ad).

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In *Free Videotape, supra*, the FEC held that the provision of the videotape of a candidate given to a candidate free of charge by the National Broadcasting Corporation (NBC) would not be an illegal contribution if it was NBC's established policy to provide free videotapes to persons appearing in a newscast. The FEC stated:

If, however, established NBC policy and practice is to provide, upon request, a copy of a videotape free of charge to any member to the public appearing in a newscast, then the free film would not be given in connection with a Federal election nor given to influence your election. Accordingly, it would not be a contribution under the Act.

AO 1978-60. In *Free Videotape*, the putative contributor, NBC, received nothing of value from the candidate in return for providing the videotape. That is, the videotape was provided to the candidate free of charge, and not merely at a discount. Nevertheless, the FEC held that if the provision of a videotape of the newscast free of charge was a courtesy regularly and normally extended to persons in newscasts, no contribution would be found. *Free Videotape* thus stands for the rule that the provision of something of value is not a contribution under the Act if it is given in the normal and

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ordinary course of business, even if nothing is received in exchange.

Applying the rule of *Free Videotape* to Metier's case, the provision of computer resources was not a contribution. As already described in detail above, it was and still is in Metier's normal, ordinary and standard course of business to provide computer time to potential purchasers free of charge for demonstration purposes. Thus, even if Metier received nothing in return, Metier's provision of computer resources to the RNC, through Mr. Van Steenberg, was not a contribution.

IV. SINCE METIER HAD NO INTENTION OF MAKING A CONTRIBUTION TO THE RNC, THE PROVISION OF COMPUTER RESOURCES IN THE ORDINARY COURSE OF BUSINESS DOES NOT VIOLATE THE ACT.

Metier had no intention of making a contribution to the RNC. The facts clearly show that Metier's initial focus was marketing the ARTEMIS system to VSE through VSE's employee, Mr. Van Steenberg. Evidence of this can be seen from Metier's documented sales-related contacts with VSE both before and after the National Convention.

As already emphasized, it is standard practice for Metier to provide potential customers with complimentary computer use for demonstration purposes. The fact that Mr.

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Van Steenbergen chose for his customized demonstration a project he was working on for the RNC was of no concern to Metier and does not make the demonstration a contribution. Metier's interest and intent was for Mr. Van Steenbergen to be sufficiently impressed with ARTEMIS' performance so that he would recommend its purchase to VSE. To find Metier as having made an illegal contribution to the RNC under these circumstances would be an injustice.

Metier was also interested in making a sale to the RNC. Indeed, the Inaugural Committee actually purchased the ARTEMIS microcomputer version for the regular list price in November, 1984. The fact that the Inaugural Committee actually purchased the system at full price demonstrates that Metier's marketing strategy was successful. It also shows that the provision of the use of the demonstration system was for sales-related purposes and was not intended as a contribution.

The underlying purpose of the Federal Election Campaign Act's prohibition of political contributions by corporations is to prevent the use of corporate funds to influence the public to vote for a particular candidate or particular party, to protect the integrity of the political process by eliminating the effect of aggregated wealth on federal elections, and to destroy the influence over elections which

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corporations exercised through financial contributions. See, *U.S. v. International Union United Auto., Aircraft and Agr. Implement Workers of America (UAW-CIO)*, 352 U.S. 567, 77 S.Ct. 529, 1 L.Ed.2d 563 (1957), rehearing denied, 353 U.S. 943, 77 S.Ct. 808, 1 L.Ed.2d 763 (1958); *Federal Election Commission v. Weinstein*, 462 F.Supp. 243 (D.C.N.Y. 1978); *Miller v. American Tel. & Tel. Co.*, 394 F.Supp. 58 (D.C.Pa. 1975), affirmed, 530 F.2d 964 (3d Cir. 1975); and *Ash v. Cort*, 350 F.Supp. 227 (D.C.Pa. 1972), affirmed, 471 F.2d 811 (3d Cir. 1973).

To construe Metier's demonstration arrangement with Mr. Van Steenberg as a contribution to the RNC would not serve the purposes of the Act. The computer resources provided were of negligible value to Metier and were not intended as a contribution. The nominal value of the computer use associated with the demonstration in no way can be deemed as promoting the evils the Act was intended to prevent. Congress certainly did not intend that an uncertain, insignificant and inadvertent provision of services be considered as a contribution or expenditure for purposes of the Act. See eg., *U.S. v. Construction & General Laborers Local Union No. 264*, 101 F.Supp. 869 (D.C.Mo. 1951).

V. THE OFFICIAL PROVIDER DESIGNATION PROVIDED METIER WITH SOMETHING OF VALUE

During the course of the Van Steenberg demonstration, the RNC offered to designate Metier as an official provider of the Convention in consideration for the computer resources Metier was providing. An agreement was later executed on October 11, 1984 memorializing this arrangement. The agreement stated that Metier was providing the RNC with computer resources in exchange for the official provider designation.

While Metier ordinarily offers complimentary computer use in its marketing efforts, as repeatedly demonstrated above, Metier felt that the official provider designation would be valuable for advertising purposes. The official provider designation was an added impetus to continuing the demonstration agreement with Mr. Van Steenberg.

In its Response to Advisory Opinion Request No. 1976-56, the FEC concluded that an offer of complimentary hotel accommodations to a candidate would not be presumed to be "in connection with" a Federal election upon showing that accommodations were offered by the hotel in the ordinary course of business to non-candidates as well as to candidates and further that the hotel could reasonably expect to derive commensurate commercial return from the offer. The rule of

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this opinion is that the provision of something of value is not a contribution if the business providing it could reasonably expect to derive a a return from its action.

Here, Metier provided computer resources to the RNC because Metier reasonably expected, based on past experience, to derive a commercial benefit from doing so. Metier's intent in permitting Mr. Van Steenberg to use its demonstration system for an RNC project was to stimulate a sale of the ARTEMIS to VSE and simultaneously to demonstrate the advantages of ARTEMIS to the RNC. While Metier did not make a sale to VSE, Metier did sell a microcomputer version of ARTEMIS to the Inaugural Committee for \$2990.00, which is considerably more than the negligible cost to Metier of providing the demonstration services.

In any event, whatever sales did or did not occur at the conclusion of the demonstration, however, Metier reasonably expected to derive good will, marketing exposure, and possibly a sale from the demonstration when the demonstration was first arranged. Thus, the provision of computer resources was an arrangement from which Metier expected to, and did, receive value in return.

Both the RNC and Metier received valuable consideration under the agreement. Under these circumstances, there was no contribution or donation of services to the RNC by Metier.

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Therefore, not only was the Van Steenberg demonstration arrangement well within the normal and ordinary course of Metier's business, but valuable consideration was received by Metier for the demonstration arrangement. A contribution under the Act simply cannot arise under these facts. Again, Metier did not make an illegal contribution to the RNC and it did not violate the Act.

VI. CONCLUSION

As the facts bear out, the FEC's charge against Metier was based on a misunderstanding. Metier treated the RNC the same as it treats all prospects. Metier used the Van Steenberg demonstration to familiarize two potential customers, VSE and the RNC, with the advantages of ARTEMIS, to encourage its use and to promote good will. As with all demonstrations, Metier used the demonstration as a marketing opportunity. Indeed, the demonstration even resulted in a sale to the Inaugural Committee. Metier did not treat the RNC as a special case and did not provide the RNC with computer resources that it does not provide to others. The provision of computer resources to the RNC was business as usual, standard operating procedure.

Neither did Metier intend to violate the the Act. Section 441b of the Act was designed to prevent the evil of

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corporate influence over elections through contributions. Metier's intent, however, was to market ARTEMIS to VSE and to the RNC.

Finally, both Metier and the RNC gave and received value under the demonstration arrangement. Metier received the authorization to advertise its official provider status, while the RNC received use of ARTEMIS system.

For all of the reasons herein set forth, Metier Management Systems, Inc. urges the FEC to find that Metier did not make a contribution to the RNC.

Respectfully submitted,



Andrew Mohr, Esq.
Attorney for Metier
Management Systems, Inc.

Of counsel: Ellen Randel, Esq.

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Appendix A

Affidavit of Patrick Durbin

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Affidavit of Pat Durbin

1. My name is Pat Durbin. I am Group Vice President for Marketing for Metier Management Systems, Inc. (Metier). During the time period relevant to this matter, I was President of Metier. My current business address is Metier Management Systems, Inc., 23 Clayton Road, Hayes, UB3 1AN, England. I have worked in the computer industry for over seventeen years, from 1980 to the present with Metier and previously from 1969 to 1980 with McDonald Douglas and the Sun Company.
2. I have some personal knowledge of the facts regarding the Federal Election Commission's (FEC) investigation of Metier Management Systems, Inc., MUR 2171, in which the FEC alleges that Metier may have violated of 2 U.S.C. 441b, a provision of the Federal Election Campaign Act of 1971 (Act).
3. Metier is a manufacturer and retailer of ARTEMIS software, a dedicated project management system program. Metier was established in the United States in 1977. It now has over 800 employees at 56 locations worldwide. As an international concern, Metier serves a wide range of Government and commercial entities at sites across the globe.

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4. Metier manufactures and markets its ARTEMIS dedicated project management system software. The ARTEMIS system is designed specifically for project management of complex, large scale projects such as those for aerospace, defense, or construction. It is often used by Federal and state governments and their contractors. ARTEMIS enables the user to perform scheduling and probabilistic analysis, including complicated modeling, manipulation of cost resources, and determination of annual expenditures. ARTEMIS is available in three versions, the mainframe computer version, the minicomputer version, and the microcomputer version for personal computers (Pcs).
5. Because ARTEMIS is a very complex software system, it requires an extensive sales effort, including presentations at potential customer sites and demonstrations at Metier's facility. These demonstrations, which include both standard, "canned" demonstrations and demonstrations that are customized to the potential purchasers' immediate needs, are almost always required to effectuate a sale. Because of the relatively high cost and complexity of the ARTEMIS system, potential customers generally will not purchase ARTEMIS until they have had the opportunity to have substantial hands-on experience operating the system. Hands-on experience by customers is so important to Metier that Metier has even installed entire ARTEMIS systems at the offices of potential customers for demonstration purposes at no cost to the prospective customer.

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6. In order to provide for demonstrations to customers, Metier maintains a special demonstration system and demonstration room at its offices solely for this purpose. Metier never charges for use of this demonstration system, since the demonstration system is not a profit center for Metier. Because of the importance of demonstrations to making sales, Metier has configured the demonstration system such that it can support up to 32 individual users and several simultaneous demonstrations. The demonstration system and room are used daily on a general basis.
7. Metier routinely encourages prospects to use its demonstration system to solve problems they are encountering at work. This is known as our custom demonstration. It is Metier's experience that a sales prospect requires much more than a mere overview or "canned" presentation of ARTEMIS capabilities. In order to fully understand the capabilities of ARTEMIS and its potential usefulness to his firm, the sales prospect must usually use ARTEMIS on a substantial project and gain hands-on operating experience. These custom demonstrations can last from a matter of hours to as much as six months or more, all at no cost to the potential purchaser. Without the benefit of such a custom demonstration, prospects rarely purchase the ARTEMIS system. Lengthy custom demonstrations involving free use of an ARTEMIS demonstration system are thus a necessity for Metier and are an integral part of Metier's regular course of business.

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8. To the best of my knowledge and belief, both from my review of documentation and from my best recollection, it is my understanding that Metier first came into contact with the Republican National Committee (RNC) while attempting to make a sale of the ARTEMIS system to VSE Corporation.
9. At some time during the latter part of 1983, I received a phone call from Mr William Gregory, Vice President of Metier. asking if Mr Roy Van Steenbergen, who Metier knew as an employee of VSE Corporation, could use Metier's ARTEMIS demonstration system for scheduling activities he was working on for the RNC. As Metier's sales records indicate, Metier was at that time attempting to sell its ARTEMIS package to VSE, which we believed could use our software in its government contracting. Because Mr Van Steenbergen was already generally familiar with ARTEMIS, I understood that he would be easily able to gain hands-on experience with use of the system on a real life project, which is our primary and most effective sales tool. By allowing Mr Roy Van Steenbergen use of Metier's demonstration system, Metier would be providing Mr Roy Van Steenbergen with the same type of custom demonstration that it provides to many other prospects.

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10. Accordingly, I approved the use of our demonstration system by Mr Van Steenbergen as a promotional device. I felt Mr Van Steenbergen, based on favorable experience of using ARTEMIS on actual work problems, would grow to like our system and would say positive things about ARTEMIS to both VSE and the RNC, which in turn would result in sales to VSE, the RNC, and perhaps to an entity associated with the RNC.
11. As stated above, use of free computer time and software in Metier's offices or in the office of a prospective customer is routinely offered in the normal course of business by Metier and by other retailers of sophisticated software packages. Such demonstrations of computer and software capabilities are almost always necessary in order to effectuate a sale. A customer must grow to understand the advantages of our ARTEMIS system. Customized demonstrations are our most effective and important sales tool. Metier's custom demonstration arrangement with Mr Van Steenbergen was well within the norm for such demonstrations with like sales potential. The Van Steenbergen demonstration, while lasting over a period of several months, was actually less extensive than many others we have conducted for similar sales prospects.

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12. I understand from Mr Bruce Meyer, former Metier Director of Marketing, who is no longer with Metier, that the RNC designated Metier as an "Official Provider" of the Convention and that he signed an agreement to that effect on October 11, 1984. To the best of my knowledge, the RNC offered Metier official provider designation during the course of our demonstration arrangement with Mr Van Steenberg. While customer demonstrations are our main sales tool, I felt that the official provider designation was valuable for marketing purposes. I therefore encouraged Mr Meyer to use the designation to our advantage in advertising, if possible.

13. Based on my review of this matter, I understand that the RNC eventually purchased an ARTEMIS microcomputer version from Metier for list price. I believe that this RNC purchase was a direct result of Metier's demonstration and marketing efforts, and principally that of Mr Van Steenberg's custom demonstration.

14. Metier is not a politically active corporation and does not involve itself in election matters. I find it disturbing that the FEC would charge Metier with violating the Act without first contacting us to investigate the facts apparently underlying its charge. We are certain the FEC will conclude, as the facts bear out, that Metier did not violate the Act.

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I hereby certify and affirm under the penalty of perjury that the foregoing Affidavit is true and accurate to the best of my knowledge and belief.

Signature : Patrick Duvil

Date : 2 Feb 87

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Appendix B

Affidavit of John Shea

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Affidavit of John Shea

1. My name is John Shea. I am Branch Manager for Metier Management Systems, Inc. (Metier). My business address is Metier Management Systems, Inc., 4900 Seminary Road, Suite 400, Alexandria, Virginia 22311. I have worked in the computer industry for over thirteen years. From April 18, 1982 to the present, I have been employed with Metier. Previously, I was with American Management Systems, Inc.

2. I am aware of the Federal Election Commission's (FEC) allegation that Metier may have violated 2 U.S.C. 441b, a provision of the Federal Election Campaign Act of 1971.

3. As Branch Manager, I am responsible for, and manage the sales activities of, Metier's sales executives. During the time period relevant to the FEC's investigation, however, I myself was a sales executive. As such, I was responsible for developing my sales territory, locating prospective customers, understanding their requirements, identifying customer personnel with user needs or purchase authority, demonstrating Metier's sales ARTEMIS system, initiating sales negotiations, and closing sales contracts.

4. Metier manufactures and markets ARTEMIS dedicated project management software. ARTEMIS is designed

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specifically for project management of complex, large scale projects such as those for aerospace, defense, or construction. It is often used by Federal and state governments and their contractors. ARTEMIS enables the user to perform scheduling and probabilistic analysis, including complicated modeling, manipulation of cost resources, and determination of annual expenditures. ARTEMIS is available in three versions, the mainframe computer version, the minicomputer version, and the microcomputer version for personal computers (PCs).

5. Metier routinely offers free access to and use of ARTEMIS in Metier's offices or in the office of a prospective customer for sales demonstration purposes. These demonstrations are offered in the normal course of business by Metier. Indeed, it is industry standard for retailers of complicated software systems like ARTEMIS to offer in-depth demonstrations. Such demonstrations of software capabilities are almost always necessary to effectuate a sale. In fact, demonstrations for potential customers are Metier's single most important selling technique. With seven sales representatives in the Alexandria office, Metier conducts hundreds of demonstrations per year in the Washington, D.C. area alone. Hundreds more are conducted in Metier's other sales offices. Based on my own experience as a sales representative for Metier, I myself conducted over 60 demonstrations during calendar year 1985. Examples of a few

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of the demonstrations conducted by Metier's Alexandria office can be seen from the letters attached hereto as Exhibit No. 1.

6. Metier maintains a special demonstration system and demonstration room at its offices for the sole purpose of conducting demonstrations. The demonstration system is not a profit center for Metier. Thus, Metier never charges prospects for use of the demonstration system. The demonstration system consists of an HP 1000 minicomputer, peripheral devices such as terminals, a hard disk, and printers, and ARTEMIS software. The system supports up to 32 individual users and can support several simultaneous demonstrations. The demonstration room can seat approximately 15 prospects for formal demonstrations. Because of the importance of demonstrations to sales, we try to use the demonstration system close to capacity on a general basis. The regular use of the demonstration room for formal demonstrations can be seen from Metier's demonstration calendar, pages of which are attached hereto as Exhibit No. 2. Metier's visitor register, pages of which are attached as Exhibit No. 3, also shows that numerous visitors came to Metier for demonstrations.

7. In addition to formal demonstrations, however, Metier permits prospects to access the demonstration system both from terminals at Metier's office located outside of the

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demonstration room and also from remote sites located outside of Metier's facility via modem. Access to Metier's demonstration system from outside of the demonstration room is part of Metier's "customized" demonstrations, discussed below.

8. Metier routinely conducts two types of ARTEMIS demonstrations. These are "canned" and customized demonstrations. The purpose of a canned demonstration, which is usually presented in the demonstration room, is to present a live, standardized demonstration of the capacities and features of the ARTEMIS system using a preprogrammed problem. It is designed to give the potential customer a feel for the product, without which a customer would not be able to make the decision of whether to purchase the product.

9. Customized demonstrations, unlike canned demonstrations, utilize an actual project the potential customer is working on at his or her job. The customized demonstration is typically the second part of the sales cycle. Customized demonstrations are standard practice in the computer industry for businesses such as Metier whose ARTEMIS software must be demonstrated on a more individual basis than, for example, a microcomputer accounting software program.

10. Since some sales prospects chose not to buy ARTEMIS after the formal demonstration, Metier presents fewer

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customized demonstrations than canned demonstrations. Approximately twenty percent of all demonstrations are customized demonstrations. However, the importance of customized demonstrations to Metier can be seen from the fact that approximately eighty percent of all sales require some sort of customized demonstration. In Metier's experience, it is usually necessary to conduct a customized demonstration in order to make a sale. Of course, even with the benefit of a customized demonstration, a sale is not guaranteed. Therefore, it is imperative that customized demonstrations give prospects the most valuable and extensive hands-on experience possible, that of solving actual work problems.

11. Customized demonstrations can last anywhere from a matter of hours to six months or more. For example, in April of 1983, Metier agreed to provide an ARTEMIS system to the United States Army Corps of Engineers (Corps) for the purpose of demonstrating the capabilities and advantages of ARTEMIS to the Corps. The actual sale potential for this prospect was rather large, so Metier dedicated considerable products and services for the purpose of the demonstration. Specifically, a minicomputer system complete with ARTEMIS software was installed at the Corps' site for an initial period of six months, and then for a subsequent one year period, all at no cost to the Corps. During this period, Metier provided approximately 20 days of consulting services to assist the Corps with the demonstration. The Corps used

this demonstration system for hundreds of hours. At the end of the demonstration period, the system was returned to Metier without any cost ever being incurred by the Corps and without a sale to the Corp. The relevant portions of this demonstration agreement between Metier and the Corps are attached as Exhibit No. 4.

12. Customized demonstrations encompass a wide variety of arrangements depending on the customer's particular needs. Some potential customers have little or no computer experience. These customers need substantial training and assistance by Metier's consultants. Their demonstration sessions are closely supervised and structured. Other customers are knowledgeable about computers in general, but need to test ARTEMIS on individual projects. Metier provides these experienced prospects with passwords with which they can log onto the demonstration system for unrestricted, unsupervised access to the demonstration system. These prospects are often assigned individual computer stations at Metier's facility or communicate with the demonstration system from a remote site via modem.

13. For example, in April, 1986, Metier entered into a customized demonstration arrangement with TRW, which was working on a contract for the United States Navy. Metier hoped to sell ARTEMIS to either TRW or the Navy. Because TRW's personnel were experienced, their demonstration was

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conducted on a largely independent basis. For a period of two to three weeks, TRW's personnel used the Metier demonstration system loading project information to prepare reports for the Navy. TRW's personnel used approximately 30 hours of computer time by loading data, preparing reports and using the plotter for charts and graphs. A letter discussing TRW's use of the demonstration system is attached hereto as Exhibit No. 5.

14. In another instance, in the Spring of 1984, Mr. Stan Green, an computer instructor for the United States Corps of Engineers, was provided unsupervised, free access to Metier's demonstration system to run a number of sample problems. Metier hoped that Mr. Green's experience with ARTEMIS might promote ARTEMIS' reputation in the Corps. Because of Mr. Green's experience, he received very little training or assistance from Metier consultants. Over a one month period Mr. Green came and went as he pleased, using his assigned password to access the demonstration system. Mr. Green used the system a total of approximately 25 hours to load and run his sample programs and to print outputs.

15. Another similar customized demonstration was conducted by Lockheed Electronics in Metier's Edison, New Jersey office. In 1983, Lockheed Electronics was working on a Korean radar upgrade contract and needed access to the ARTEMIS system. Under an informal, unwritten agreement,

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Lockheed used the ARTEMIS demonstration system every day or every other day for a period of four months, logging hundreds hours of computer time. Lockheed used the demonstration system to prepare reports, graphs, networks and drawings. As in other demonstrations, all this computer use was free of charge. Lockheed did not buy an ARTEMIS system as a result of this demonstration.

16. Metier has also provided Volkswagen of America with use of Metier's demonstration system. Over the past two years, Volkswagen has used the demonstration system in Metier's Detroit office for ten day periods on about four occasions. Volkswagen has been given unrestricted access to the demonstration system during these periods to use ARTEMIS to prepare reports, graphs and to produce other outputs. This complimentary demonstration has yet to result in a sale.

17. Another demonstration was conducted for Great Lakes Steel, Inc. at the Metier Detroit office. In 1986, the company used the demonstration system for a period of five days logging approximately 40 hours. The company used all aspects of the system including printers and plotters. A sale did not result from this demonstration.

18. In 1980, Robins Gioia, a consulting firm located in Alexandria, Virginia, was provided with an extensive customized demonstration. Metier was attempting to sell

Robins Gioia the ARTEMIS minicomputer version. As part of the marketing strategy, Metier allowed Robins Gioia unrestricted access to the demonstration system every other day for a period of one year. Total use of the demonstration system was approximately 100 full days. Robins Gioia's personnel came and went on their own schedule and were unsupervised as they worked on their project. As a result of this customized demonstration, Robins Gioia purchased the minicomputer version of ARTEMIS for approximately \$500,000.00.

19. The above examples of customized demonstrations represent only a very few of the numerous customized demonstrations over the last several years in which Metier has provided prospects with unrestricted access to Metier's demonstration system free of charge.

20. Metier has also created other types of demonstration agreements in order to market ARTEMIS. For example, in early 1986, Metier gave John M. Cockerham & Associates, a consulting firm located in Huntsville, Alabama, a copy of ARTEMIS free of charge. Cockerham has been using ARTEMIS for over one year to generate business for itself by demonstrating to their own customers what they can do with the assistance of ARTEMIS. This demonstration arrangement has resulted in sales of ARTEMIS to Cockerham's customers.

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21. In an effort to stimulate purchases of its more expensive minicomputer and mainframe ARTEMIS systems, Metier has also given away several hundred copies of the initial microcomputer version of ARTEMIS to various potential customers. These packages retail for approximately \$2990.00.

22. Metier also conducts "road shows" to demonstrate its system. When a sales prospect expresses interest in the ARTEMIS system, Metier will ship and install an entire system to the prospect's offices at no cost to the prospect. The system is then made available to all personnel to use and become familiar with it. For example, Honeywell Avionics used a demonstration system under a road show arrangement for one week. Other examples of road shows are attached hereto as Exhibit No. 6.

23. With regard to the FEC's allegation against Metier, Metier's provision of complimentary computer software and resources was no different from the above examples of customized demonstrations. Metier's provision of resources for which the FEC is investigating Metier arose because Metier was at that time attempting, and had been attempting for some time, to market ARTEMIS to VSE Corporation (VSE), a local firm engaged in government contracting. The business address of VSE is: VSE Corporation, 2550 Huntington Street, Alexandria, Virginia, 22303. Because of the large amount and

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complex nature of government contract work that VSE performs, VSE is a potential purchaser of the ARTEMIS system.

24. The first contact with VSE that I know of is a May 10, 1982 letter, attached hereto as Exhibit No. 7, to Mr. John Obradovich, VSE Corporation, that was sent by Mr. Jack Figel, a Metier Sales Executive. Mr. Figel was responsible for sales in Virginia in 1982. The letter was most likely a follow up to a "blind" or "cold call" and contained the introduction package that a Metier sales executive would normally provide in an initial contact with a potential customer.

25. In 1983, I became responsible for sales to the Federal Government in the Eastern half of the United States. This territory included sales to government contractors in the state of Virginia. I contacted VSE by cold call and was put in touch with Mr. Roy Van Steenbergen. I distinctly remember my conversation with Mr. Van Steenbergen because he was familiar with ARTEMIS through his previous employment with the United States Corps of Engineers and had at that time been contacted by one of the founders of Metier. Cold calling is an extremely difficult sales procedure. When a contact responds to a cold call as Mr. Van Steenbergen did, favorably and with knowledge of the system, let alone a previous contact with one of the founders of the company, it is a memorable occurrence. In any event, Mr. Van Steenbergen

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had some experience with the ARTEMIS system and appeared to be interested in it for VSE. He requested a demonstration of the system.

26. On August 25, 1983, I performed an initial demonstration of the ARTEMIS system for Mr. Van Steenberg in our offices. The Sales/Demonstration Report of this demonstration is attached hereto as Exhibit 8. The demonstration was a simple, canned version with no customization or work on any project of Mr. Van Steenberg's.

27. Although the initial demonstration seemed to go well, a sale to VSE did not materialize. At a later date, Mr. Van Steenberg requested a customized demonstration to test ARTEMIS by running a project he was working on for the Republican National Committee (RNC). Again, allowing a prospective customer to run customized demonstrations at no cost is a regular and frequent occurrence in the normal course of our sales efforts for ARTEMIS. I emphasize that Metier strongly encourages potential customers to engage in custom demonstrations because without extensive hands-on experience and in-depth testing, most sales will not materialize.

28. Mr. Van Steenberg came into Metier's offices for approximately an hour once a week for the next several months to run his customized demonstration. Mr. Van Steenberg

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also occasionally communicated with the system through the RNC's terminal or from Dallas, Texas, using an RNC personal computer. In total, Mr. Van Steenbergen used the Metier demonstration system for approximately 40 to 60 hours to load data, prepare reports, and print out a bar chart and two plots. Because Mr. Van Steenbergen was generally familiar with the ARTEMIS system, he required very little assistance from Metier consultants. In relation to the numerous other customized demonstrations that Metier regularly conducts for prospects, the scope and extent of the Van Steenbergen demonstration was well within the norm. In fact, when compared with the examples of customized demonstrations discussed above, which themselves are easily within the normal course of Metier's business, the Van Steenbergen demonstration was relatively minor for the amount of the potential sale involved.

29. As discussed above, the Metier system that Mr. Van Steenbergen made use of is a demonstration system used solely to encourage sales; Metier never charges prospects for use of this demonstration system. To Metier, the cost of Mr. Van Steenbergen's use of the system was negligible. Because Metier does not charge for use of its demonstration system, it is difficult if not impossible to determine the cost of Mr. Van Steenbergen's use. Based on my knowledge of the demonstration system, including the price of hardware, I believe the the total cost for a single user would be

approximately a few dollars per hour at most. Since Metier's demonstration system can and often does support simultaneous users, the actual cost would be even much less. The three outputs that Mr. Van Steenbergen used Metier's plotter to print are again provided free of charge to prospects and are of minimal cost to Metier. Finally, I understand that Mr. Van Steenbergen stored approximately 500Kb of data on a Metier's hard disk. This is the amount of data stored on the single side of a normal floppy disk for a personal computer. The cost of a floppy disk is approximately \$5.00. However, 500Kb represents a miniscule portion of space on the demonstration system's hard disk, which holds approximately 500,000Kb. Thus, Mr. Van Steenbergen's use of 500Kb is negligible.

30. After the Convention, I continued to follow Mr. Steenbergen as a prospect of both VSE and, to a lesser degree, the RNC. A Sales/Demonstration Report of one visit, dated November 7, 1984, is attached hereto as Exhibit No. 9. This report states that Mr. Van Steenbergen was testing ARTEMIS on a scheduling system for the RNC for the inauguration ceremonies and celebrations. The report also indicates that Mr. Van Steenbergen felt that the RNC would purchase the software to use for inaugural scheduling.

31. Shortly after the November 7 demonstration, the RNC Committee for the 50th American Presidential Inaugural

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(Inaugural Committee) purchased the microcomputer version of ARTEMIS. Metier's invoice to Mr. Van Steenberg's company, Office Productivity Systems, is attached hereto as Exhibit No. 10. Metier delivered the software package to Mr. Van Steenberg, who, as of December, 1986, indicated to Metier, that he still had possession of the software. The Inaugural Committee purchased the software package for \$2990.00, which is the normal retail list price. A copy of the Inaugural Committee's cancelled check is attached hereto as Exhibit No. 11. I strongly believe that without the previous customized demonstration for Mr. Van Steenberg and the RNC, this sale would not have materialized.

32. Metier's primary intent during the demonstration period was to stimulate a sale of the ARTEMIS minicomputer version, at a cost of approximately \$500,000.00, to VSE through its employee, Mr. Van Steenberg. That Mr. Van Steenberg choose for his customized demonstration a project he was working on for the RNC was of no concern to me. My interest was that Mr. Van Steenberg gain an understanding of the features and capabilities of ARTEMIS so that he might encourage VSE to purchase the minicomputer version. To a lesser extent, I hoped that the Van Steenberg demonstration would stimulate a sale to the RNC and whomever else might come into contact with Mr. Van Steenberg's ARTEMIS work product through the RNC. Although no sale has yet been made to VSE, Metier has continued its sales effort. This can be

seen from the Sales/Demonstration Report of Mr. Rick Bixler, a Metier Sales Executive, dated November 10, 1985, which is attached hereto as Exhibit No. 12.

33. To the best of my knowledge and belief, Metier has had no contract with either the RNC or the Inaugural Committee other than that through Mr. Van Steenberg as described above.

I hereby certify and affirm under the penalty of perjury that the foregoing Affidavit is true and accurate to the best of my knowledge and belief.

Signature:

John P. Shen

Date:

Jan 31, 1987

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Exhibit No. 1

Representative Letters from Metier to
Prospects Regarding Demonstrations

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METIER

July 1, 1986

Major Stanley Kolisch
U. S. Army Tank-Automotive Command
Attn: AMSTA-ZDM

Dear Major Kolisch,

First, thank you for your interest in **ARTEMIS** and for attending the demonstration last week. I'm sorry that I missed your phone call and now understand that you will be on leave until next week. I will try to reach you at that time. Today, I am sending you a brochure on the **ARTEMIS-Risnet** product which you requested. I'm also enclosing a more detailed document on our **ARTEMIS** project management product line. I look forward to further discussions with you regarding these project management tools.

Sincerely,

Ginnie Tokarz

GINNIE TOKARZ
Sales Executive
to the U. S. Army

GT:cr

METIER MANAGEMENT SYSTEMS, INC.

4900 SEMINARY ROAD, SUITE 400 • ALEXANDRIA, VIRGINIA 22311
(703) 379-0030 (703) 379-0876 FAX

88040721525

C

METIER

July 24, 1986

Mr. F. L. Eisenbarth
Manager
C3 Engineering Operation
Computer Sciences Corporation
6565 Arlington Boulevard
Falls Church, Virginia 22046

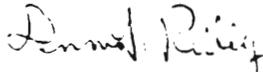
Dear Mr. Eisenbarth:

It was a pleasure to meet with you and have the opportunity to discuss the project management requirements of the Navy's ELF Program. I also appreciate the information you gave me on CSC's other contracts. One of my colleagues, Nancy Artis, will be contacting Alice Richmond and I plan to call Bill Philips.

I would also like to confirm the demonstration of our project management information system, **ARTEMIS**, on Tuesday, August 19, 1986 from 9:00 to 11:30 a.m.

I will contact you prior to the demonstration to review the agenda.

Sincerely,



DENNIS J. REILLY
Marketing Associate

DJR:cr

38040721526

METIER

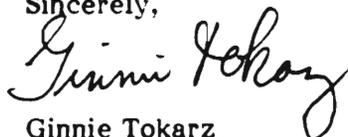
July 31, 1986

Norbert Pink
DMA/SPOEM/COD
8301 Greensboro Drive
Suite 800
McLean, Virginia 22102-3692

Dear Mr. Pink:

Thank you for your interest in **ARTEMIS**, our integrated project management system. Enclosed please find the brochure you requested during our phone conversation today. Also, as we agreed, I will phone you on Monday, August 4, 1986 to set up a meeting in order to further discuss your project management requirements in an effort to plan for a product demonstration at our Alexandria facility. I look forward to meeting you.

Sincerely,



Ginnie Tokarz
Marketing Executive

GT:cr

38040721527

METIER

August 4, 1986

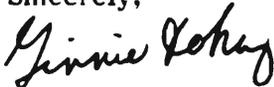
Director of Combat Development
Attn: ATSF-CPM
Fort Sill, Oklahoma 73503-5000

Dear Captain Janowski,

I enjoyed speaking with you today about your project management requirements. Based on our discussion, it appears that **ARTEMIS** would be a good fit for your requirements. Enclosed please find literature on our **ARTEMIS** product line. After reviewing it, please feel free to contact me for further information or clarification.

Also, as we discussed, I will be happy to coordinate a demonstration for you in either New Jersey or Washington during your next trip east. I look forward to working with you. Thank you for your interest.

Sincerely,



Ginnie Tokarz
Sales Executive to the U. S. Army

GT:cr

38040721628

METIER

August 4, 1986

Commander
Naval Surface Weapons Center
White Oak, Maryland 20910
Attn: Mr. A. DeGray (Code AAWG 3-143)

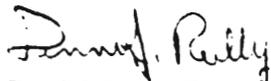
Dear Mr. DeGray:

It was a pleasure to meet with you and have the opportunity to discuss the program management requirements of AAW Working Group. It must be exciting to be part of the inception of such an important defense program.

As I mentioned in our meeting, an opportunity to attend a demonstration of **ARTEMIS** in our office is available to you and should be helpful in your evaluation of program management systems.

After you've had an opportunity to select a time convenient to you, CAPT Albrecht and CAPT Coles, I will contact you and confirm a demonstration date. Should you have any questions, please don't hesitate to call.

Sincerely,


DENNIS J. REILLY
Marketing Associate

DJR:cr

38040721629

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METIER

August 13, 1986

Ms. Mary Siegert
Sperry Corporation
Dept. 3411
12010 Sunrise Valley Drive
Reston, Virginia 22091

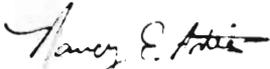
Dear Mary,

Pursuant to our phone conversation, this letter is to confirm the **ARTEMIS** presentation and demonstration to be given to Sperry Corporation on August 21, 1986 at 1:00 p.m.

Enclosed please find a map to our office, located at the Seminary Road, West exit off Route 395. We are on the 4th floor of the newly constructed building across from the Radisson Hotel.

Please confirm with me the number of people who will be attending so I have sufficient copies of hand-out materials.

Sincerely,



NANCY E. ARTIS
Sales Executive

NEA:cr

Enclosure

88040721630

C

METIER

August 25, 1986

Director NSA/CSS
9800 Savage Road
Ft. Meade, Maryland 20755-6000

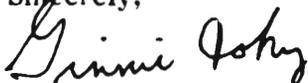
Attn: Bob Wallace L531

Dear Mr. Wallace:

I enjoyed talking to you today regarding **ARTEMIS** and your project management requirements. Enclosed please find detailed information regarding the **ARTEMIS** product line, as well as our **ARTEMIS** International brochure which provides case studies of Aerospace and Defense clients who employ **ARTEMIS** as a project management tool.

As we discussed, I would like to demonstrate our product at a time that is convenient to you. At this time, I could provide you with client references in the Aerospace - Defense communities. In the meantime, please feel free to contact me with any questions you have or any clarifications you might require. Thank you for your interest in **ARTEMIS**.

Sincerely,



GINNIE TOKARZ
Sales Executive to
the U. S. Army

GT:cr
Enclosures

38040721631

METIER

August 27, 1986

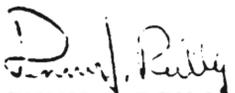
Mr. Frank L. Eisenbarth
Manager
C3 Engineering Operation
Computer Sciences Corporation
6565 Arlington Boulevard
Falls Church, VA 22046

Dear Frank:

Thank you for attending the demonstration of our project management information system, **ARTEMIS**. It was a pleasure to have you visit our office. Please find information on **ARTEMIS-PC** enclosed. I'll also ensure that you receive literature on any new product releases.

Should you have any questions, please don't hesitate to call.

Sincerely,


DENNIS J. REILLY
Marketing Representative

DJR:lw

08040721632

METIER

August 29, 1986

Mr. Art Dorsey
Sperry Corporation
System Management Group
12010 Sunrise Valley Drive
Reston, Virginia 22091

Dear Art:

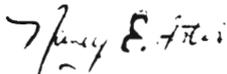
Thank you for providing the time to attend our presentation/demonstration on the **ARTEMIS** system. I anticipate that you now have a better understanding of the flexibility of the **ARTEMIS** project management system and the capabilities it can afford your project control operations.

During the course of our discussions, we were able to only briefly touch on the requirements for Cost Schedule control reporting, C/SCSC. I look forward to scheduling a subsequent presentation and demonstration of the Cost Management application with Sperry representatives. The Cost Management package has been developed in the **ARTEMIS** language to meet those requirements.

Since you had requested a description of some "criteria" for selecting a system, I have enclosed a summary of some categories another client had used to provide a basis for their evaluation. I have been investigating a comparison between Sperry's Optima product and **ARTEMIS** but have not yet uncovered a "hard-copy" comparison. If we do not have a listing, we can provide you assistance in making a comparison between the products by using a criteria list and an Optima manual or by talking to a user. I will get back to you with status on this topic in about two weeks.

Once again, thank you for the time you spent with us. If you should have further questions, please feel free to call me.

Sincerely,



NANCY E. ARTIS
Sales Executive

NEA:cr
Enclosures

METIER MANAGEMENT SYSTEMS, INC.

4900 SEMINARY ROAD, SUITE 400 • ALEXANDRIA, VIRGINIA 22311

(703) 379-0030 (703) 379-7876 FAX

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METIER

Ms. Pat Zytch
Vice President
Information Spectrum, Inc.
1745 Jefferson Davis Highway
Crystal Square IV, Suite 501
Arlington, Virginia 22202

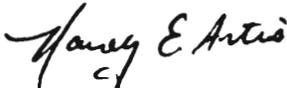
September 10, 1986

Dear Pat,

Thank-you for agreeing to allow us to provide a presentation and demonstration of the ARTEMIS Project Management Information System. Bruce Johnson and I look forward to meeting with you and other staff of Information Spectrum at our office on September 15, 1986 at 2:30 PM. We plan to discuss with you general capabilities of the ARTEMIS system and how its use can enhance your ability to provide support to your clients.

Looking forward to seeing you on Monday.

Sincerely,



Nancy E. Artis
Sales Executive

38040721634

METIER

September 12, 1986

Naval Undersea Warfare Engineering Station
Keyport, Washington 98345-0580

Attention: Ben Zlateff (Code 221)

Dear Ben:

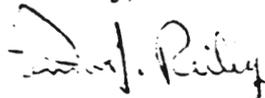
It was a pleasure to meet with you and the other members of the NUWES Industrial Control Division on Wednesday. Because of the number and variety of repair and manufacturing tasks you coordinate, I'm certain that ARTEMIS can help you better plan and control those efforts. ARTEMIS will provide significant improvements, especially in the areas of scheduling, resource management and material control.

Before scheduling a demonstration, I recommend another meeting(s) to better identify your requirements and to understand how your Boeing MRP system operates. I'll ensure that one of my systems experts is present and would request that your in-house MRP system administrator and any other key people, especially in the areas of scheduling and resource planning, also attend. That sort of interchange will allow me to develop an effective ARTEMIS demonstration, clearly demonstrating how ARTEMIS can meet your needs.

Please find the literature you requested on ARTEMIS enclosed.

I'll contact you within two weeks to discuss the plan of action described above and schedule a meeting. Should you have any questions in the meantime, please don't hesitate to call.

Sincerely,



DENNIS J. REILLY
Marketing Representative

DJR/gak

Enclosures

33040721635

METIER

September 29, 1986

Mr. Richard M. Freund
Vice President
Technology Applications, Inc.
6101 Stevenson Avenue
Alexandria, Virginia 22304

Dear Dick:

In regard to our recent telephone conversation, I would like to confirm our scheduled demonstration of the **ARTEMIS** Project Management Information System on Friday, October 3, 1986 from 9:00 a.m. until 12:00 noon in our Alexandria, Virginia office. If there are any changes, please notify me as soon as possible.

I look forward to the demonstration and will be in touch with you before Friday to review the agenda and confirm the attendees.

Sincerely,


DENNIS J. REILLY
Marketing Representative

DJR:crw

98040721636

C

METIER

September 30, 1986

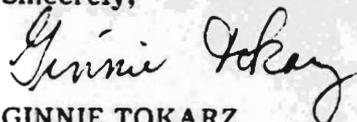
Commander
U. S. Army Tank-Automotive Command
Attn: AMSTA-ZDS John Polkowski
Warren, Michigan 48397-5000

Dear John:

Thanks again for your efforts and your time in coordinating the ARTEMIS-PC demonstrations at TACOM last week. Your assistance was invaluable. Enclosed please find those questions that I submit as suggestions for the Attendee Evaluation Form which you plan to distribute at TACOM. Please advise me as to any further information or assistance which you require from me.

I look forward to working with you.

Sincerely,



GINNIE TOKARZ
Sales Executive
to the U. S. Army

GT:crw
Enclosure

88040721637

METIER

October 17, 1986

Mr. Gerald Smith
Panama Canal Commission
Data Processing Systems Division
APO Miami, Florida 34011-5000

Dear Gerry:

To confirm our earlier discussions, we're looking forward to your visit to Alexandria on October 29 and 30. We've scheduled a series of discussions and demonstrations which should greatly enhance your understanding of **ARTEMIS** and how it could work for you.

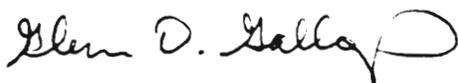
As I mentioned, we've invited Marvin Wischer from Schnieder Engineers (our partner in the Maintenance Control Application) to attend to answer your questions regarding **ARTEMIS** in a maintenance environment. I've attached our planned agenda for your review. We'll be glad to adapt this format to meet your needs.

On Thursday, we've scheduled a site visit to one of our local mainframe **ARTEMIS** clients, Martin Marietta Corporation. I'm sure this visit will be valuable in gaining a practical understanding of how **ARTEMIS** operates in a large, multi-project environment.

Finally, I've enclosed maps to our offices. Please let me know when you plan to arrive in Washington, and if we can assist in any way with your arrangements.

We sincerely appreciate your interest in Metier and **ARTEMIS**, and will do everything possible to make your visit productive and useful.

Best regards,



GLENN D. GALLOP
Federal Marketing Executive

GDG:crw
Enclosure

88040741538

METIER

October 17, 1986

Mr. Ed Lukes
Arthur Andersen and Co.
33 W. Monroe Street
Chicago, Illinois 60603

Dear Ed:

I want to thank you for the time you spent with me on the telephone yesterday discussing the Panama Canal Commission and your upcoming visit to Metier.

We've got an interesting day of presentations and demonstrations scheduled, followed by a visit to a local Metier client. I've enclosed our planned agenda for your information, along with some background information on Metier and **ARTEMIS**.

I do hope your schedule will permit you to attend.

Sincerely,



GLENN GALLOP
Federal Marketing Executive

GG:crw

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METIER

October 17, 1986

Mr. Marvin Wischer
Schnieder Engineers
2900 North Loop West
Suite 560
Houston, Texas 77092

Dear Marvin:

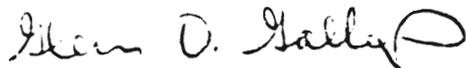
To confirm our earlier conversations, we would like to invite you to meet with us in Alexandria on Wednesday, October 29 for a presentation and demonstration to the Panama Canal Commission. Metier will cover your travel and expenses for this trip.

As we discussed, the PCC is intereted in **ARTEMIS** for scheduling, resource management and maintenance control applications. You can contribute by presenting an overview of the MCS application and a live demonstration. I'll take care of the logistics regarding IBM access.

I've enclosed some background information on the PCC, as well as a map to our offices. The Radisson Hotel (Phone 703-845-1010) is adjacent to our office and offers favorable rates to Metier. We'll be glad to make arrangements for you if you let us know.

Thanks in advance for your help. I'm looking forward to working with you.

Best regards,



GLENN D. GALLOP
Federal Marketing Executive

GG:crw
Enclosure

38040721640

METIER

October 23, 1986

Ms. Lisa Snedeker
ManTech Services Corporation
1225 Jefferson Davis Highway
Suite 1500
Arlington, Virginia 22202

Dear Ms. Snedeker:

Thank you for attending the demonstration of our project management information system, **ARTEMIS**. It was a pleasure to have you visit our office and to discuss ManTech's program management requirements.

Should you have any questions, please don't hesitate to call.

Sincerely,


DENNIS J. REILLY
Marketing Representative

DHR/gak

38040721641

METIER

November 11, 1986

Strategic Systems Program Office
Navigation Branch (SP-24)
Department of the Navy
Washington, D.C. 20376

Attn: LT. Howard C. Seeger (SP-24135)

Dear Howard:

Thank you for attending the demonstration of our program management information system, **ARTEMIS**. You and Jack were a great audience. I'm sure that **ARTEMIS** is the right tool to assist DRC in providing IV&V support to the Trident Navigation System Program. Please find the product literature you requested enclosed.

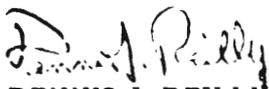
There are also three quotations enclosed. The first is for the purchase of a three-user **ARTEMIS** system using Metier's GSA Schedule Contract (Contract # GS00K 87 AGS 5790). The term "three-user" means three people simultaneously logged onto **ARTEMIS**. There can actually be as many as 32 terminals connected to the system. It's important to note that a contractor must receive authorization from the Government to purchase off the GSA Schedule. Appendix A to our GSA Schedule (enclosed) and the letter referenced therein serve as authorization.

The second quote provides monthly payment pricing under a Federal Lease to Ownership Plan (FLTOP), again using our GSA Schedule. Under the FLTOP, title to the **ARTEMIS** system passes to the government after 36 monthly payments. There is, however, an "escape" clause. The FLTOP may be terminated at the end of each fiscal year. In that case, of course, title remains with Metier.

The third quote is for monthly maintenance on your **ARTEMIS** system. In the case of an outright purchase, there is a 90-day warranty period during which maintenance is provided at no charge. After 90 days, the payments found in the quote apply. Under the FLTOP, monthly maintenance coverage as quoted is required immediately.

Should you have any questions concerning the literature or quotations, please don't hesitate to call. Further demonstrations of **ARTEMIS** can also be arranged if that would help you and Jack in your evaluation of **ARTEMIS**.

Sincerely,



DENNIS J. REILLY
Marketing Representative

DJR/gak

Enclosures

METIER MANAGEMENT SYSTEMS, INC.

4900 SEMINARY ROAD SUITE 400 • ALEXANDRIA VIRGINIA 22311

(703) 379-0030 / (703) 379-7876 FAX

33040721642

METIER

November 13, 1986

Technology Solutions, Inc.
8200 Greensboro Drive
McLean, Virginia 22102

Attn: Richard J. Kinane

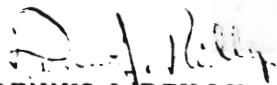
Dear Richard:

Thank you for attending the demonstration of our project management information system, ARTEMIS. Based on the discussions we had this morning, there certainly is a great deal of potential business growth involved in a stronger Advanced Technology - ARTEMIS relationship.

Please find enclosed two examples of ARTEMIS graphics for inclusion in the LOTUS 1-2-3 course you're developing for Advanced Technology. I'm investigating the procedures for transferring data from LOTUS and DBase III to ARTEMIS. I'll call you as soon as this information is available.

Please call if I can be of further assistance.

Sincerely,



DENNIS J. REILLY
Marketing Representative

DJR/gak

cc: Robert Goeddel

3804072164J

METIER

November 19, 1986

TAI
6101 Stevenson Avenue
Alexandria, Virginia 22304

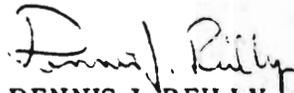
Attn: Rebecca S. B. Corns

Dear Becky:

It was a pleasure to meet with you and have the opportunity to discuss the project management requirements of TAI's AWIS project.

I would also like to confirm the demonstration of the cost management application of our project management information system, ARTEMIS, on Wednesday, December 9, 1986 from 9:00 a.m. to 12:00 noon. If there are any changes, please notify me as soon as possible.

Sincerely,



DENNIS J. REILLY
Marketing Representative

DJR:crw

cc: D. L. Wiseman
J. R. Registrar
M. Priest

38040721544



December 23, 1986

Technology Applications, Inc.
6101 Stevenson Avenue
Alexandria, Virginia 22304

Attention: David L. Wiseman

Dear Mr. Wiseman:

Thank you for attending the demonstration of the Cost Management Application of our Project Management Information System, **ARTEMIS**. It was a pleasure to have you visit our office and to discuss the requirements of TAI's AWIS Program.

With the increased site reporting requirements planned for April 1987, you'll need an automated tool like the **ARTEMIS** Cost Management Application. As we discussed last week, TAI is especially well suited to perform its C/SSR reporting with **ARTEMIS** because you have top-notch **ARTEMIS** expertise in-house.

Please find a quotation enclosed. Should you have any questions, please don't hesitate to call.

Sincerely,

DENNIS J. REILLY
Marketing Representative

DJR:crw

cc: J. R. Register
W. J. Beckwith
R. S. B. Corns
S. Milam
J. Sheetz
M. D. Priest

88040721645

Exhibit No. 2

Representative Pages of the Demonstration Room Calendar
Reserving the Demonstration Room for Formal Demonstrations
June through November, 1986

38040721646

DEMONSTRATION ROO*

JUNE 1986

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 <small>HOLIDAY (Republic of Ireland)</small>	3	4	5	6	7
8	9 <small>5:30 - 7:30</small>	10	11 <small>AWIS 9:30 Wall Paper Installed</small>	12 <small>11:00 -</small>	13	14 <small>FLAG DAY</small>
15 <small>FARMERS DAY</small>	16	17 <small>J Hunter - 2:30 →</small>	18 <small>Judith Booz - 9-12 Allen</small>	19 <small>Juanita</small>	20 <small>on for 9:30 Booz Allen Judith w/ Alan Brown 3:30 System 5:00 Dawn</small>	21
22	23 <small>8:30-10:30 - Janice S... 1:00 → EDS - Demo</small>	24 <small>AWIS 9-11 Janice + Susan</small>	25 <small>Judith - Booz Allen 11:30 - 5:00 U.S. Postal Service</small>	26 <small>Booz Allen Jul 20 all day 1:00 Darl... this...</small>	27 <small>LOCKERHAM MISAKT PRESENTATION ALL DAY</small>	28
29	30				<small>MAY 1986 S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31</small>	<small>JULY 1986 S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31</small>

7 4 9 1 2 7 0 4 8 3 8 0 4 7

JULY 1986

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p>JUNE 1986</p> <p>S M T W T F S</p> <p>1 2 3 4 5 6 7</p> <p>8 9 10 11 12 13 14</p> <p>15 16 17 18 19 20 21</p> <p>22 23 24 25 26 27 28</p> <p>29</p>	<p>AUGUST 1986</p> <p>S M T W T F S</p> <p>1 2</p> <p>3 4 5 6 7 8 9</p> <p>10 11 12 13 14 15 16</p> <p>17 18 19 20 21 22 23</p> <p>24 25 26 27 28 29 30</p> <p>31</p>	<p>1</p> <p>Demo - <i>Walters</i></p> <p>9-11</p> <p>6.6.1 Training - Need line</p> <p>and Terminal - Post</p> <p>CANADA DAY</p>	<p>2</p>	<p>3</p> <p><i>Electrical / PC</i></p> <p>Demo Room</p> <p><i>all Day</i></p>	<p>4</p> <p>INDEPENDENCE DAY</p>	<p>5</p>
<p>6</p>	<p>7</p> <p>10:30 / Proposal</p> <p><i>Marty - Decline</i></p>	<p>8</p>	<p>9</p>	<p>10</p> <p>6.6.1 Training - <i>Need line</i></p> <p><i>and propose Terminal - Post</i></p>	<p>11</p> <p>Demo - <i>Artis - Fabrock + Wilson</i> - (9:30-11:00)</p>	<p>12</p>
<p>13</p>	<p>14</p> <p>HOLIDAY (in 1986)</p>	<p>9:00 - 1:30</p> <p>15</p> <p>EDS - <i>TMS - Judith</i></p>	<p>16</p>	<p>17</p> <p>6.6.1 Training - <i>Need line</i></p> <p><i>and propose Terminal - Post</i></p>	<p>18</p>	<p>19</p>
<p>20</p>	<p>21</p>	<p>22</p> <p>8:30 - 12:30</p> <p><i>Dennis - NAVAIR D/MG</i></p>	<p>23</p> <p>CMA</p> <p>9:30 am Demo</p> <p>↓</p> <p>Singer Link</p> <p>Judith</p>	<p>24</p> <p><i>Cancelled / BP</i></p> <p>9:00 - 11:30</p> <p><i>Jenice demo</i></p>	<p>25</p>	<p>26</p>
<p>27</p>	<p>28</p> <p><i>...</i></p>	<p>29</p>	<p>30</p>	<p>31</p>		

AUGUST 1986

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p>JULY 1986</p> <p>S M T W T F S</p> <p>1 2 3 4 5</p> <p>6 7 8 9 10 11 12</p> <p>13 14 15 16 17 18 19</p> <p>20 21 22 23 24 25 26</p> <p>27 28 29 30 31</p>	<p>SEPTEMBER 1986</p> <p>S M T W T F S</p> <p>1 2 3 4 5 6</p> <p>7 8 9 10 11 12 13</p> <p>14 15 16 17 18 19 20</p> <p>21 22 23 24 25 26 27</p> <p>28 29 30</p>				1	2
3	4	5	6	7 Dinner Demo 4-1:30	8	9
	HOLIDAY (Republic of Ireland)					
10	11 11:30-1:00 Supper T. J. ...	12	13 10:00-12:00 BRUCE JOHNSON	14	15	16
17	18	19 9:00 AM - 11:00 AM N. Gough DYNAMIC	20	21 Sperry Corp. Henry 1:00-4:00	22	23
24	25	26	27	28	29 3-11 Dinner AAW-46	30
31	LATE SUPPER (WED. & THUR.) (U.K. & Scotland)	Jennie 9-11 AME HQ.	6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31			

SEPTEMBER 1986

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 LABOR DAY	2	3	4 demo Jannie all day session if you had the time	5 Darlene - Internal Meeting 9:30 - 12:00 Can be moved.	6
7	8	9	10	11 Thursday pm. demo London Jannie	12	13
14 LGA Dang 10-1:00 - 10:00 am - 1:00 pm Cancelled	Monday 15 a.m. 9:00-11:30 Labor 2:30-4:30 Spectrum - de A. Arts	16 6:30-3:30 A+I N.A.T.S.	17 Army - Tokanz idea ALL DAY	18 9-2 1:30 Syscom Jannie Jannie	19 9:00 - 11:00 Tokanz / Spring 10:00-11:00 TOKANZ	20
21	22	23	24 ARMY-ISAC Lt Col. Gerson D.M. Jannie	25 Jannie 9:00 AMX HG System - Jannie - Nancy 2:00 - 4:35	26 Jannie J.L. VIVIAN	27
28	29	30 1-3. BOVEDA Dennis				

AUGUST 1986							OCTOBER 1986						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2					1	2	3	4
3	4	5	6	7	8	9	5	6	7	8	9	10	11
10	11	12	13	14	15	16	12	13	14	15	16	17	18
17	18	19	20	21	22	23	19	20	21	22	23	24	25
24	25	26	27	28	29	30	26	27	28	29	30	31	
31													

0 5 9 1 7 2 0 4 0 3 3

OCTOBER 1986

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p>SEPTEMBER 1986</p> <p>S M T W T F S</p> <p>1 2 3 4 5 6</p> <p>7 8 9 10 11 12 13</p> <p>14 15 16 17 18 19 20</p> <p>21 22 23 24 25 26 27</p> <p>28 29 30</p>	<p>NOVEMBER 1986</p> <p>S M T W T F S</p> <p>1</p> <p>2 3 4 5 6 7 8</p> <p>9 10 11 12 13 14 15</p> <p>16 17 18 19 20 21 22</p> <p>23 24 25 26 27 28 29</p> <p>30</p>		1	2	3 Dinner 4-12 TAT Demos	4 FIRST DAY OF ROSH HASHANAH
5	6	<p>AM MICHELE L 7 LUNCHING NEW 1-Demo</p> <hr/> <p>PM - Dinner</p>	8	9 3:30 Dinner NMPD	10	11
12	13 3:00 - 7:00 TUMZ Dance Party. COLUMBUS DAY YOM KIPPUR THANKSGIVING DAY (Canada)	14 9-12 - TUMZ Dance 1-3:30 Dinner NMPD-47 3:50-7:00 GI ASSEMBLY	15	16	17	18
19	20	21	22	23 3:30 Dinner ↓ Demo	24	25
26	27	28 10:00 - 11:00 NOT WORK TALK DEMO	29 8:00 - 5:30 GALLOP - DEMO & PRESENTATION PANAMA Canal Commissioner	30	31 10:00 Navy Ordinance School (WBS) HALLOWEEN	

DEMONSTRATION ROOM
NOVEMBER 1986

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p>OCTOBER 1986</p> <p>S M T W T F S</p> <p>1 2 3 4</p> <p>5 6 7 8 9 10 11</p> <p>12 13 14 15 16 17 18</p> <p>19 20 21 22 23 24 25</p> <p>26 27 28 29 30 31</p>	<p>DECEMBER 1986</p> <p>S M T W T F S</p> <p>1 2 3 4 5 6</p> <p>7 8 9 10 11 12 13</p> <p>14 15 16 17 18 19 20</p> <p>21 22 23 24 25 26 27</p> <p>28 29 30 31</p>					1
2	<p style="text-align: center;">3</p> <p>11:00-2:00 2000 Demo</p> <hr/> <p>2:00-5:00 EMS DEMO</p>	4	5	6	7	8
9	10	<p style="text-align: center;">11</p> <p>7:00-12:00 J. Shan - Sperry -</p> <p style="text-align: center;">VETERANS DAY REMEMBRANCE DAY (Canada)</p>	<p style="text-align: center;">12</p> <p>9-12 Demo - J. Shan - Sperry -</p> <hr/> <p>1-4 DEMO CENTER - GLEN</p>	<p style="text-align: center;">13</p> <p>JHU Applied Physics Lab</p> <p>Janith - 10 →</p>	<p style="text-align: center;">14</p> <p>Ed Foerster 8-1 202 Launch</p>	15
16	17	18	19	20	<p style="text-align: center;">21</p> <p>10:00 JHU Applied Physics Lab</p> <p>Janith</p>	22
23	24	25	26	27	28	29
30		<p>8:30-1:00 Course - AMCCOM - cannot be changed</p> <p>THANKSGIVING DAY</p>	<p>9:00-12:00 TASC - GDE</p>	THANKSGIVING DAY		

THANKSGIVING DAY

Exhibit No. 3

Representative Pages of the Visitor's Register Showing
the Arrival of Visitors for Formal Demonstrations
May, 1986 through January, 1987
(Demonstration Guests Marked by Asterisk)

88040721653

Visitors' Register

8 8 0 4 0 7

Visitors' Register

6 5 4

Date/Time	Name	Firm	Address	To See
5/27 8:55	Denise Kod	Kroy Signs	Edsall Rd Alexandria VA	Gloria Kensidy
5/27 1:00	Mark Thompson	Metier (Houston)		ED Mullon
5/27 5:08	Chris O'Donnell	Personal	4917 Casings St Alexandria VA	Bill Gregory
5/27	Glen Gallup	ADP		Slur Walker 5/5
8:30 AM	W.E. Gregory	Metier		W.E. Gregory
8:45	Ken Jones	MMDS		EJ Montano 5120
5:20P 0900	Tom Graczyk	MMDS		Rajat Air
5/28 9:30	YALE BROWN	Booz ALLEN	4330 East West Hwy Beth Md	Judith Hunter
5/28 8:15	Mark Thompson	Metier (Houston)		Ed Maddox
5/28 12:00	Bill Duffy	STATIONERS	WHELFER, AVE ALEX	11:55 AM ED Maddox
5/28	Bill Keele	CACI	Ft Myer Dr Arlington VA	5:57
1:30	DARRYL VEGH	ARDEC	BlDG 1/34 Dover MS	SHERY PENN 12:20
5/29 9:05	YALE BROWN	Booz Allen		John Chen
5/29 2:15	Cindy Shuck	Harmony Gardens	Annapolis MD	Ed Maddox 9:50 AM

Date	Name	Firm	Address	To See
5/29 7:00	Mark Thompson	Metier (Houston)		
5/29 1:00	Theresa Berger	Kolm		Mark Billon
5/29 4:50	YALE BROWN	Booz ALLEN		Ed Maddox
5/29	Mark Thompson			
5/30 12:35	Mark Thompson	Metier (Houston)		
5/30 10:09	Tom Walker	RHM		MARK GILLON
5/30				
5/30				
5/30 11:55	PAUL GRANAS	PDM	7915 Green Branch Rd. McLean Va	Bonnie Patt
5/30 12:00	Steve Chilson	MCI	8283 Greensboro Dr. McLean Va	Susan Passmore
5/30	Donna Nowicki	"	"	" 4:00
5/30	Barbara Robinson	Metier Boston		Anyone!!!

Visitors' Register

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Visitors' Register

1 6 5 3

Date	Name	Firm	Address	To See
6/6	LINDY STUART	Harmony Cable	Annapolis, MD	plans
6/9/86	Tom Walker	ROLM	Tysons Garage 1832 15th	1:18 Mark
6/9/86	Gerard Moore	Pikne View Inc.	WDC	Gloria Kenny
6/9/86	Keith Dew	Room		Room
6/10/86	Tom Thompson	Booy Alced 657-4840	2937 Gallows Rd	Food = 41A 1:10
6/10/86	Ray Olson	CTP		204
6/10/86	D. Williams	Bell		CLONIA
6/10 12:30	Rob Song	Bibcock and Wilson NNFD		Nancy 5:48 Artis
6/10 12:30	Pat Padgett	Bakakwikox NNFD		Nancy 5:48 Artis
6/10 251	Tom Walker	ROLM	Tysons	Mark
6/10 5:00	Juanita Johnson	Kolm		Mark
6/11	Jim M. Tamany	AWIS		Mark
6/11	Shella M add		out 12:31	Janie Galletta Susan Rowland
7/11/86	D. Spenser	net with, Inc.		N. Riptino

Date	Name	Firm	Address	To See
6/9 9:32	* Ken Feltner	Burroughs	MALVERN PA.	Nancy Artis
6/9 9:39	* D. D. Brown	Burroughs	McLean, VA.	" "
6/9 9:45	Yale Brown	Booz Allen		Barbara Jones 11:50AM
6/12 3:00	GLEN GALOP	ADP	Ann Arbor, MI	E. MONTGOMERY
6/13 8:57	* Bob Allen	CSC	625 ARLINGTON Blvd FALLS CHURCH VA	Nancy ARTIS
6/13 9:45	Darryl Veyh	Army PSD		Ginzie Toloz 1:00
6/13 9:45	Bob Wells	CACI	Rosslyn	Linne Toloz 1:00
6/13 9:15	BOB HANDEY OKLITA			Seaver 9:45
6/13 Gene To Dan	Pamela George	STARNET	St Belvidere VA	Taking an all day class
6/17 11:00	DICK LEAVENS	BDM	Longstream DR MILLAN VA	B. PEARL 2:50
6-17	E. Nibey	SASE		Class
6-17	Bob Flanagan	Dickphone	5320 Old Carthage VIR	Kathy Richmond 9:50
6-17	JAN MAYNARD	SAME	3210 MARQUAT HOUSTON TX 77027	
6-17 3:00	Yale Brown	Booz Allen	791 C. Wise. Ave Rich Md 20814	E. O. Maddox 5:50pm
6-17	S. Claddock	TOX	1920 Olive Ave Vienna Va	Mark

Date	Name	Firm	Address	To See	Date	Name	Firm	Address	To See
6/18 9:00	Ruby	SAS C		TRAIN Class	6/23	Bill Paban	Metier/ Poston		
6/18 5:00A	Scott McCord	SELF ALLEN		DEL RIMMERS	6/23	* Helen Dewby	SDC		
6/18 5:30A	Scott McCord	"		"	8/23	DICK CLARK	MADISON TRAVEL		GLORIA 9:50 KAMINSKY
6-19	E. Ruby	SAS C		TRAIN	6/23	Gerry Purdy	Metier		Everyone
10:29	Chris Oliver	SELF		Gloria Kaminsky	6/23	* SUE KRAFT	SDC		
6/20 7:30 11:40	Scott McCord	BOOZ ALLEN		DEL RIMMERS	6/23	* Lino Taver	SDC		
6-19	E. Ruby	SAS C		TRAIN		* Sally Nassau	SDC		
6/20 8:25	T. Thompson	BOOZ ALLEN		DEL RIMMERS 4:00		* [unclear]	SDC		
6/20 8:30	B. Chamber	TEC		Allen John Ed Muller	6/23	* STUART MULLER	SDC		
6/20 8:50	YALE BROWN	BOOZ ALLEN		9:30		* Alex Yaroshchik	SDC		
6/20*	Alan Brown	Booz Allen		Judith Hunter		* Tim CRAYSON	SDC		
6/20 9:53	David Hale	Metier		ALL		* JOHN P. FOX	SDC		
6/20 11:49	Andrew Mohr	Cohen, White		E. Munkleone	6/23 7:40	YALE BROWN	BA&H		Ed M... 10:15
6/20 8:25	Charles Poppley	SDC		B. Post		* Dennis Reedy	SDC		
6/20					11:40	Bob Smith	Metier/Detrol		J. Hunter

Visitors' Register

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Visitors' Register

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Date	Name	Firm	Address	To See
1252*	Tom JAEGER	EDS	6450 ROCKLEDGE DR BETHESDA, MD	J. HUNTER 5:07
1300*	J.R. Jowers	"	same	J. Hunter 5:07
6/23*	June Graham	EDS		" 5:26
6/23*	LINETTE SAVOY	EDS		" 5:26
6/23*	Nick Didier	EDS		" 5:07
6/23*	VINCE BUSTI	EDS		" 5:07
6/23*	Tom Block	EDS		" / same 4:38
6/23*	Henry Enft	EDS		685-4900 5:07
6/23*	Chris Lyons	"		" 5:08
6/23	Cindy Huff	Sammy	Annapolis	plants
6/23	Vance DiCristo	SDC	Rte 252+Central Ave Paoli Pa	Bonnie Post
6/24	Helen Newby	SDC	115 (off Haddon) McLean	
	Jim Johnson	SDC		
	Stu Mille	SDC		
	Tom BRABLEN	SDC		

Date	Name	Firm	Address	To See
6/24	Vance DiCristo	SDC	Rte 252+Central Ave Paoli Pa	class
6/24	Enio Lauer	SDC		class
6/24	Alex Yewshatski	SDC		class
6/24	JOHN P. FOX	SDC		CLASS
6/24	SUE KRAFT	SDC		class
6/24	YALE BROWN	Booz Allen		class Ed M... 9:30 AM
6/24	Charles Pappeter	SDC		ARTEMIS CLASS
6/24	LIZA MOLNAR	Army		ARTEMIS class
6/24	Elaine Niedzweck	Army		ARTEMIS class
6/24	Judith Gordon	MITRE		ARTEMIS Demo
6/24	Susan DEBY	TAI		" "
6/24	PAUL GARLAND	ARMY		ARTEMIS DEMO
6/24	WAYNE BAILEY	ARMY		ARTEMIS DEMO
6/24	D. Starn	MITRE		"
6/24	Dennis R... ..	SDC		Class

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Visitors' Register

Visitors' Register

Date	Name	Firm	Address	To See
24 JUN * 8:25	Shella Hoogland-Mudry	Army ADVIS		
24 JUN * 8:25	COL Benjamin Swedish	Army ADVIS		
6/25 8:25	Charles Puppier	SDC		TRAINING COURSE
6/25 8:25	Helen Newby	SDC		TRAINING COURSE
6/25 8:25	JOHN P. FOX	SDC		TRAINING
6/25 8:25	Stuart Miller	SDC		"
6/25 8:25	Tom BRABSON	SDC		"
6/25 8:25	Alex Yauskotski	SDC		"
6/25 8:25	Shue Kraft	SDC		"
6/25 8:25	Erno Lauer	SDC		"
6/25 12:30	Donna Keedes	SDC		"
6/25 12:30	Pam Uriver	BAH		ELVIN AN HOUR AND
6/25 5:20	Kenna Keedy	SDC		Training
6/25 Time	Helen Newby	SDC		Training
6/25 Time	Charles Puppier	SDC		Training

Date	Name	Firm	Address	To See
6/26	Shue Kraft	SDC		training
	JOHN P. FOX	SDC		"
	Erno Lauer	SDC		"
	Alex Yauskotski	SDC		TRAINING
6/26	TOM BRABSON	SDC		TRAINING
	JIM JOHNSTON	SDC		
6/26 9:05 am	YALE BROWN	THET		Ed Maddox 10:15 am
6/26/86	Dave Maxweu	LMSC		
6/26/86 10:45	JOE AMET	LMSC		
6/26/86 11:10	Pat Peters	P.B.		Gloria
6/26/86	David Jackson	XEROX		Gloria
4:00 6/26/86	Bill Break	NESTEN	Hadton	ELVIN/DANLONE of
6/28 Time	JOHN P. FOX	SDC		TRAINING
6/28 Time	Helen Newby	SDC		TRAINING
6/28 Time	Charles Puppier	SDC		TRAINING

Visitors' Register

Visitors' Register

Date	Name	Firm	Address	To See
7/1	LEONARD P. FLETCHER	FG & G		Training
	Judith Hardman	AWS PMO		
7/1	Paula Lujan	TDX		
7/1	John Dickells	Potomac Tool Drilling		
7/1	* Joe Bland	CAE		
7/1	Debra Brattain	MCI		Trng Seminar
7/1	Cheryl Elliott	COKE		
7/2	Wayne Smith	Ladd Mech. Contractor		Supervised by 2:45 Rob Sullivan
7/2	Chris Voit			Mark Walker Mgr. NAT CONSULT
7/2	Susan McCaskey	ALLEN		
7/2	M. Har Gorman	ATS Inc.		ALLEN
7/2	Sheila Crowley	MCI		Training
7/2	Paula Murray	Westinghouse		Training
7/2	Pete Nichols	ATS		Training
7/2	Herman DeBeard	Contel		Training
7/2	Inessa Chen	Westinghouse		Training

Date	Name	Firm	Address	To See
7/2	Insha Gardner	AWS PMO		Training
7/2	LEONARD P. FLETCHER	FG & G		Training
7/2	RICHARD ALBRIGHT	CONTEL		6.6.1 TRAINING
7/2	Dale Friedman Lisa Glossner	Monarch	McLean	Gloria K.
7/2	Tom MAZUR	APS	Blenny va	Gloria K.
7/2	Sam Killebrew	S.S.P.	F.F. VA.	Jodie Silverlock
7/2	MIKE GOODE			John Shea
7/2	Terry Jensen	Care Development		John Shea
7/3	SEYMOUR MCGRAW	ALLEN		BROOKA JONES / MPT GALT
7/3	Gale Brown	Brown Allen		Ed Maddox 10:30
7/3	Jan Bardi	United Sheet Metal		Air Conditioning 1:30
7/3	M. J. Berings			Bill Geringy Paul
7/3	Pat Owens	UHF Coffee	Alex VA	Gloria K.
7/3	Chris Voigt	HC Corp		Plumbing 11:15
7/3	Wanda Smith	HC Corp		
7/3	DAVID MISH	Frederic Alendel		Training

Visitors' Register

Visitors' Register

Date	Name	Firm	Address	To See
7-10	Steve Kolodubetz	GSC		Training
7/10	Tianshea Cheng	GSC		Training
7/10	John P. Madaj	R-G		TRAINING
7/10 9:00	JOE HONSE	R-G		TRAINING
7/10 9:04	Michael A. Haiss	R-G		Training
8/10 9:19	Vernon Johnson	Chivers		9:45
7/10	Long Bernardi	United Sheet Metal		10:00 11:00 out
11:30	JACK BOUVIERE	EDS		JUDITH NUMBER
12:00	Relly de la Cueva	Relly's Hardware		Ms Kaminisky
7/10/86 2:50	Shane Costum	ISI		Jason Postupre 3:40
7/11/86	Michael J. Kirby	SEARDSA		Training
7/11/86	Michael	MHS		Inf
7/11/86	Rena Smith	SEARDSA		
7/11/86	Janette Sholin	Amari Temp		Janice moran
7/11/86	Joe Beckman	R-C		Joe Beckman

Date	Name	Firm	Address	To See
7/11	Kevin Bondy	Meter		D. Hines
7/11	Barry Wells Jr.	Accusystem		Training
7/11	Michael Hines	R-G		Training
7/11	Gary Sorokin	BDM		Training
7/11	*Greg GALANDER	NCL		N. Adams
7/11	Bob Woodruff	RG		TRNG
7/11	JOE HONSE	RG		TRNG
7/11	Tianshea Cheng	GSC		Train
7/11	Steve Kolodubetz	GSC		Train Ed Madley
7/11	REST MCCREY	BEST ALCO		
7/11	C R HARKINS	ROLM		
7/11	Pam Stanley	GSCF	Annandale	Scott
7/11	Rene Lanth	SEARDSA		Training
7/11	Andy Shurt	Harmony		plants
7/14	Mary Thompson	SDC		4:30 Training

Visitors' Register

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Visitors' Register

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Date	Name	Firm	Address	To See
18-Jul	Kate Crany	TAL		Book
9:00 10 JUL	Douglas Smith	GWASTS	REYNOLDS MI	1612
18-Jul 4:00	Mike Paust	TAL	cc ARLINGTON	TRAINING
7/18/86 9:00	Srinivasa T.J. Lake	PRC	PRC Helen VA	TRAINING
9:15 2:54	Bob Mastunas	Adtech	Crystal City ARLINGTON VA	Training Ed Maddox
7/21 8:00	Scott McCarty	ALLEN		10:30
8:00 4:20	Mark Gage Steve Anderson	EOS	Saginaw MI	Training
7/21 11:39	Henry Smith	Kodak	Rosslyn VA	Service
8:15 5:00	Mark Gage Steve Anderson	EOS		Training
9:20	*Karl GYSONACH Gilbert Sookoo	NAVAR	Crystal City	Dennis Roney
8:15 7/23	Sarah McCarty	ALLEN		Ed Maddox
8:15 7/23	Steve Anderson	EOS	Saginaw MI	Training
8:55 9:21	Mark Gage Sherman Roy Simpson	E.B.S	MARK Confed.	
8:55 7/23	Tom Eldridge	ES+B		9:35
7/23	M. V. ...	Kemper		Repairs

Date	Name	Firm	Address	To See
7/23	M. Dinger	Kemper Carpet		1:00 Repairs
7/24	MARK GAGE STEVE ANDERSON	EOS	SAGINAW MI	SHERI Young - Training
7/23/80 7/23/80	Mary Thompson	SDC	M'Lean VA	Ed Maddox
" 3:00	Vance DiCristo	"	Paoli Pa.	Ed Maddox
" 3:00	STUART Miller	SDC	Paoli Pa.	Ed Maddox
"	LINDA GIBBS	"	McLean VA	"
"	Barbara Rizzo	PBCS	Henning VA	Kim 2:00
"	David Fisher	Winkler		for 9:14
"	Mark Teitelbaum	"		for "
7/25 out 11:15	Steve Anderson Mark Gage	EOS	SAGINAW MI	Sheri Young Training
7/25 9:18	DAVID ROUNT CCSI	CCSI		
7/25	Kim Bondy	Metin		Darlene
7/25 10:30	William Lazen	RHC	alp.	Gloria E.
7/25 10:30	Kim ...	RHC	alp.	
7/25 11:40	Steve McCarty	EOS & ALLEN		Ed Maddox 12:30

Visitors' Register

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Visitors' Register

Date	Name	Firm	Address	To See
7/1/86	John Leahy	JFL Assoc	1301 ... Harrison VA	John Leahy (1536)
8/7 *	McIntosh	NANSEA PHS 394	1101 ... VA	John Leahy
8/7	Tony Pica	Booz Allen	1101 ... Bethesda Md	Ed Madley
8/8	R. Z. Riley	T.S.I.	Landover Md.	G. Lucia
8/8	J.P. ...	T.S.I.	Landover Md.	G. Lucia
8/8/86	Khonda Bland	Contel	Fairfax, Va.	Courier
8/8/86	George ...	Command	Herndon, VA	Courier
8/8/86	Wong Reed	Contel	Starling, VA	Courier
8/8/86	Teresa ...	Contel	Herndon, VA	Courier
8/8	Neven TRAVIS	LEWIS	Herndon, VA	Chas. ...
9/12	MARCO ...	FORBES	Leesburg, VA	Chas. ...
9/15	YMAS ...	BASIT	...	Chas. ...
9/31	Mario ...	Contel	...	Chas. ...
9.50	John	Chas. ...

Date	Name	Firm	Address	To See
11/48	D. Burke	SMS	Mt View	A. LeGoode
8:08	Lynette ...	EDS	Rothsda, MD	M. Martin 7:15pm
8/11	Pat ...	Mutual	Bethesda	Ed Madley 5:22
10:33	Scott ...	ALLEN	Bethesda	Vern
12:02	J Mohl	Mch		
8:35	D. Row	CCSI		
9:35	...	ALLEN		Ed Madley 11:01
4:18	...			S. Yang 5:20
8/1/86	...	BEAL		Pat ... 11:00
8:07	Sony ...	ORLI		...
9:30 *	Wanda ...	NAY ...	JP-1 858	Crue ...
9:50 *	Paul ...	U		U
9:50 *	ST. THOMAS ...	"		"
9:50 *	Kirk ...	"		"
9:50 *	MELANIE ...	"		"

Visitors' Register

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Visitors' Register

Date	Name	Firm	Address	To See
8/13	Henry Smith	Kodak	Arlington, Va.	Service
"	Chuck Zuegg	"	"	"
8/14	Pat Owens	VHF Coffee	Alex VA	Delv. Cabinet or 10150
BWR	Victor Crawford	Kodak	1200 N. 17th St. Del. VA.	1135 Gloria Ed MADDY
12:00 (12:20)	Ed MADDY	Beas, MEXU	"	"
8/14	John Hays	Schelling Assoc	"	Mike Martin
"	Fred McCord	Beas	"	Nat Coff 16.50
8/16	Mark Thompson	Metric (Houston)	"	Not Gough
8:20	Sam McCord	Beas	"	"
8:45	NATHAN COGDELL	AIS	3000 Hartsley Rd SD. PLAINFIELD, NJ.	CLASS
8:45	ALEXIS TALAVERA	AIS	"	Class
8/19 7:00 4:30	DARYN WELLS, JR	Accusystems Inc.	"	Class
9:06 7:30	L. MELFI	EC #6	"	Class
8:19-84	Jim Mahan	BDS	"	Class 8:23
8/19/84	Chuck Talbot	SIX	"	Class



Date	Name	Firm	Address	To See
8/16/84	Rob Portney	SDC	"	Class
"	Eric Lauer	SDC	"	"
8/17	Nick Paolo	SDC	"	Class
8/11	* Richard A. Hyatt	Dynamarc	"	COUGH
	* Ollie Whit	Agreement	"	COUGH
8/11	Barry Wells	Accusystem	"	Class
8/14	Sue Kraft	SDC	"	Class
8/17	Charles Ruppert	SDC	"	Class
8/14	L. Melfi	EC #6	"	Class
	Sally Nasso	SDC	"	Class
	Dave Kasmasov	SDC	"	Class
	Chris Farrell	SDC	"	Class
	Mary Thompson	SDC	"	Class
8/17 10:00	Sam McCord	Beas	"	Ed Maddy 10:11
8/20	Eric Lauer	SDC	"	Class

Visitors' Register

Date	Name	Firm	Address	To See
8/20	Bob Portney	SDC		CLASS
8/20	Chuck Talbot	SDC		CLASS
8/20	Mary Thompson	SDC		class
8/20	Nick Paolo	SDC		class
8/20	Barry Wells	Acunys Inc.		Class
	Sally Nassau	SDC		class
	Dave Kasarsky	SDC		class
	Linda Gibbs	SDC		class
	Vance DiCristo	SDC		Class
	Ch Farrell	SDC		Class
	Smekrift	SDC		class
8/20	Charles Pappeter	SDC		class
8/21	Ernie Lauer	SDC		Class
	Sally Nassau	SDC		class
	Bob Portney	SDC		class

Visitors' Register

Date	Name	Firm	Address	To See
8/21	Vance DiCristo	SDC		Class
"	Dave Kasarsky	SDC		Class
"	Nick Paolo	SDC		class
"	Chuck Talbot	SDC		Class
"	Mary Thompson	SDC		class
"	Smekrift	SDC		class
"	Linda Gibbs	"		"
"	Ch Farrell	"		"
8/21	Charles Pappeter	SDC		Class
8/21	Barry Wells	AI		Class
8/21	L. MELTZ 5:00			CLASS
8/21	* ^{10:00} Donald Conroy	Sperry		
8/21	* L. GAOH	Sperry		
8/21	* A. DORSETT	Sperry		
8/21	* A. DORSETT	Sperry		

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Visitors' Register

Visitors' Register

Time	Name	Firm	Address	To See
8/20/86	Eric Lauer	SDC		Class
8:00	Mark Walker			Class
8:00	Debi Wilson	SDC		Class
	Billy Nassau	SDC		Class
	Bette Janoff	SDC		Class
	Terry Lowe	SDC		Class
	Vance DiCristo	SDC		Class
	Ruth Allen	SDC		Class
	Mary Thompson	SDC		Class
	ALEXIS Tolavera	AIS		Class
	NATHAN COEDDLE	AIS		CLASS
	Barney Wells, Jr.	AI		CLASS
7/??	L. Wells	F-46		CLASS
	Scott Ullmer	- Bruce		Graph
8:00	Juanita Jackson	Polm		Mark Jackson

Time	Name	Firm	Address	To See
8:30	Tom Thompson	Booz Allen		Tom Shea
8:40	* Tom Caterfield	AMC		9:10 Janice Callahan
8:40	* Cameron	amc		Janice Callahan
9:59	Wayne Ruff	ZOLM		MARK G
12:58	* Jill Rupp	CSC		Dennis Rielly
"	* [unclear]	"		"
"	* F.L. Eisenberth	CSC		"
130	K [unclear]	Polm		mark G
130	K Smith	Polm		mark G

Visitors' Register

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TIME	9/11/86 Name	Firm	Address	To See
0750	Bonnie J. ...	Naval ...	Dahlgren, VA	Class
0750	Michael D. ...	MK Ferguson	H. Meade, MD	Class
0755	George Buffkin	Naval ...	Dahlgren Va	Course
8:05	Shirley ...	Cortel	Fairfax, Va	Course
10:01	Wally ...	MWM. Inc	Alexandria	at began
7:45	MOHAMMAD	BDM - Dayton	Alex	Class
8:07	J. ...	VE COFFEE	5645 Ten Washinto	Gloria
9:00	H. ...	mona ELECT.	Alexandria VA	OUT 9:06
9:00	A. ...	Mona Elect.		↓
9 AM	9/12/86 Julie Shubert	SDC	McLean Va	} John Silverback
4:40 AM	Linda ...	SDC		

Visitors' Register

TIME	9/12 Name	Firm	Address	To See
0750	George Buffkin	Naval ...	Dahlgren Va	Course
0815	Jim ...	Naval ...	Dahlgren VA	Class
4-15 1000 AM	Rob Sullivan	MWM	Fairfax, Va	MAINT. ...
9/15 8:10	Scott McLeod	DOA - ALVA		Mr. ...
9:20	Ken ...	IST	Crystal City	...
*	P. ZSCH	"	"	"
*	Mike ...	"	"	"
2:40	Joe Lloyd	CACT	Rosslyn VA	John ...
2:40	Bill Keefe	CACT	FT Myer Drive Rosslyn VA	John ...

Visitors' Register

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Visitors' Register

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Date	Name	Firm	Address	To See	Date	Name	Firm	Address	To See
11:50	Sia Paven	METIER, IPS		John Shea	9/18	M. Keating	Mona		11:50
1:25	Janet Lavin	A-T	4401 Ford Ave.	Nancy	10:10	L. L. Lohman	Mona		
1:25	Biruta Rousseau	A-T	ALEX, VA	Helen	11:00	SESTI M. WOOD			KIM 11:10
09:00	Reg. Bartlett	METIER, WINDON.		ELVIN WONTLEONE	12:50	CARL CAREY	TECHMATICS		
09:55	Joseph N. Pignatello	Teledyne Brown	788 Shrousbury Ave	John Shea	1:02	MURKIN & TOR	TECHMATICS		
09:55	Sharon DeGOSZ	"	Tinton Falls NJ		1308	John T. Willis	TECHMATICS		DEMO
10:39	Darryl Vegh	ARDEC	"	Ginnie Tokers	1345	GEORGE C. DUMAS	TECHMATICS		DEMO
10:40	Lee K. M. Sweeney	ARDEC	Dava, NS	John Shea	1545	Wally Biker	MWM		E.M.
10:40	George Albinson	ARDEC	"	John Shea	9/19	DATE			
11:00	Joe Lloyd	CAE	"	John Shea	8:22	Helen Renaldo	VA		Demo
11:04	Bill Keele	CACI	"	John Shea	8:22	Linda Trigg	VA		Demo
11:08	Donna Dan	CACI	"	John Shea	9:05	Don Rount	METIER		Nancy de...
9/18	G. Heza	NAUSEA	"	D. Willey	9:57	Wally Biker	MWM		E.M.
09:00	J. Rivers	NAUSEA	"	D. Reilly	10:07	Fredrick Infr	E & B		
10:00	H. Umbarger	Mona	"	W. R. Reeph	10:40	James Jackson	E & B		

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Visitors' Register

Date	Name	Firm	Address	To See
9/24	S. BARTOFF	Costel		Training
9:05				
9/24*	ROSS BARNES	Comandant	Beltsville MD	UNU ISOX
10:44	SAM GEORGE	US Army		
4/25	Jon Fox	ISDM		TRAINING
9:05				
8:05	DAVE PACKARD	CONTEL		TRAINING
9/25	VALERIE MORAWAY	SDC		"
	J. FROEN	"		"
	EMIL SCHERTZ	"		"
	Edward P. Lasi	"		"
9/25	SUE KRAFT	"		"
"	LYNN CAUDA	"		"
"	Ernie Lauer	"		"
9/25	Lon GACH	Sponny		"
8:25	Shari Kagan	SDC		"
9/25	J. SCHUMER	SDC		"

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Visitors' Register

Date	Name	Firm	Address	To See
9/25	H J BALDASARI	SDC		TRAINING
8:30				
9/25	John Pan	SDC		Training
8:30				
8:42	Sharon Richard	CONTEL		Training
8:44	Charles Williamson	Contel		Training
8:45	MERYL BETH CUTLER	CONTEL		
0901	William P. MERRITT	U.S. Army		Ms. Cochran
0905	SAM BARTOFF	Contel		Training
9/25	John Ugaliso	Retiree-Jevins		
9/25	Pat Owens	VAF Coffee	Alex VA	out-12:00 Gloria Del *
9/25*	Tom Hawksley	SYSCON	1000 The Jeff St NW DC.	Nancy Antis
9/25*	John Myles	Syscon	1000 TJ DC	Nancy Antis
9/25*	Warren Black	Syscon	1000 TJ DC	Nancy Antis
9/25*	Gary Tyler	SYSCON	1000 The Jeff St. NW Wash DC	Nancy Antis
9/25	Jane Eidson	JADE	Houston	Judith Iderton

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Visitors' Register

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Visitors' Register

Date	Name	Firm	Address	To See
8:46	Karen McClintic	Lockheed Georgia Co. Technology Application	86 South Cobb Dr Marietta Ga Stevenson Ave Alexandria, VA 6011 Executive Blvd Rockville MD	Artemis Class
9:00	Leonette Smith	Application	Alexandria, VA	Artemis Class
9:00	Ann Ferree	Johnson	Rockville MD	Bonnie Post
9:30	Jerry Seibert	TDS	"	"
9:00	Karen McClintic	Lockheed Georgia	86 South Cobb Dr Marietta Ga	Artemis Class
12:45	* D. Hastings	VEDA	"	Artemis Presentation
12:45	Wiley Jones	VEDA	Alexandria VA	Artemis
12:45	W. Barringer	Veda	"	Artemis
12:45	FRANK TRZDZICICH	VEDA	"	Artemis
12:45	MAX GOULD	VEDA	"	Artemis
1313	Jim Raggett	NAVAIR	"	Artemis
1315	Paul Lee	Navair	"	Artemis
1315	Danna Richbourg	NAVAIR	"	"
1315	Ben Siller	"	"	"
1315	Roger Macdonald	"	"	"

Date	Name	Firm	Address	To See
9/20	FRANK SMITH	NAVAIR	"	Artemis
8:55	Karen McClintic	Lockheed	"	Artemis Class
8:55	Karen McClintic	Lockheed	"	Artemis Class
9:55	J. P. ...	CACI	"	"
1000	Jim Randall	CACI	"	"
"	Bill Scharf	"	"	"
"	Bill Kufe	"	"	"
"	Pete Bork	"	"	"
1:55	JUANITA JACKSON	Colm	"	"
2:41	* Pamela Dwight	USAISSEC	"	Janice Callahan
1451	* ...	USAISSEC	"	Janice Callahan

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 Visitors' Register

Date 10/7	Name	Firm	Address	To See
1977 9:10 Time *	GENE WOLFRET	D+S Printing		DARLENE HINES
1:32	JOE BUNCH	ADL		Darlene Hines
8:37	Sonny Kamara	ORKIN		Sonny
8:00 *	H.M. KRAUTZMAN	SPERRY		NAWEY ARTIS
11:48	Vesnon Schosen	OLDESS FRANKIE SCHWAB ARMY		gloria Kierusky MK SHAY
13:50	S.M. STRATMAN	CID		
8:24	John C. Lucario	L.H. Hou		John Seberca

Visitors' Register

Date 10/7/86	Name	Firm	Address	To See
Time 10:47	William H. Haly	J.W.S.		Mark Gillingham
12:59 *	T.A. Willard	US NAVY		Dennis Reilly
12:59 *	J.M. Richards	US NAVY		Dennis Reilly
13:05 *	D.R. George	U.S. Navy		Dennis Reilly
*	Edward D. Acosta	ANSCOM US Army		Garry TORRES
*	Thomas R. Rogers	ANSCOM US Army		Garry TORRES
16:15	Tony Fox	MCM & R.		SCOTT WERBER

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Visitors' Register

Visitors' Register

Date	Name	Firm	Address	To See
11/15/86	Gene Wolfrey	D+S Printing		
11:22	Gene Wolfrey	D+S Printing		Darlene Hines
12:50 *	BRANT POWELL	Mantech		Dennis Reilly
12:55 *	Ram Narayan P. Siva	Mantech		Dennis
12:55 *	LISA Snedeker	mantech		Dennis Reilly
12:55 *	R. J. Scott	Mantech		"
3:22 *	Robert Goedtel	Antenna Systems		Dennis Reilly
8:24	N. J. Riley	T.S.I		Work
8:24	J.R. Martin	T.S.I		WORK
2:50	John LEAHY	JFL		ELVIN MONTGOMERY

Date	Name	Firm	Address	To See
10/17/86	Gene Wolfrey	D+S PRINTING		DARLENE HINES
8:27	N. J. Riley	T.S.I		
10:20	N. J. Riley	T.S.I		
8:38	M. Goodman	Contel		Bonnie Post
8:41	Ernie Lauer	SDC		Class
8:41	Eric Abame	SDC		Class
8:41	Shau King	SDC		Class
8:45	Charles Pappier	SDC		Class
	Sally Nassano	SDC		Class
	Vance Murray	SDC		"
	Terry Lowe	SDC		"
	Vance DiCristo	SDC		"
	Wong Reed	Contel		Class
11:59	STEVEN WINS	FUTURE VIEW		GEBIA
11:59	John Fletcher	Future View		Gloria
2PM	LINDA GIBBS	SDC		Class

Visitors' Register

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Visitors' Register

Date	Name	Firm	Address	To See
10/23/86	Vance DiCristo	SDC		Class
	VAERIE Moroney	SDC		Class
	Terry Lowe	SDC		Class
	Charles Pappier	SDC		Class
	Julie Shubert	SDC		Class
	Karen Hoodman	Cortel		Class
	LINDA GIBBS	SDC		CLASS
10/23 ¹⁰¹²	John Moroney	Reim		Tag. OK Switch
	Drew Dinsmore	SDC		Judy Shannon
	BOB ADRISSON	SDC		Judy Shannon
	Jack Camp	SDC		Judy Shannon
10/24	Eric Lauer	SDC		Class
10/24	Charles Pappier	SDC		Class
10/24	Eric Doane	SDC		Class
	Shari Kay	SDC		"

Date	Name	Firm	Address	To See
10/24	VAERIE Moroney	SDC		Class
10/24	Brilly Nassau	SDC		"
"	Terry Lowe	SDC		"
"	Vance DiCristo	SDC		"
"	LINDA GIBBS	SDC		"
10/24	Karen Hoodman	Cortel		Class
"	* Bob Meskunas	ATI		demo
"	* Jim Regan	"		"
10/24	Mary Reed	Cortel		Class
10/24	Hope Doane	SDC Spouse		"
10/27	Eric Lauer	La. Hou.		Seabro
10/27	Maria ...	SDC		"

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Visitors' Register

Visitors' Register

Date	Name	Firm	Address	To See
10/29	Stuart Miller	SDC	Paoli Pa	Class
"	Marianna Burns	SDC	SDC Paoli	"
"	Harry Sadoun	"	"	"
"	Carolyn D. Cleante	"	"	"
"	MT Cronin	"	"	"
*	G.R. Smith	PCC	"	"
*	C.S. Goodwin	PCC	"	"
*	S. Koper	AA	"	"
*	R. Rudonis	AA	"	"
*	J. Moynnes	PCC	"	"
"	M.E. Wigner	SENIOR ENGINEERS	Houston Tex.	Class
1/24	Don Delano	Xerox	"	"
10/30	Ken Ciaccia	SDC	Paoli PA	class
10/30	J. SHIMAMU	M&E	"	Class
10/30	STUART MILLER	SDC	Paoli Pa	Class

Date	Name	Firm	Address	To See
10/30	DAVID KASANSKY	SDC	"	Class
10/30	Carolyn D. Cleante	"	"	"
"	MT Cronin	"	"	"
10/31	Tom Powell	SDC	"	class
10/30	JOE GREY	SDC	"	Class
10/30	Marianna Burns	DDC	"	Class
"	BOB WARRIST	SDC	"	"
"	Harry Sadoun	"	"	"
"	Michelle Petkovsky	"	"	"
10/30	John Fletcher	Future View	"	Service
10/30	Jim Focht	Malco	"	Class
10/31	JOE GREY	SDC	"	CLASS
10/31	Ken Ciaccia	SDC	"	class
"	BOB WARRIST	"	"	"
"	Stuart Miller	SDC	PAOLI	CLASS

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Visitors' Register

Visitors' Register

Date	Name	Firm	Address	To See
10/31/86	Tom Powell	SDC ABC		Class
"	ARABY SADDUL	"		"
"	Phoolju D. Clemons	"		"
"	Maree Koyama	Arthur Young		
"	TOM SHIMMURA	MKS		CLASS
"	* Ed Morris	NAVORUSTA/IH	Indian Ho d Mid.	B Johnson
11/3/86	RICHARD LAFUEN	BDM	CITY DAYTON STATE OH	CLASS
11/5/86	Diane Frazier	SDC		Class
"	LINDA GIBBS	SDC		CDR
"	DAVID MADSEN	SDC		CDR
11-10	Somy Kumar	odkin		Service 9:30 AM

Date	Name	Firm	Address	To See
11/3/86	Debra & Eustis	NASA		Class
"	SANG KIM	PRE		class
11/4/86	William Dixon	Contel		class
11/3/86	CHRIS FRANKS	SDC		ED MADDY
"	DAVE KASARSKY	SDC		
"	Vance DiCristo	"		
"	John Fox	"		
11/3/86	Calvin E. Skelton	SDC		

Visitors' Register

Date	Name	Firm	Address	To See
11/4 8:55	Lisa Lynch	Contel	2451 Alsop Ct. Reston Va.	Training
11/4 8:55	SANG KIM	PRC		Training
11/4 8:55	Debbie Eastis	NASA		"
8:55	Rick LaFuria	BDM	DAYTON OH 10	"
11/4 9:00	William Dixon	Contel		"
10:05	Robert Coleman	H.P.		John Harper
12:50 *	T.A. WILLARDT	NAVY		Dennis Reilly
12:52 *	J.M. Richards	NAVY		Dennis Reilly
12:52 *	D.W. WILMANN	NAVY		Dennis Reilly
8:45	William Dixon	Contel		Class
11:5	R.L. LaFuria	BDM	DAYTON OH	CLASS
8:45	Debra L. Eastis	NASA		Class
8:50	Sang Kim	PRC		Class
9:02	Lisa Lynch	Contel		class
12:05	T. CALNAN	PRC	Howards TX	

Visitors' Register

Date	Name	Firm	Address	To See
11/6/86 8:30	Debra L. Eastis	NASA		Training
8:45	Rick LaFuria	BDM		TRAINING
8:50	Lisa Lynch			
9:00	D Burke	SMS		A Reilly
9:00	SANG KIM	PRC		Class
9:20	Wm. Dixon	Contel		class
9:39	Robert Coleman	H.P.		John Harper
9:45 *	Howard Sanger	SSPO		Dennis Reilly
9:45 *	Jack Beta	DEC Andover Ma	60 Franks Rd Andover Ma	"
9:45 *	Heads Sanger	ORC		r
8:50	Lisa Lynch	Contel		class
8:35	Debra L. Eastis	NASA		Train
8:43	Sang Kim	PRC		class
9:00	R. LaFuria	BDM		Class
9:15	Wm. Dixon	Contel		Class

Visitors' Register

Visitors' Register

Date	Name	Firm	Address	To See
11/20	Rhonda Bland	Contel		Class
11/20	John Fletcher	Future View	Wash DC	mark Gillan
11/21	Jim Malone	UNC		CLASS
11/21	John Pearson	UNC		"
11/21	Leticia Perbillas	MMC		"
11/21	Mike Maxwell	MMC		"
11/21	C. Dempsey	UNC		"
11/21	Dick Tuschick	UNC		"
11/21	E. Wojcik	UNC		"
11/21	C. NEEL	UNC		"
11/21	Blair By	UNC		"
11/21	Kinette Savoy			class
11/21	Wm Dixon	Contel		CLASS

Date	Name	Firm	Address	To See
11/21	LARON Calhoun	Martin Marietta		
11/21	Jim Fried			
11/21	JEB	UNC		CLASS
11/21	Sang Kim	PRE		Class
11/21	Lisa Lynch	Contel		
11/21	Rhonda Bland	Contel		CLASS
11/21	* J. W. W. W. W.	APL/JHU	JOHNS HOPKINS RD LAUREL, MD	DEMO
11/21	* M. Maloney	APL/JHU	JOHN HOPKINS RD LAUREL MD.	DEMO
11/21	* J.R. GILES	APL/JHU		
11/21	* W.E. TTE	APL/JHU		
11/21	* J. Peter	APL		Dem
11/21	John Doe	Contel		

Visitors' Register

Visitors' Register

Date	Name	Firm	Address	To See
9.19.86 11/24	Julie Ekman	IFT Research Institute	4650 Forbes Blvd Lanham MD	Jenny Tokdar
"	* Carol Morgan	"	"	"
"	* John White	"	"	"
"	Clara Johnson Jim Topping Jess Rawson Bill Keefe Tom LaDorrie	CIACS CACI PAC	2400 ... 1815 N Fort Myer Dr Arlington, VA	Gloria Kennedy Michael Martin
1/4/86 12/3/86	Grant Powell	Mantech	1235 Jefferson Davis Arlington VA	Dennis Kelly
11/8/86	DEREK HARDY	JHU	475 School St SW	SEMINAR
12/6/86	MARTIN MALARKY	APL	475 School St SW Wash DC	SEMINAR
12/8/86	W.M.E. TYE	JHU APL	475 School St SW Wash DC	SEMINAR
12/1/86	Richard Boornman	North Branch	475 School St SW Wash DC	SEMINAR
12/1/86	Benn Thomas	Martin Marietta	475 School St SW Wash DC	SEMINAR
12/1/86	Ronald Cancell	C+P	"	SEMINAR
11:00	Dan Buckley	Mantech	"	Al Combs

Date	Name	Firm	Address	To See
12/19/86 Time only 8:25	WM E. TYE	JHU APL	"	Seminar
9:00	Benn Thomas	Martin Marietta	475 School St SW Wash DC	Seminar
9:00	Rich Boornman	"	"	"
12-15	L Lewis	C+P	Manassas Va	Camp
12/14/86	Jennifer ...	Harwell Assoc	475 Old ... Annandale, VA	Robert
12/10/86	Roggy Cagert	QAO	"	"
10 Dec	Kate Clony	TAF	"	Seminar
10-Dec	Steve Kolodvets	NASA C	"	Workshop
1:19	Tony Paige	QAO	"	Training
131	R TAYLOR	ADL	MD AVE WASH DC	MD Hall

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Visitors' Register

Time	Name	Firm	Address	To See
12/15/86				
5:00	Derek Hardy			Learning Class
8:35	Ranella Malman	NAVAIR	Rm 77B JPM1 WASH DC 20361	Training Seminar NETWORK
8:57	Kate Clark	TAI		Seminars NETWORK SEMINAR Network Seminar
8:58	PAM RICE	TAI		J. Marcic
9:00	Lauren Leggett	Genusys		
10:00	R. Taylor	AOL		
1:55	STUART MILLER	SDC UNISYS		Ron Guerrero
2:50*	Bob MesKunas	Adtech		Dennis Reilly
2:50	Bobby NASTON	SDC		R Guerrero
3:15*	JACK CROSBY	AD ECH		
8:40	Ranella Malman	NAVAIR	Rm 77B JPM1 WASH DC 20361	TRAINING
9:00	Lauren Leggett	Genusys		Training

Visitors' Register

Date	Name	Firm	Address	To See
12/16/86				
0800	E. J. LINQUIST	UNISYS (SDC)	McLean VA	
0805	N. Newby	UNISYS (SDC)	McLean VA	
0820	C. L. Hill	UNISYS - SDC	Chantilly VA	
8:21	NANCY LANTHIER	TRACY Temps	Alex VA	Glora
8:25	Michelle Petkowsky	UNISYS	PAOLI PA	
8:25	Glenn Heinbaugh	UNISYS	PAOLI PA	
	Vance DiCristo	UNISYS	Paoli PA	Ron Guerrero
8:20	Derek Hardy			Training Lab
	*			NETWORK
8:59	PAM RICE	TAI		SEMINAR NETWORK
	*			SEMINAR COST MGMT SOFTWARE
9:10	* DAVE WISEMAN	TAI		COST MGMT SOFTWARE
9:10	* STEVE MILAN	TAI		SOFTW CM'S
9:10	* JERRY SHEETZ	TAI		
9:10	* BRUCE COBLE	"		
10:45	Diane Frazier	UNISYS	McLean VA	

Visitors' Register

Date	Name	Firm	Address	To See
1/28/87	Larry KOENTOP	Technicon	STERLING VA	ED MADDOX
1:20	Rodent Hankins	CACI	ARLINGTON, VA	
1:20	Dahn Abd	CACI	Arl, VA	
1:23	Cathy Harpine	CACI		
1:28	Bill Kufe	CACI	Arl VA	ED MADDOX
1:30	P Broth	"	"	"
1:30	T Rather	"	"	"
1:40	N. Neeman	"	"	"
<hr/>				
1/29/87				
8:07	* Mike Baker	MK-Ferguson	P.O. Box 244 Annapolis Jct. MD 21061	Alemis 2000 Presentation
8:23	MARCO MICHAEL	MMBA	Lansburg	
8:27	Cathy Harpine	CACI		
8:28	MIKE BAILEY	PRC	McLean	ARTS
8:28	PROJ. DAVID	CACI	Arl	
8:32	Pete Broth	CACI		E Maddox

Visitors' Register

Date	Name	Firm	Address	To See
8:30	Jim Kahan	CACI		E. Madox
1:45	N. Neeman	CACI		" "
8:45	G Ramzy	CE		Tracy
8:47	KEN HUPPINS	CPEL		Training
8:47	M. Randall	MMBA		Training
8:52	G LAPIN	Wyeth		Tracy
8:56	Mitzy Masthat	PBDC		
8:58	Susan Jafa	Boeing		Training
9:02	* David A. Logan	EDS		Demo
9:02	* Ben Cheatham	"		"
9:02	* Terry Wasteman	"		"
9:02	* Janet Bell	"		"
1	B. Root	N. Wib.		Tracy
9:16	* NEVIN TRAVIS	REURTS	Leedburg VA	Demo
11:17	Ther Jan	IBM		Mark Gillow

Exhibit No. 4

Relevant Pages of a Demonstration Agreement
Between the U.S. Army Corps of Engineers and Metier

88040721684

~~Handwritten~~ Kandi T.

CONTRACT NO. 137/E

METIER

EVALUATION AGREEMENT

Between Metier Management Systems, Inc., 5884 Point West Drive, Houston, Texas 77036 (Metier) and Mobile District U.S. Army Corps of Engineers (Customer) whereby Customer shall receive from Metier a computer based system for evaluation purposes in accordance with the terms below.

FILE

1. General

1.1 System

The system shall comprise the computer equipment (hardware) and computer programs (software) as described in the schedules attached hereto together with documentation, maintenance and other support services as described herein.

1.2 Title

Title to the system including all hardware, software and documentation will remain with Metier.

1.3 Period of Agreement

This Agreement shall be for an initial period of six months from date of Customer's signing the Acceptance Certificate. Upon expiration of the initial period, the system shall be automatically returned to Metier unless written notice is served 14 days prior to expiration of evaluation period of Customer's intention to enter into either a lease or purchase agreement with Metier and a purchase order and signed contract is received by the expiration of this agreement.

In the event of a breach of contract by the Mobile District office, Metier will have the option of removing the system prior to the expiration of 6 months.

1.4 System Location

Customer will provide a suitable location in which to house the system. Generally, this location must offer a reasonably dust-free environment with cooling facilities capable of dissipating heat output, and power circuits as per the Metier provided specification guide."

1.5 Delivery & Installation

Metier shall deliver the system to Customer's site and install it there. The system will be shipped by the most economical means available unless Customer authorizes a different mode of shipment. The time and date of delivery indicated by Metier are estimates only and Metier shall not be liable for any damages or penalty for delay.

1.6 Inspection & Acceptance

Following installation at the Customer's location, Metier shall run standard Metier test programs and procedures applicable to the system involved.

88040741685

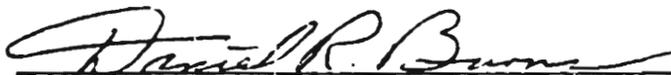
METIER

- 6.11 This evaluation system will be provided at no cost to the Government.
- 6.12 Metier will file no future claim against the Government as a result of this evaluation and will hold and save harmless the Government from all claims and liabilities except when due to the sole fault or negligence of the Government.
- 6.13 The Government has no responsibility for and will not furnish a test or evaluation list. Test results may be discussed with Metier if it is determined that such discussions will benefit the Government.
- 6.14 The Government will assume no responsibility or liability for damage to or destruction of the ARTEMIS.
- 6.15 The Government's permission to allow the demonstration, test, or evaluation will in no way obligate the Government to purchase one or more ARTEMIS system.
- 6.16 Metier will not use, for advertising purposes, the fact that the Government permitted the demonstration, test, or evaluation.

DATED the 19TH day of APRIL, 1983.

CUSTOMER

METIER MANAGEMENT SYSTEMS, INC.


Authorized Representative


Authorized Representative

Daniel R. Burns
Typed Name

Donald R. Gammon
Typed Name

Chief, Construction Division
Title

Manager Business Development Division
Title North America

U.S. Army Engineer District, Mobile
Company

Metier Management Systems, Inc.

Post Office Box 2288
Address

5884 Point West Drive
Address

Mobile, Alabama 36628

Houston, TX 77036

33040721586



Schedule C

To Evaluation Agreement No. 137/E

Equipment Supplied

Item No.	Metier Product No.	Description	Quantity	Serial No.
1	5201	ARTEMIS C, 5201 Processor, 20 MByte Disc Drive, Screenform/ Cassette Terminal, 180 cps Printer, Desk Unit	1	2130A00296
2	2201	50 MByte Disc Storage Unit	1	2153A16691
3	2403	Keyboard CRT Terminal with Integral Printer	1	2118V00289
4	2340	Graphics Terminal with Data Storage, Medium Resolution (720 X 360) Monochrome Display	1	2020A00276
5	2320	Flatbed 8 Pen Plotter	1	2273A01436

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Schedule C
(Continued)

To Evaluation Agreement No. 137/E

Software:

- 1. RTE Plus Operating System
- 2. ARTEMIS Project Management Information System
VERSION 5.4.3
 - 2.1 Network Analysis - A X
 - 2.2 Network Extension - B X
 - 2.3 Database Management - C X
 - 2.4 Management Graphics Subsystem X
 - 2.5 Barchart Drawing Subsystem
with Milestone Barchart Option X

- 3. ARTEMIS System Cartridges (Qty=)
- 4. ARTEMIS Archive Cartridges (Qty=)
- 5. ARTEMIS System Disc Packs (Qty=)
- 6. Scratch Pack (Qty=)

Total Monthly Evaluation Price \$ (No Charge).

88040721688

Exhibit No. 5

Metier's Letter Dated April 2, 1986 To TRW
Regarding TRW's Use of Metier's Demonstration System

83040741689

METIER

April 2, 1986

Mr. William Steele
TRW
Suite 1200
2361 S. Jefferson Davis Highway
Arlington, Virginia 22202

Dear Bill:

I appreciate your coordinating the meeting we had this morning with Jack Burkel and Bob Atwood concerning how **ARTEMIS** can help you meet the program management needs of TRW and PMS-377. It was a productive meeting and I feel we're proceeding in a manner that will meet TRW's immediate requirements for the LCAC program as well as the need for a corporate project management system.

I would also like to confirm our appointment for Wednesday, 9 April 1986 at 9:00 to outline a plan for loading your LCAC project data into Metier's **ARTEMIS** minicomputer. As we discussed earlier, we can transfer your project data from **ARTEMIS** on Metier's minicomputer to TRW's mainframe computer.

Please find the **ARTEMIS** literature you requested this morning enclosed.

I look forward to continuing to work with you, Jack Burkel and Kim Haynes as you evaluate **ARTEMIS** as the solution to TRW's project management requirements.

Sincerely,



DENNIS J. REILLY
Marketing Representative

DJR:cr

88040721590

Exhibit No. 6

Documents Relating to 1983 Road Shows

58040721691

MEMORANDUM

TO : DON GAMMON

CC : BUD PACOTTI
ELVIN MONTELEONE
MIKE RUSSELL

FROM : W. E. GREGORY, JR. *WEG*

SUBJECT : EASTERN REGION ROAD SHOW

DATE: 9 JUNE 1983

On May 10th, the Eastern Region completed a four city road show, with what I consider to be excellent results. Two of the stops were very specific in nature and accomplished what we wanted. The other two were general and had excellent results. In summary, the results are:

I. FORT WALTON BEACH, FLORIDA (Site of Eglin Air Force Base and 60 miles from the Naval Underwater Systems Center at Panama City)

This was a specific purpose stop designed to:

1. Gain exposure at the world's largest military base (Eglin).
2. Fight off VISON at Eglin.
3. Gain a foothold in Air Force Systems Command which has excluded us at Wright Patterson Air Force Base.
4. Demo to the Naval Underwater Systems Command which has an RFP out that is driven by Systonetics. We demoed to:
 - a. Naval Underwater Systems Center (NUSC)
 - b. Air Force Engineering (AD/ENE)
 - c. Air Base Survivability (AD/YQ)
 - d. 658th Test Group (AD/CCX)
 - e. Air Force Computer Resources (AD/KRESS)
 - f. Advanced Medium Range Missile project (AD/YM)

We have ongoing activity with:

- a. NUSC
- b. AD/ENE
- c. AD/KRESS
- d. AD/YM

METIER

38040721692

3
8
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7
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1
6
9
3

II. GREENSBORO, NORTH CAROLINA

This show was originally set up for GM key staff but they cancelled due to politics and funding; however, attendance included (and justified) continuing the effort:

- a. Becton-Dickenson
- b. Burlington Industries
- c. Textli Industries
- d. Howard Building Corporation
- e. Blue Bell Inc.
- f. Lorrillard
- g. Duke Power
- h. Guilford Mills

Continuing action is taking place with:

- a. Duke Power
- b. Burlington Industries

III. RALEIGH, NORTH CAROLINA

This was a special purpose show planned expressly to expand business at R. J. Reynolds, MK Power, and CP&L. Attendees were:

- a. CP&L - 3 days. Over 50 people.
- b. R. J. Reynolds
- c. MK Power (all key managers & VPs)

Continuing activity is reflected by the following:

- a. CP&L have system #3, #4, and #5 in budget and we have fought off (so far) GC/CUE, P2, CIPREC, PREMIS, and VISION.
- b. R. J. Reynolds is now looking at expanding system #1 and talking about #2 and #3.
- c. MK Power is now fully exposed to ARTEMIS and we are working at expanding their remote terminal business.

IV. NEW YORK CITY

This show was planned around the AACE Regional Meeting and was general purpose in nature. It was also a "dry run" for the Philadelphia National AACE. We demoed to the following companies:

- a. National Park Service
- b. Nielsen Wurster
- c. Sweets - McGraw Hill
- d. NYPA
- e. Blue Cross/Blue Shield
- f. NYC Health & Hospital Corp.

- 3 8 0 4 0 7 2 1 6 9 4
- g. John Brown Company
 - h. Rohm & Haas
 - i. GE
 - j. EXXON
 - k. Goldome
 - l. Manufacturers Hanover
 - m. CF Braun
 - n. O'Brien-Kreitzberg
 - o. PROMOCON
 - p. Nabisco Brands
 - q. DMJM
 - r. Logical Systems
 - s. Several consultants (8-10)
 - t. AMTRAK
 - u. NYC Building Department
 - v. Burns & Roe
 - w. Schiavone Consultants
 - x. Bechtel
 - y. ICI
 - z. Inland Steel
 - aa. CBS
 - bb. Stone & Webster
 - cc. Technology Management Services

Continuing efforts are still under way with:

- a. Stone & Webster
- b. Burns & Roe
- c. NYC Building Department
- d. AMTRAK
- e. Shiavone Consultants
- f. Technology Management Systems
- g. National Park Service
- h. Neilson Wurster
- i. Blue Cross/Blue Shield
- j. EXXON
- k. Goldome
- l. John Brown Co.
- m. Rohm & Haas
- n. Logical Systems
- o. Nabisco Brands
- p. NYC Health & Hospital Corp.

If you have any questions, I would be glad to discuss at your desire.

WEG:c

METIER

EASTERN ROAD SHOW
OPERATIONS PLAN
SPRING 1983

Prepared for:
William E. Gregory, Jr.
Regional Manager

Prepared by:
Vern Miskowich
Account Manager

88040741695

1.0 OVERVIEW

A demonstration of the ARTEMIS system is planned for 5 locations in the United States during the period of February 15 to May 13, 1983. These sites will be in both Eastern and Western regions and will require support from those regional staff members and from the corporate services group in Houston. The proposed sites for the demonstrations are:

- Eglin Air Force Base, Holiday Inn at Ft. Walton Beach, FL from February 15-18.
- Corps of Engineers at Las Vegas, NV, Showboat Hotel from March 8-10.
- Greensboro, NC at the Holiday Inn 4 Seasons from March 29-31.
- Raleigh, NC at the Radisson Plaza from April 12-15.
- AACE, New York City at the New York Sheraton on 56th St. from May 10-13.

The system will be delivered the Monday of the week of the demonstrations to allow time for setup and repair work by Hewlett Packard if necessary. The system will be picked up the Friday afternoon of the demonstration week by the North American Van Lines. Demonstrations should not be planned for Friday afternoon.

The remainder of this plan provides information to be used in coordinating activities of the sites of all parties. The specific topics covered in the remainder of this plan are:

- Coordination
- Hardware
- Personnel
- Documentation
- Detail Schedule

The detail schedule will be subject to change and is therefore marked as the original plan.

2.0 COORDINATION

Coordination for the Eastern Road Show 1983 is being performed by Vern Miskowich. He will be the central contact point for coordinating activities on the Road Show at all sites. Al LaGarde, Mike Metz, and Barry Hill will be responsible account managers for specific sites. Al LaGarde will be responsible for insuring that the demonstration site at Eglin Air Force Base is functional. Mike Metz will have the same responsibility for the demonstration for the Corps of Engineers in Las Vegas at the Showboat Hotel. Barry Hill will have responsibility for the demonstrations at the AACE show in New York City. Vern Miskowich will have the responsibility for the demonstrations at the Greensboro and Raleigh in North Carolina. Each Account Manager has the responsibility to contact the appropriate hotel representatives at each site to handle the logistics and room rental.

33040721596

It is envisioned that each site will have the billing for the room in which the system will reside and for coffee service or beverage service billed to the Houston accounting office as a direct bill. A block of rooms has been reserved at each site for the participating sales executives, account managers and installers.

The sales executives will be responsible for dividing the demonstration package that they wish to present at the demonstration. This includes physically carrying the disk to the demonstration and insuring that a back up copy of the demonstration is available at the site.

3.0 HARDWARE

The hardware is to be used in support of the Eastern Road Show will consist of the following:

- 5201 ARTEMIS C processor
- 2204 50MByte disc drive
- 2340 graphics terminal with data storage
- 2308 180 cps graphics printer/plotter
- 2309 local flat bed plotter (8 pen)
- 2321/2322 high speed page plotter
- 24X2 projector with flat screen
- 2307 monochrome graphics terminal with data cassettes

The 2402 keyboards CRT normally used as a system console will not be included as part of the 5201 processor.

To accommodate our electrical requirements at the hotel sites, line conditioners will accompany the road show. The larger line conditioners normally used with our systems will not be available. Topaz line conditioners will be used that plug into the wall receptacles in the hotel rooms.

Shipment of the hardware will be provided by North American Van Lines from Houston to all sites and returned. A shipping time of at least 2 weeks has been allowed between the demonstration sites.

4.0 PERSONNEL

The following personnel are assigned to each demonstration site:

Eglin Air Force Base, FL - February 15-18

- Bill Gregory, Regional Manager
- Doug Stowers, Sales Executive
- John Shea, Sales Executive
- Al LaGarde, Account Manager
- Wes Smith, Hardware Support

Corps of Engineers, Las Vegas, NV - March 8-11

- Mike Russell, Regional Field Manager
- John Shea, Sales Executive
- Bill Parks, Sales Executive

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- Mike Metz, Account Manager
- Steve Hawkins, Customer Support Consultant
- Wes Smith, Hardware Support

Greensboro, NC - March 29-31

- Bill Gregory, Regional Manager
- Jack Figel, Sales Executive
- Vern Miskowich, Account Manager
- Steve Ruggiero, Customer Support Consultant
- Wes Smith, Hardware Support

Raleigh, NC - April 12-15

- Jack Figel, Sales Executive
- Vern Miskowich, Account Manager
- Steve Ruggiero, Customer Support Consultant
- Wes Smith, Hardware Support

AACE, New York City - May 10-13

- Bill Gregory, Regional Manager
- Ken Volet, Branch Manager
- Barry Hill, Account Manager
- Eileen Maguire, Customer Support Consultant
- Wes Smith, Hardware Support

If additional application staff are required for specific demonstrations, sales executives should coordinate these requirements with the responsible Account Manager.

The hardware support staff will be present at the site during demonstration period and will be available to install and pack the system at the end of the demonstration. Hewlett Packard will be contacted by the hardware staff for system maintenance while the system is on the Road Show. A purchase order has been issued to Hewlett Packard to cover the system in these specific sites.

5.0 DOCUMENTATION

Documentation is being sent to each site with the Road Show equipment. The documents are being supplied in sufficient quantity to support a 5 show tour. In most cases, the quantity is 100-150 documents. Documents include the annual report, ARTEMIS International, gray book, support services brochures, GSA schedule and applications product brochures. These documents will be reordered at mid-point in the Road Show as necessary and shipped directly from Houston by marketing. The account manager for each site should determine which documentation needs to be reordered in preparation for the next site.

83040721698

Exhibit No. 7

Metier's May 10, 1982 Letter to VSE Corporation

88040721599

METIER

May 10, 1982

Mr. John Obradovich
VSE Corporation
2550 Huntington Street
Alexandria, Virginia 22303

Dear Mr. Obradovich:

Enclosed is a copy of the Metier GSA contract and a booklet describing how ARTEMIS is applied as a project management system.

With over 350 systems installed worldwide, Metier is the recognized leader in providing dedicated project management systems.

I have also enclosed a brochure covering a specialized capability of ARTEMIS, probabilistic analysis, which will be utilized on the OTEC project, and which was one major reason for procurement of the ARTEMIS system.

I'll call in the next week or so to schedule a demonstration of the system for you and your staff.

Sincerely,

Jack Figel
JACK FIGEL
Sales Executive

JF/gk

Enclosures

83040741700

File

Exhibit No. 8

Metier's August 25, 1983 Sales/Demonstration Report

38040721701

VISIT/DEMONSTRATION REPORT

SALES EXECUTIVE

J. Shan

COMPANY NAME

VSE.

DATE OF VISIT

8/25.

COMPANY LOCATION

Alexandria

PERSONS CONTACTED

Mr. Van Stamburgs.

FILE

TELE. NO.

960-4602

OBJECTIVE OF VISIT

ARTEMIS demo

SUMMARY OF OUTCOME

Good demo - VSE is 1900 employees
organization primarily supporting
the navy. Roy will get Jack Moore,
V.O. D-O-D, to attend demo. Interested
in pursuing P.M. business.

88040721702

ACTIONS REQUIRED

Follow up and schedule demo to
Moore in 7 days.

COMMITMENT - PROSPECT

COMMITMENT - METIER

IST CALL

FOLLOW UP

DEMONSTRATION

VERBAL PRESENTATION GIVEN

CONTRACT NEGOTIATION

OTHER

Please as necessary

Reviewed by: _____

Date: _____

Comments:

Exhibit No. 9

Metier's November 7, 1984 Sales/Demonstration Report

8804072170J

VISIT/DEMONSTRATION REPORT

SALES EXECUTIVE 11/7

DATE OF VISIT 7.5hr

COMPANY NAME VSE

COMPANY LOCATION Arlington Va.

PERSONS CONTACTED Ray Van Steinhilber

TELE. NO. 924-9000

OBJECTIVE OF VISIT

DISCUSS VSE program requirements - discuss
use of ARTEMIS on scheduling system for re-
publication hall committee for management.

SUMMARY OF OUTCOME

VSE bidding on several contracts which would
justify minicomputer. RAC will buy ARTEMIS
to use for management.

ACTIONS REQUIRED

Expedite PC delivery.

COMMITMENT - PROSPECT

COMMITMENT - METIER

1ST CALL

FOLLOW UP

DEMONSTRATION

VERBAL PRESENTATION GIVEN

CONTRACT NEGOTIATION

OTHER

Please as necessary

Reviewed by: [Signature]

Date: _____

Comments:

8 3 0 4 0 7 2 1 7 0 2

Exhibit No. 10

Metier's Invoice to Office Productivity Systems
for a Microcomputer Version of ARTEMIS at List Price

83040741705

METIER

3510
635

INVOICE

002198/1578

REMIT PAYMENT TO:
Metier Management Systems, Inc.
P.O. Box 53177
Houston, Texas 77052
(713) 988-9100

CORRESPONDENCE:
Metier Management Systems, Inc.
P.O. Box 770020
Houston, Texas 77215
(713) 988-9100

NUMBER	PC	1578
	DATE	
		12/21/84

BILL TO : OFFICE PRODUCTIVITY SYSTEMS
8228 PENNY LANE
MANASSAS, VA 22111

SHIP TO :

CUSTOMER ORDER NO.		CONTRACT NO.		TERMS	
LETTER 11/14/84				NET 30 DAYS	
QUANTITY	PRODUCT NO.	DESCRIPTION		UNIT PRICE	TOTAL
1	1505	MODEL 200 TAX NOTE: SOFTWARE		2990.00	2990.00
<p>Automated System (24015)</p> <p>OK for payment</p> <p>After network software</p> <p>[Signature]</p> <p>OK for payment per Roy V. out of Treasury 1/9</p>					
Metier Use:				SUBTOTAL	2990.00
120284110	2990.00	0.00	TAX	0.00	
	0.00	0.00	FREIGHT	0.00	
SALES 01164	REGION	CODE MISC	TOTAL DUE	2990.00	

Thank You
ORIGINAL

Exhibit No. 11

The Inaugural Committee's Cancelled Check
for \$2,900.00 in Payment for a Microcomputer
Version of ARTEMIS at List Price

88040741707

COMMITTEE FOR THE 50th AMERICAN PRESIDENTIAL INAUGURAL

010648

CONSTITUTIONAL
ANNEX, BUILDING T-5
WASHINGTON, D.C. 20599

RIGGS NATIONAL BANK
WASHINGTON, D.C.

15-3
540

DATE	CHECK NO	CHECK AMOUNT
01/11/85	010648	2,390.00

METTER MANAGEMENT SYSTEMS
P.O. BOX 770020
HOUSTON, TX. 77215

NON-NEGOTIABLE
AUTHORIZED SIGNATURE

COMMITTEE FOR THE 50th AMERICAN
PRESIDENTIAL INAUGURAL

010648

VENDOR NO

VENDOR NAME

294 METTER MANAGEMENT SYSTEMS

TRANSACTION DATE	REFERENCE	GROSS AMOUNT	DEDUCTION	NET AMOUNT
12/21/84	1578	2,390.00	.00	2,390.00
PAID				
01/11/85	010648	2,390.00	.00	2,390.00

Exhibit No. 12

Metier's November 10, 1985 Sales/Demonstration Report

88040721709

COMPANY NAME VSEC Corp
COMPANY LOCATION Crystal City
PERSONS CONTACTED Pat Sweet

EXECUTIVE Bixler
DATE OF VISIT 11/10

TELE. NO. _____

OBJECTIVE OF VISIT Present Artemis

SUMMARY OF OUTCOME

Sweet says they have numerous contracts with Navy, especially the shipyards. He is interested in the possibility of using Art. for some shipyard contracts.

03040721710

ACTIONS REQUIRED Meet again for additional info

COMMITMENT - PROSPECT
COMMITMENT - METIER

1ST CALL FOLLOW UP _____ DEMONSTRATION _____
VERBAL PRESENTATION GIVEN _____ CONTRACT NEGOTIATION _____ OTHER _____
Please as necessary

Reviewed by: _____ Date: _____
Comments:

QCC# 2618

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P. O. BOX 7566

WASHINGTON, D. C. 20044

TELEPHONE
(202) 662-6000

WRITER'S DIRECT DIAL NUMBER
(202) 662-5528

TELEX: 89-593 (COVLING WSH)
TELECOPIER: (202) 662-6268
CABLE: COVLING

VIRGINIA OFFICE
2000 CORPORATE RIDGE
McLEAN, VIRGINIA 22102
(703) 749-3660

February 3, 1987

BY HAND

Eric Kleinfeld, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

- FEB 3 AM 11:43

RECEIVED
OFFICE OF
GENERAL COUNSEL

Re: MUR 2171

Dear Mr. Kleinfeld:

Pursuant to our telephone conversation this morning, enclosed please find three copies of the response of the Committee on Arrangements for the 1984 Republican National Convention and George L. Clark, as Treasurer, to the "reason to believe" letter issued by the Federal Election Commission on November 13, 1986. The written response is bound separately from the affidavits and exhibits.

As set forth more fully in the response, the Committee on Arrangements for the 1984 Republican National Convention and George L. Clark, as Treasurer, submit that there is no reason to believe that any provisions of the federal election law were violated and that this proceeding should be terminated forthwith.

Should you have any questions regarding this response, or any other matter, please contact Scott D. Gilbert or me at Covington & Burling.

Sincerely,

Dwight C. Smith, III
Attorney for Respondents, the
Committee on Arrangements for
the 1984 Republican National
Convention and George L. Clark

88040721711

UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

In Re Committee on Arrangements)
for the 1984 Republican National)
Convention and George L. Clark,)
as Treasurer)

MUR No. 2171

RESPONSE OF THE COMMITTEE ON ARRANGEMENTS
AND GEORGE L. CLARK

George B. Reid, Jr.
Scott D. Gilbert
Dwight C. Smith, III
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044
(202) 662-6000

Of Counsel:

Roger Allan Moore
General Counsel

E. Mark Braden
Chief Counsel

Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

February 3, 1987

38040721712

UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

_____)
In Re Committee on Arrangements)
for the 1984 Republican National) MUR No. 2171
Convention and George L. Clark,)
as Treasurer)
_____)

RESPONSE OF THE COMMITTEE ON ARRANGEMENTS
AND GEORGE L. CLARK

The Committee on Arrangements for the 1984 Republican National Convention ("the Committee") and its Treasurer, George L. Clark, hereby respond to the letter of the Federal Election Commission ("the Commission"), dated November 13, 1986, informing the Committee and Mr. Clark that there is "reason to believe" that they may have violated 2 U.S.C. § 441b and 26 U.S.C. § 9008(d)(1) by accepting prohibited corporate contributions.

The source of the Commission's concern appears to lie in certain business arrangements entered into by the Committee in preparation for the 1984 Republican National Convention ("the Convention") in Dallas, Texas. The Convention required a multitude of goods and services, and in the course of its dealings, the Committee eventually designated seventeen businesses as "official providers" to the Convention. These official providers were selected from among dozens of companies desiring to do business with the Committee, and each business provided various goods or services to the

to achieve as high a degree of certainty as possible that the transactions in question were commercial in purpose and effect, and made in the ordinary course of business. Recognizing that the determination to provide discounted or reduced rate goods or services to the Committee was fundamentally a business judgment to be made by the vendors in question, the Committee nevertheless took steps to ensure that the vendors were aware of the legal context in which this judgment was to be made, and, after so apprising the vendors, obtained either oral, or in many cases written, assurances that the discounts or reductions in question were ordinary course and commercial in nature, within the meaning of applicable law.

The Commission's letter discloses that much of its concern has been prompted by the grandiose claims of vendors or others appearing in the press touting their official provider status and the magnitude of their services to the Convention. As will be set forth below and in the responses of many of these official providers, such claims bear little, if any, relationship to the real value of the goods or services provided. These claims, if reported accurately in the first place, can only be viewed -- charitably -- as typical advertising "puffing" -- as situations where, having "paid" for official provider status by providing discounted goods and services, the vendor in question sought to benefit from the designation by exaggerating the value and importance of its goods and services to the Convention. Such vendor "puffing"

in the press simply cannot be taken at face value, and should certainly not be deemed by the Commission to eviscerate the Committee's good faith, diligent and well-founded efforts to operate in full compliance with the law.

Accordingly, the Commission should find no probable cause to believe that a violation of the applicable law has occurred, and should terminate these proceedings forthwith.

STATEMENT OF FACTS

The Republican National Committee established the Committee on Arrangements in 1982, to make plans for the 1984 Republican National Convention in Dallas, Texas. The Committee faced a formidable task. Well over 4,000 delegates and alternates -- many accompanied by family and friends -- would attend the Convention for almost a week. Such basic matters as transportation to and within Dallas, and hotel rooms, food and entertainment for the delegates had to be arranged. An incumbent President would appear -- in all likelihood would be renominated -- and the Convention would have to accommodate the extensive security the President would require. Substantial construction was necessary: a large rostrum, platforms for the news media, booths for various delegates and interest groups, and places for delegates and visitors had to be built. It was also essential that all delegates and alternates be timely informed of all developments, so a wide variety of communications equipment would have to be put in place. The

Committee had to find the persons and firms that would be able to handle such substantial work.

The advertising and promotional value of being associated with a presidential nominating convention on an official basis was such that inquiries from prospective vendors began immediately after the execution of the Site City Agreement with Dallas in August, 1982. See Venable Aff. ¶ 3 (Ex. A). These business proposals continued to be received up until the eve of the Convention in August, 1984, at times amounting to three or four a day in the months preceding the Convention. Denning Aff. ¶ 5 (Ex. C).

In the early stages of Convention preparation, the Committee itself dealt with and approved agreements with official providers. As the Convention drew closer and official provider inquiries increased, the Convention Manager and his staff were charged with responsibility for making arrangements with prospective vendors, which the Committee Chairman, Ernest Angelo, alone could approve. Denning Aff. ¶¶ 5-8 (Ex. C); Exhibit 4. From the outset and throughout, the Committee and its staff used their best efforts to ensure that any discounts or reductions to be provided to the Committee were offered in the ordinary course of the provider's business.

The designation of official providers to the Convention began with the submission to the Committee of group fare proposals from American Airlines and Delta Airlines in 1982. In addition to the volume of traffic that the airlines would

be able to serve, each airline also wanted, as consideration for such rates, to be designated as the official provider of air travel to the Convention. The concept of an official airline seemed reasonable to the Committee because it knew that air transportation to Dallas would pose a major expense to most delegates. The Committee was also aware that the airline industry had recently been deregulated, and hoped to lock in favorable rates from an appropriate carrier before fares rose. Venable Aff. ¶ 3 (Ex. A).

At about the same time, the Committee was approached by a relatively new computer firm in California, Compucorp, which wanted to provide word processing services for the Convention. During the fall of 1982, Peggy M. Venable, then Assistant Secretary to the Committee, received from Compucorp an offer to lease word and data processing equipment to the Committee at reduced rates. Like the airlines, Compucorp wanted, as consideration, to be able to promote itself as an official provider to the Convention. Venable Aff. ¶ 4 (Ex. A).

Now that businesses had begun to seek an association with the Convention, both the Committee and staff became concerned about federal election law requirements. Ms. Venable sought the advice of the Committee's outside counsel, Covington & Burling, in early August, 1982, and was advised that the Committee could accept only those discounts or reductions that were commercial in motivation and effect -- transactions that were offered in the ordinary course of a

provider's business. Exhibit 2. Ms. Venable then informed Compucorp's representative of this restriction and inquired whether Compucorp's proposal would satisfy this requirement. She was assured that the kind of offer Compucorp made was in order to secure the promotional and marketing benefits that would accrue to Compucorp by official association with the Convention and thus was in the ordinary course of Compucorp's business. Venable Aff. ¶ 6 (Ex. A). Compucorp was asked to confirm this representation in writing, and did so. Exhibit 22.

The Committee also asked Covington & Burling to prepare a memorandum setting forth guidelines to be followed by businesses desiring to provide goods or services in connection with the Convention at discounted rates or on other favorable terms. This memorandum, entitled "Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention" ("the Guidelines"), explained that,

[a]ny corporation or other business entity proposing to provide goods or services at discounted rates or on other favorable terms will be required to represent in writing to the Arrangements Committee for the 1984 Republican National Convention that the circumstances of the proposed transaction fall within one or more of the legally permitted categories set forth [below].

Exhibit 1 at 1.

There were three legally permitted categories, as follows:

1) it is the standard practice of such corporation to offer such discounts or reductions to non-political, commercial entities under similar circumstances;

2) although such corporation in the past has not routinely made such discounts or reductions available to non-political, commercial entities, the provision of such reductions or discounts is a common practice in the industry in which the corporation is involved, and the corporation would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances; or

3) although it is not the standard practice of the corporation or a common practice in the industry to offer such reductions or discounts, the discounts or reductions in question are provided in exchange for a commercial benefit of equal or greater value, such that the corporation would be willing to offer such reductions or discounts to non-political, commercial entities under similar circumstances.

Id. at 2-3. This memorandum was printed on Committee stationery, distributed to the Committee staff and provided to the airlines and Compucorp in January, 1983. Venable Aff. ¶ 5 (Ex. A); see Exhibits 6, 25.

At a meeting in January, 1983, the Committee formally designated American Airlines and Compucorp as the first two official providers to the Convention. Exhibit 3. Before the Committee would consent to enter into a written contract, however, the Committee required more detailed, explicit written assurances from American Airlines and from Compucorp that each company's discounts or reductions were being provided in the ordinary course of its business. American and Compucorp

provided further written assurances in March and May, 1983, respectively. Exhibits 7, 25.

In this way, the Committee initiated its relationship with official providers. It bears emphasis that when the Committee first was approached by these two businesses, the Convention was two years away. This gave the Committee time to obtain the advice of counsel, to negotiate contracts, to make the staff and the prospective providers aware of the requirements of the federal election law, and to obtain two rounds of appropriate written assurances from these two businesses -- a nine-month process. Following this, responsibility for dealing with prospective official providers was delegated to the Convention Manager and his staff.

As the Convention drew nearer, by late 1983, no other official providers had been designated, and businesses were contacting the Committee staff at the rate of up to three or four a day, each seeking to provide goods or services to the Convention in return for official provider status. At this point, one of the Deputy Convention Managers, Daniel Denning, took most telephone inquiries and initially screened out companies that did not seem reputable or whose goods or services the Convention did not need. With respect to those companies that merited further consideration, Mr. Denning delegated to his staff the responsibility for following up on the proposed arrangement. Each member of the staff, from the Convention Manager on down, was made aware of the Guidelines

and understood the importance of strict adherence to the federal election law. In most cases, Mr. Denning's assistant, Emily Ford, was given direct responsibility for obtaining assurances from each prospective provider that any proposed reductions or discounts were being made in the ordinary course of its business. Denning Aff. ¶¶ 2-3, 5-7 (Ex. C). Day-to-day legal compliance matters became the responsibility of the special counsel to the Committee, R. Carter Sanders. Sanders Aff. ¶ 2 (Ex. E).

When Emily Ford was hired in March, 1984, Mr. Denning and Mr. Sanders instructed her personally to follow the Guidelines and required that she obtain from each prospective provider an assurance that the reduction or discount offered by the provider was one made available in the ordinary course of its business. Denning Aff. ¶ 7 (Ex. C); Ford Aff. ¶¶ 2-3 (Ex. D); Sanders Aff. ¶¶ 4-5 (Ex. E). Mr. Denning also required, from Ms. Ford as well as from others, that before a staff member recommended that the Committee designate an official provider, he or she discuss with him the terms of any proposed agreement. Denning Aff. ¶ 7 (Ex. C). In addition, Mr. Denning made it his practice to inquire of Ford whether she had obtained the necessary assurances from a prospective official provider about any reduction or discount being offered. Denning Aff. ¶ 7 (Ex. C); see Ford Aff. ¶ 3 (Ex. D). Mr. Denning would review with Ms. Ford in detail the nature of the assurance she had received, in order to be sure that she

understood what was required. Once Mr. Denning had confidence that Ms. Ford was able to obtain the proper assurance, he did not require as detailed a discussion with her for subsequent providers. Denning Aff. ¶ 7 (Ex. C).

In addition, Mr. Sanders reviewed each proposed transaction with appropriate staff, in particular as to whether the staff member, usually Ms. Ford, had received sufficient assurances from the provider that the reductions or discounts were being offered in the ordinary course of business. Ford Aff. ¶ 3 (Ex. D). Mr. Sanders' inquiry focused on the substance of the assurances themselves, rather than on matters of form, such as whether the assurances were written or oral. Mr. Sanders would not approve the transaction unless the assurances that had been obtained were satisfactory. After Mr. Sanders had reviewed the proposed agreement, it would go to the Chairman of the Committee, Ernest Angelo, for final approval. In this way, fourteen official providers were designated. Sanders Aff. ¶¶ 6-7 (Ex. E).

Several official providers were formally notified of their designations by letters from Chairman Angelo in June, 1984. Mr. Sanders considered this letter an opportunity to complete the written documentation of transactions that he had approved and that were already going forward. Accordingly, Mr. Sanders included in the letter a statement that the official provider designation was contingent upon execution of a formal written contract with certain terms to be decided by

the Committee. Sanders Aff. ¶ 8 (Ex. E); Exhibits 15, 31, 35, 46.

Mr. Sanders then prepared a letter in July, for Mr. Angelo's signature, setting forth the desired terms. Among these terms was a written representation that the transaction was in the ordinary course of business, specifying into which of the three permissible categories the transaction fell. This second letter was mailed on July 25. Sanders Aff. ¶ 9 (Ex. E); Ford Aff. ¶ 14 (Ex. D); Exhibits 10, 16, 20, 30, 36, 39, 47.² Mr. Sanders attempted to contact representatives from the official providers in the following weeks to have the letters executed but, as the Convention approached, he was frequently unable to locate the appropriate company representatives. Sanders Aff. ¶ 10 (Ex. E). Mr. Sanders nevertheless received written contracts from five of the seven official providers to which he had sent the second Angelo letter. Id.; Exhibits 8, 11, 17, 27, 32, 33.

Thus, the Committee attempted, insofar as practicable, to obtain reasonable assurances from each of the providers as to the ordinary-course nature of the transaction in question. When circumstances warranted, in one case, the Committee went even further and sought detailed and objective assurances that a discount was in the ordinary course of the

² The two letters that Sanders helped prepare are hereinafter referred to as "the Angelo letters".

provider's business. Shortly after the Committee had designated Compucorp an official provider, its representative, Lance Rentzel, was quoted in a newspaper story as stating that Compucorp would supply \$500,000 worth of computer equipment to the Convention. Exhibit 23. Given the statements in the newspaper article, the Committee became concerned as to the bona fides of Compucorp's representations to it. The Committee therefore demanded that outside counsel to Compucorp, the Los Angeles firm of Irell & Manella, conduct an independent investigation in order to provide the Committee with a formal opinion verifying the value of the Compucorp discounts and that the discounts offered by Compucorp in return for official provider status were within Compucorp's ordinary course of business. Such a "due diligence" letter was provided by the Irell firm, and set forth the independent verification required by the Committee. The opinion stated, among other things, that Compucorp had in the past entered into similar arrangements where there was similar opportunity for public exposure. Exhibit 25. Compucorp itself also represented "that the circumstances relating to the proposed transaction fall into one or more of the three categories of legally permissible circumstances set forth in the 'Guidelines' memorandum." Id.

All in all, seventeen businesses were designated official providers. See Exhibit 5. Each of these businesses provided an explicit oral assurance to the Committee that its proposed reductions or discounts were being provided in the

buttons, a delegate could obtain information on sights to see in the Dallas area, restaurants and other tourist information. Denning Aff. ¶ 10 (Ex. C).

Mr. Denning reviewed the proposal and, although he felt that the service was not vital, he wanted the Convention to be competitive with the Democratic National Convention, so he agreed. The ANS equipment was installed at the Dallas Convention Center just before the Convention began. Denning Aff. ¶ 10 (Ex. C).

The written contract between the parties called for ANS to provide an information booth with the necessary equipment in the Convention Center. This equipment would communicate with the various hotels where the delegates were staying. See Exhibit 11, ¶ 1(a). In exchange, the Committee paid ANS \$10,000 and designated ANS as the official provider of delegate information services. Id. ¶ 2(a); Exhibit 12.

ANS warranted both in writing and orally that the \$10,000 payment represented a discount that was made available in the ordinary course of ANS's business. The contract stated:

3. Discounts. The \$10,000 payment provided for in paragraph 2a above includes a 50% discount from the usual and customary amount ANS would charge for Booth. ANS hereby warrants that the 50% discount is equal to the discounts that are of common practice in the industry in which ANS is involved, and ANS would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though ANS in the past has not routinely made such discounts or reductions available to non-political commercial entities.

Exhibit 11, ¶ 3. Emily Ford recalls seeking and receiving oral assurances from the president of ANS, Alan Saffron, that the discount was not excessive insofar as industry practice was concerned. Because ANS was a new company, it had no history of any kind. Mr. Saffron told her that he expected ANS to benefit substantially from the exposure it would receive at the Convention. Ford Aff. ¶ 5 (Ex. D). According to James Blythe of Blythe-Nelson, the telecommunications and technology consultants to the Committee, the value of the services provided by ANS could not have exceeded \$20,000 (without a discount). Blythe Aff. ¶ 8 (Ex. G). Mr. Denning believed that the ANS service functioned largely as an advertising tool for local restaurants and other businesses, and accordingly ought not to cost the Committee very much in the first place. Denning Aff. ¶ 10 (Ex. C).

The summary of allegations from the Commission's Office of the General Counsel finds the oral and written assurances of ANS insufficient, "given the size of the discount and indications that ANS may have undervalued its services." The General Counsel's Office then cites a New York Times article suggesting that the value of equipment and supplies provided was \$250,000. According to the New York Times, Mr. Saffron

"said the company had provided equipment and supplies, valued at \$250,000, because 'we think the exposure received from a political convention will be beneficial to the company'."

Exhibit 13. The Committee has been unable to locate either ANS or Alan Saffron³ to verify the accuracy of the quotation attributed to him. However, the only reasonable conclusion, given the nature of the services provided and the few weeks during which the equipment was actually used, is that, if Mr. Saffron was quoted accurately, he had to be referring -- as the quotation literally reads -- to the value (i.e., retail purchase price) of the equipment and supplies. In James Blythe's opinion, Mr. Saffron had to be referring to the retail purchase price of the hardware. Blythe Aff. ¶ 8 (Ex. G). A rental cost of \$10,000, largely for advertising directed at the delegates for the one week they attended the Convention, coupled with repeated representations from ANS that this transaction was in the ordinary course of business, appeared to the Committee to be entirely appropriate.⁴

b. Baldwin Piano and Organ Company ("Baldwin")

Baldwin wrote to Mr. Denning in February, 1984, offering to supply musical instruments for the Convention at no charge. Exhibit 14. Mr. Denning asked Emily Ford to follow up on the offer from Baldwin. Denning Aff. ¶ 11 (Ex. C). Ms. Ford initially worked out an agreement under which

³ ANS appears to be defunct.

⁴ Indeed, as the Committee's action with respect to Compu-corp demonstrates, had the Saffron quotation appeared at a time when the Committee could have followed up on it with ANS before the Convention, it would have done so, if for no other reason than simply to clarify the matter.

Baldwin would provide three baby grand pianos and ten upright pianos. Ford Aff. ¶ 6 (Ex. D). The only recollection of any staff member is that the Convention used two pianos. Denning Aff. ¶ 11 (Ex. C).

So far as the Committee could determine, Baldwin's offer of pianos at no charge was part of Baldwin's regular practice. When Ms. Ford made her regular inquiry on this subject, Baldwin told her that it had a practice of supplying instruments at no charge for special events. Ford Aff. ¶ 7 (Ex. D). Baldwin did not follow up with a similar written assurance, however, until Mr. Sanders sent it the Angelo letters. Exhibits 15, 16. Baldwin then drafted its own contract, representing that the rent-free pianos were offered in the ordinary course of its business and that Baldwin had received valuable consideration in the form of the "official provider" designation. The fully executed written contract states that the pianos

"are provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, such that the Vendor [Baldwin] would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

"In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC [Republication National Committee] and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the 'Official Piano Company of the 1984 Republican National Convention.' No

other Vendor will be advertised as the 'Official Piano Company of the 1984 Republican National Convention' without the Vendor's written consent."

Exhibit 17. The three pianos were delivered the week before the Convention and were picked up after the Convention ended. Baldwin appears to have derived considerable publicity from its loan of the pianos: Ray Charles used one of the pianos during his nationally televised appearance at the Convention. Denning Aff. ¶ 11 (Ex. C).

c. Blythe-Nelson

Blythe-Nelson, an information systems consulting firm organized in 1981 as a partnership under Texas law, approached Richard Shelby in early 1983, seeking to advise the Committee on a wide variety of telecommunications and information systems matters. The proposal was too ambitious, and the Committee could not make a decision on this offer until it knew precisely what needs it had. Mr. Shelby did agree, however, to hire Blythe-Nelson, at what Blythe-Nelson stated was a reduced rate, to advise the Committee in connection with negotiations with Southwestern Bell on the telephone system for the Convention. Shelby Aff. ¶¶ 4-5 (Ex. B).

Mr. Shelby understood that Blythe-Nelson was offering a favorable rate on the project because it was a relatively new enterprise and was interested primarily in developing new business. Blythe-Nelson, a local Dallas firm, also wanted to share in the publicity of the Convention. Mr. Shelby was

accordingly satisfied that Blythe-Nelson's proposal was offered in the ordinary course of its business. Shelby Aff. ¶¶ 4-5 (Ex. B). Indeed, Blythe-Nelson often appeared to obtain substantial publicity in connection with the Convention. Mr. Shelby recalls that Mr. Blythe made a presentation on telecommunications for the Convention at a Committee meeting in June, 1983, which received press attention. Thereafter, media inquiries on telecommunication were handled by Mr. Blythe. Shelby Aff. ¶ 6 (Ex. B).

Blythe-Nelson sought to expand its consulting services for the Convention in December, 1983. Mr. Denning suggested that, if Blythe-Nelson wished to continue its association with the Convention, the firm submit a request for official provider status. Blythe-Nelson did so, offering, in exchange, advice on other technological services, particularly those in the Dallas area. Blythe-Nelson's existing arrangement for consulting on telecommunications at a reduced rate would continue, except that the firm would begin to bill the Committee at the full rate for all services in August, 1984. Exhibit 18; Denning Aff. ¶ 12 (Ex. C). Given Blythe-Nelson's continuous and substantial efforts to obtain and expand the Committee's business and Blythe-Nelson's fervent desire to take advantage of the promotional benefits of the Convention both nationally and in its home town, Dallas, this offer appeared to be commercially reasonable and in the ordinary course of business. Accordingly, the Committee accepted the proposal

and made Blythe-Nelson an official provider. Exhibit 19. Mr. Denning personally believed that the offer was a commercially reasonable one, and that the staff had received sufficient assurance that the proposal was offered in the ordinary course. Denning Aff. ¶ 12 (Ex. C). As the evidence below shows, Mr. Blythe simply helped obtain proposals from Executive Presentation Systems, Savin Corporation and Southwestern Bell Mobile Systems.

By maintaining its connection with the Convention, Blythe-Nelson derived considerable public relations benefits. The firm received extensive free publicity from the news media. James L. Blythe gave several interviews to the television stations and newspapers in Dallas. The Blythe-Nelson newsletter promoted its official provider work at the Convention. Exhibit 21. Indeed, the publicity appeared to be successful; after the Convention was over, Mr. Denning received several telephone calls seeking references for Blythe-Nelson's work.⁵ Denning Aff. ¶ 12 (Ex. C). Blythe-Nelson was also paid at its full rate for August 1984 -- the month of the Convention and perhaps Blythe-Nelson's busiest period on behalf of the Committee. Exhibit 19.

d. Compucorp

Compucorp provided two types of services for the Convention, word and data processing and an electronic mail

⁵ Blythe-Nelson was one of the firms that received the two Angelo letters in June and July 1984, but Blythe-Nelson never responded.

network on the floor of the Convention. Compucorp initially approached the Committee in 1982, seeking to provide word and data processing equipment. In January, 1983, the Committee designated Compucorp the official provider of word and data processing. Venable Aff. ¶ 6 (Ex. A). The original contract required Compucorp to provide between eleven and thirty word processing systems at the rate of \$100.00 per month per unit. Compucorp stated that it "desire[d] to secure the promotional benefits that would accrue to its business as a result of its designation as the official supplier of word processing equipment for the 1984 Republican National Convention." Exhibit 24.

The Committee staff and counsel undertook extensive, repeated efforts to ensure that the price offered by Compucorp for the word processing equipment was in the ordinary course of business. Even before the Committee had approved the designation of Compucorp, Ms. Venable had discussed the rules on discounts with the Committee's outside counsel. She then spoke with Compucorp's representative, Lance Rentzel, and was assured that the Compucorp was not offering a discount other than in the ordinary course of its business. Venable Aff. ¶ 6 (Ex. A).

Before Compucorp's proposal was submitted to the Committee, the Committee's outside counsel also requested written assurance from Compucorp. Compucorp responded that it had a "history of providing free equipment in return for

publicity and related considerations." Exhibit 22. The firm stated that it had provided computers without charge for the 1972 Olympics and the 1982 World's Fair, and that it was "working on a similar deal with Voice of America." Id. Compucorp also observed that, as for "other computer manufacturers providing free equipment to various entities, it is a fairly widespread practice...." Id.

After Compucorp had been designated an official provider, but before the contract for the word processing system was signed, the Committee became aware of a statement by Mr. Rentzel in the press to the effect that the Committee had accepted equipment from Compucorp valued at several hundred thousand dollars. Exhibit 23. This statement was at odds with prior representations of Compucorp, and although Compucorp representatives attributed the press account to sales puffing, the Committee felt it necessary to require further documentation. Accordingly, the Committee's outside counsel sought and obtained a written "due diligence" statement from Compucorp's outside counsel with documentation that the discounted equipment was being offered in the ordinary course of its business. Venable Aff. ¶ 7 (Ex. A).

In that letter, counsel for Compucorp estimated that the value of "the aggregate discount or reduction will be substantially below \$75,000." Counsel noted three reasons for the price Compucorp offered the Committee:

"1. The volume of the systems to be rented to the Arrangements Committee would in and of

itself justify a discount compared to the rental of a single system. . . .

2. The publicity and public relations which Compucorp will receive from this transaction, and which should generate additional sales and rentals of its products, would justify a discount to the Arrangements Committee. . . .

3. In an independent transaction, Compucorp has recently entered into an agreement to sell several word processors to the Republican National Committee ("RNC"). Although Compucorp's willingness to rent word processing systems to the Arrangements Committee was never formally tied to the purchase of systems by the RNC, Compucorp believes that the rental arrangement may have been a positive factor in its selection by the RNC, particularly since six of its rental systems were utilized and thus on display in the RNC's headquarters in Washington, D.C. for several weeks during the selection process."

Exhibit 25. In particular, with respect to the last point, Compucorp's counsel stated that "[t]he gross profit to Compucorp from this one transaction will more than offset the discount in the rental proposal to the Arrangements Committee."

Id. Compucorp's counsel also listed the variety of ways Compucorp intended to gain new publicity at the Convention. These means included a booth at the Convention, listing in a publication distributed at the Convention, Compucorp's ability to advertise its official provider status, and the opportunity for use and display with respect to delegates, the news media and other potential customers. Id. Finally, Compucorp's counsel pointed out that Compucorp had provided computer equipment at no charge to Hill/Mandelker Films, the World Speed Skating Championships and the World Soaring Championships, in anticipation of public exposure. Id.

At the same time, Compucorp acknowledged that it had received and reviewed a copy of the Committee's Guidelines prepared by outside counsel regarding proposed business dis- counts. Compucorp specifically represented to Ms. Venable that

"On the basis of the facts set forth in the enclosed memorandum and such other factual investigation as we have deemed necessary under the circumstances, Compucorp hereby represents that the circumstances relating to the proposed transaction fall within one or more of the three categories of legally permissible circumstances set forth in the 'Guidelines' memorandum."

Id. The Committee could not have been more diligent in seeking assurances of the ordinary-course nature of this transaction.

Compucorp later lobbied the Committee to provide an electronic mail network linking delegations on the Convention floor. Hatfield Aff. ¶ 8 (Ex. F). The Committee staff regarded the technology as new and experimental. Hatfield Aff. ¶ 8 (Ex. F). The Committee ultimately agreed to lease the system at a cost of \$100 per component unit per month and to designate Compucorp as the official electronic mail network provider. Exhibit 26. The supplemental contract made clear that Compucorp "desire[d] a testing facility in which it may test and demonstrate a modified system for a multi-network installation." Id. Mr. Blythe sought to have Compucorp work with AT&T Communications on the project. Blythe Aff. ¶ 10 (Ex. G). Notwithstanding its efforts to have the equipment

installed at the Convention, Compucorp ultimately installed fewer than the 81 units originally envisioned. Hatfield Aff. ¶ 8 (Ex. F); Blythe Aff. ¶ 11 (Ex. G).

While the cost of the electronic mail system appeared on its face to be reasonable -- the equipment was untested and intended for use only by the delegates, who were in the Convention Hall for only four days -- the Committee staff also sought assurances that the price was offered in the ordinary course of business. Ms. Ford contacted Compucorp and was told orally that the price was one Compucorp would offer in the ordinary course, and hoped to gain substantial public exposure. Ford Aff. ¶ 8 (Ex. D). This, of course, was in addition to the prior documentation on Compucorp's ordinary course practices received by the Committee with respect to the initial contract.

The Office of the General Counsel cites a story in the New York Times during the Convention that quoted a Compucorp representative estimating the value of Compucorp's equipment as "well over \$1.5 million" and the cost to Compucorp about \$250,000. Exhibit 13. First, the reliability of this statement is seriously questionable, given the fact that the gentleman apparently so quoted is the same individual quoted in a prior newspaper article valuing the same equipment as "\$500,000". Exhibit 23. Moreover, the Committee was informed repeatedly by Compucorp that the retail discount of its equipment was offered in the ordinary course of Compucorp's business. Independent counsel reviewed the more significant of the two

transactions and concluded that Compucorp had regularly offered similar discounts in the course of its business, and, in fact, estimated the aggregate value of such a discount to be less than \$75,000. Exhibit 25. Short of full discovery of all of Compucorp's records and personnel, there was nothing more that the Committee could have done. The facts, and not an unconfirmed salesman's quotation in the midst of the Convention, speak for themselves.

e. Executive Presentation Systems ("EPS")

In its capacity as technology consultant to the Committee, Blythe-Nelson recommended EPS as a graphics firm whose work had impressed Blythe-Nelson. Blythe Aff. ¶ 4 (Ex. G). EPS offered to perform graphics services -- production of slides, transparencies, signs -- for the Committee in March, April, and May of 1984, and, in effect, to rent its system to the Committee for the summer months leading up to the Convention, so that the Committee staff could make graphics themselves. Exhibit 28. The Committee formally designated EPS the official "Graphics Presentation System" in February, 1984. Exhibit 29.

As with the other official providers, the Committee made repeated efforts to assure itself that EPS had given the Committee a price in the ordinary course of business. Ms. Ford recalls requesting and receiving oral assurances from EPS that the price it charged for the graphics machine was one it would ordinarily charge to a convention. Ford Aff. ¶ 9 (Ex. D).

EPS did not provide a corresponding written assurance, however, so Mr. Sanders sent to EPS the second Angelo letter of July 25, 1984. Exhibit 30. The Committee staff did not receive a response.

As events turned out, the Committee staff took EPS up on only half of its offer. The staff did not have EPS perform any graphics services in March, April or May of 1984. The only use of EPS came during the summer, when Guy Hatfield, the Assistant Convention Manager for Facilities, was attempting to have directional signs made. He had solicited bids from several Dallas area signmakers, but felt that the prices were too high for the amount of work required. It occurred to Mr. Hatfield that EPS might be able to make the signs. He had James Blythe contact EPS, and EPS provided a system capable of making signs for the weeks leading up to the Convention. The signs produced by the system were smaller than Mr. Hatfield had hoped, but he believed the Committee had paid a reasonable price for what it received. Hatfield Aff. ¶ 7 (Ex. F).

f. Metier Management Systems, Inc.

The Committee, through its systems consultant, Roy Van Steenbergen, used computer time and software from Metier. Mr. Denning and Mr. Van Steenbergen realized when they joined the Committee staff that a "critical path analysis" had to be performed of all of the activities necessary to prepare for and conduct the Convention. Such an analysis ordinarily requires a computer system and sets forth the proper sequence

of decisions in order to complete a project in the most efficient manner. Mr. Denning asked Mr. Van Steenbergen to locate a firm that would be willing to make the necessary computer systems available. Denning Aff. ¶ 13 (Ex. C); Van Steenbergen Aff. ¶ 3 (Ex. H).

Mr. Van Steenbergen chose Metier because, as part of Metier's effort to market computer programs, it allowed sales prospects to perform work on its demonstration computer using its software. Metier was hoping that Mr. Van Steenbergen would recommend its computer system for purchase by VSE Corporation ("VSE") where he had worked as Division Manager, and thought that exposure to the Committee in connection with the Convention would be beneficial. Accordingly, Metier allowed Mr. Van Steenbergen to perform the critical path analysis via its computer. Mr. Van Steenbergen loaded all data himself and required minimal assistance from the Metier staff. Van Steenbergen Aff. ¶¶ 4-6, 12 (Ex. H). In exchange for this computer time, the Committee named Metier an official provider. Exhibit 31.

This arrangement for free demonstration computer time accorded with Mr. Van Steenbergen's experiences on other occasions with various computer system vendors. Indeed, it gave Metier a chance to demonstrate its products to at least one potential customer in which it was very interested, VSE, and to expose the product to another, the Committee. Van Steenbergen Aff. ¶¶ 7-11 (Ex. H).

That Metier regarded this as a good business arrangement was confirmed for the Committee after Mr. Sanders had sent it the two Angelo letters. Exhibit 31; see Exhibit 32. Metier responded with a written contract. Exhibits 32, 33. The executed agreement provided that Metier had offered the Committee "the use of its proprietary computer system for the planning and scheduling of the Republican National Convention in exchange for the commercial benefit of being designated the 'Official ARTEMIS/Computerized Project Management System of the 1984 Republican National Convention.'" Exhibit 33. Metier stated that: "We view this exchange as being one of equal value given and received. The Vendor would offer similar exchanges to non-political, commercial entities under similar circumstances." Id.

g. Rapicom, Inc.

When Guy Hatfield decided that he needed facsimile machines for the Convention in January, 1984, he solicited bids from several suppliers, among them Rapicom. Rapicom proposed to provide a total of three facsimile units to the Committee -- two in Dallas and one in Washington -- free of charge, provided that the Committee paid for installation, removal, and supplies, and that Rapicom was named the official facsimile vendor. Rapicom's bid, Exhibit 44, was the most favorable, and Mr. Hatfield recommended that Rapicom be named an official provider. Hatfield Aff. ¶ 5 (Ex. F).

Ms. Ford then contacted Rapicom, and was assured orally that the rates were being offered in the ordinary course of Rapicom's business. Ford Aff. ¶ 10 (Ex. D). No corresponding written assurance was sent, however, so in June and July, 1984, Mr. Sanders had the two Angelo letters sent to Rapicom. Exhibits 46, 47. Rapicom appears never to have responded.

Notwithstanding Rapicom's additional failure to confirm, the Committee reasonably concluded that Rapicom's offer of free use of the equipment did not amount to an excessive discount. The consideration Rapicom specifically asked for was an official provider designation, for which Rapicom had explicit plans. According to Rapicom, the official provider designation

"would include, but is not limited to:

1. Use of the title in any advertising in which Rapicom opts to utilize this designation.
2. Case history representation.
3. Feature articles to be published in various magazines.
4. Use of this designation in the full range of advertising and promotional materials."

Exhibit 34. Thus, so far as the Committee could tell, Rapicom had legitimate business reasons for providing facsimile machines in exchange for installation and removal costs.

h. Savin Corporation

In the spring of 1984, Guy Hatfield asked Blythe-Nelson to solicit bids for photocopying service. Blythe-Nelson obtained bids from three companies, of which Savin was the most favorable. Hatfield Aff. ¶ 6 (Ex. F); Exhibit 37. Chairman Angelo designated Savin the official provider of copier equipment and services on May 10, 1984. Exhibit 38.

Savin's offer appeared to the Committee to be a transaction in the ordinary course of business. As was the case with Rapicom, oral assurances were provided to Emily Ford that the deal Savin offered to the Committee was in the ordinary course of Savin's business. Ford Aff. ¶ 11 (Ex. D). Mr. Sanders followed up with the second Angelo letter of July 25, 1984, Exhibit 39, but Savin never responded.

Savin gained substantial publicity from its designation as an official provider. It created a copying center just outside the Convention Hall, a place most delegates passed on their way to and from the Convention. Hatfield Aff. ¶ 6 (Ex. F). The Committee's records indicate that it paid Savin \$48,943.73 on August 23, 1984. See Exhibit 40. This amount includes \$34,226 for "total machines, installation, & initial supplies," and \$11,947.23 for "excess supplies." See Exhibit 41.

i. Southwestern Bell Mobile Systems, Inc. ("SBMS")

The Committee staff first learned of SBMS during a presentation by Blythe-Nelson in June, 1983, of high technology

only recourse was against an unnamed "seller" of the equipment who was not a party to the contract. The Committee was also required to indemnify the "agents" for any claims arriving out of use of the telephones, to insure the telephones against risk of loss or damage, and to assume the risk of loss. Id. § 5(e), (f), (g).

Moreover, the lease evidently served SBMS's purpose of obtaining "advertising and public relations" benefits; in fact, Mr. Denning recalls SBMS having a publicity photograph taken of him using one of the telephones. SBMS also placed signs prominently throughout the Convention Hall and the Dallas area advertising its official provider status. Denning Aff. ¶ 14 (Ex. C). The Committee thus reasonably concluded that it did not receive an excessive discount from SBMS.

j. VMX, Inc.

VMX was a young company pioneering a new technology in 1983 when it contacted the Committee. VMX manufactures, markets and services voice mailboxes. A voice mailbox operates like a telephone answering machine -- a caller may leave a message on tape. However, the recipient may retrieve messages simply by calling in -- the tape does not require an operator to play back. Blythe Aff. ¶ 7 (Ex. G). To promote these new devices, VMX salesmen provided demonstration mailboxes to potential clients.

VMX solicited Mr. Shelby in March, 1983, offering to sell a voice mailbox system to the Committee. In order to

equipment the Committee might need to use. Thereafter, Mr. Hatfield ran into difficulty in obtaining walkie-talkies and other mobile communication equipment. He contacted SBMS, telling them that he would use cellular mobile telephones if SBMS could provide them. Hatfield Aff. ¶ 9 (Ex. F).

James Blythe then negotiated with SBMS for this new technology. He told SBMS to pick a dollar amount of air time that the Convention would not reach or exceed. Blythe Aff. ¶ 6 (Ex. G). SBMS made a formal offer to the Committee in a letter dated March 8, 1984. SBMS proposed to provide fifty mobile telephones and \$50,000 worth of free time, in exchange for being named the official "cellular provider." Exhibit 42. Chairman Angelo provided the designation later in March, 1984. Exhibit 43. The contract for the loan of the telephones and access to SBMS's cellular services was signed in July, one month before the Convention.

The contract itself illustrates that the deal was a regular business transaction. SBMS was "desirous of obtaining the benefit of being associated with the Convention and the attendant good will, advertising and public relations." Exhibit 44 at 2. The air time provided to the Committee was not entirely free. All operator-assisted and long distance calls were to be charged at the full rate. Exhibit 44, ¶ 4(e), (h). SBMS refused all responsibility for the operation of the equipment, id. ¶ 4(f), and the agents gave no warranty, id. ¶ 5(a). In the event equipment broke down, the Committee's

demonstrate the system's utility, VMX assigned promotional voice mailboxes to members of the Committee staff during 1983. Shelby Aff. ¶ 7 (Ex. B); see Exhibit 45.

The Committee, however, did not wish to purchase an entire system. Shelby Aff. ¶ 7 (Ex. B). The Committee desired the minimum necessary to assist the Convention in its operations. Thus, the Committee asked VMX to provide such minimal service, which resulted in an additional 49 mailboxes assigned in 1984. In exchange, the Committee later designated VMX an official provider. Exhibit 46.

Mr. Shelby understood from VMX that the demonstration mailboxes were promotional devices and that VMX routinely made them available to potential customers at no cost. Shelby Aff. ¶ 8 (Ex. B). Mr. Shelby was thus assured that the transaction was in the ordinary course of VMX's business. The Committee also attempted to secure written assurances from VMX that the promotion was in the ordinary course of business. Mr. Sanders sent both Angelo letters, but VMX never responded. Exhibits 46, 47.

ARGUMENT

As the foregoing factual discussion demonstrates and as discussed more fully below, neither the Committee nor Mr. Clark violated the prohibition on corporate contributions, 2 U.S.C. § 441b, or the convention expenditure limitation, 26 U.S.C. § 9008(d). They did not violate these statutes because the discounts and reductions alleged by the General Counsel to

constitute contributions were, in fact, commercial transactions in the ordinary course of the vendors' businesses and, as such, entirely permissible. Moreover, the record demonstrates that the Committee acted with diligence and good faith to avoid, and, in fact, did avoid, receiving contributions from any of the respondents herein, be they corporations or otherwise.

The Commission's reason-to-believe finding appears to rest on the assumption -- at odds with the facts -- that the Committee received corporate contributions from the ten respondents as a result of their provision to the Committee of discounted or reduced goods or services. This, according to the General Counsel's Factual and Legal Analysis, would constitute a failure to comply with Section 9008.7(c)(1) of the convention financing regulations, 11 C.F.R. § 9008.7(c)(1). The alleged non-compliance with that regulation, as the General Counsel analyzes it, in turn, would result in a violation of two statutory provisions, the corporate prohibition of Section 441b and the expenditure limitation of Section 9008(d).

Simply stated, the Commission and its General Counsel could not be more wrong. It is the terms of the relevant statutes that determine whether a violation has occurred. They define the scope of administrative regulations; not the other way around. Thus, while Section 9008.7(c)(1) of the Commission's regulations may or may not be

With respect to Section 9008(d), the Committee did not exceed its entitlement limit because it did not receive any contributions from the respondents -- any discounts or reductions being, as they were, offered in the ordinary course of business.

Accordingly, there is no reason, and certainly no probable cause, to believe that the Committee or Mr. Clark violated the statutes in question.

I. THE COMMITTEE AND MR. CLARK DID NOT VIOLATE
2 U.S.C. § 441b BY KNOWINGLY ACCEPTING CORPORATE
CONTRIBUTIONS

Section 441b of the Federal Election Campaign Act ("the Act"), 2 U.S.C. § 441b(a), prohibits any corporation from making "a contribution . . . in connection with any . . . political convention," and provides further, in relevant part, that it is unlawful "for any . . . political committee, or other person knowingly to accept or receive any contribution prohibited by this section" Thus, in order for the Committee and Mr. Clark to have violated section 441b with respect to the transactions involved in the instant proceeding, two requirements must be satisfied: (1) the goods or services provided by a corporate respondent to the Committee in connection with the 1984 Convention must constitute a "contribution" within the meaning of the Act; and (2) the Committee must have knowingly received or accepted such a prohibited contribution. As suggested by the foregoing factual discussion and as

examined more explicitly below, neither of these requirements is satisfied here.

A. No Corporate Contributions Were Provided to the Committee

1. Reductions or Discounts Provided in the Ordinary Course of Business Do Not Constitute Contributions

The term "contribution" is defined in the Act generally to include "any gift, subscription, loan, advance, or deposit of money or anything of value" 2 U.S.C. § 431(8)(A)(i); see 11 C.F.R. § 100.7(a)(1). The Commission's regulations recognize that "the term 'anything of value' includes all in-kind contributions." 11 C.F.R. § 100.7(a)(1)(iii)(A). As the Commission's administration of the Act over the last decade also makes clear, however, no contribution results where goods or services are provided to a political entity at reduced or discounted rates so long as such reductions or discounts are provided in the ordinary course of the vendor's business.*

⁷ For purposes of the corporate prohibition of Section 441b, the term contribution is defined to include "a direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value" 2 U.S.C. § 441(b)(2).

* As shown below, the Commission has continually reaffirmed, by advisory opinion and regulation, that reduced or discounted goods or services offered by a corporation in the ordinary course of business do not constitute contributions under the Act. This is to be contrasted with the Commission's varying

(footnote cont'd)

From the outset, the Commission has recognized that no contribution can result where a discount or reduction is provided to a political entity by a corporation in the ordinary course of business. Thus, in Informational Letter to Rep. James Santini (September 8, 1976), the Commission stated that the provision of complimentary hotel accommodations to a federal candidate would not constitute a contribution if offered by the hotel in the ordinary course of business and with the reasonable expectation of a commensurate commercial return. The principle established in this Informational Letter has been applied by the Commission to permit any variety of ordinary course reductions or discounts by corporations:

Discounted rental of a theater facility to a political committee "offered in the normal course of business," Informational Letter to John Papini (July 29, 1976); Continuation without charge of a candidate's billboard display "in the ordinary course of the corporation's business," Advisory Opinion 1976-86 (October 6, 1976);

(footnote cont'd)

treatment of the converse situation, that is, the payment by corporations to political committees for the committees' own goods and services. See Concurring Opinion of Commissioner Harris Re Advisory Opinion 1986-14 (May 1, 1986) (summarizing prior advisory opinions). While some of the Commission's conclusions in this latter area are subject to serious question, they are inapposite to the instant proceeding, which involves the provision of discounted goods or services to the Committee by firms ordinarily engaged in such business.

Free video tape to a candidate so long as the network has an "established . . . policy and practice of providing such a service to members of the public,"

Advisory Opinion 1978-60 (September 1, 1978);

Discount to a candidate of restaurant coupon books "routinely offered in the vendor's ordinary course of business to nonpolitical clients," Advisory Opinion 1982-30 (May 14, 1982);

Rebate on ticket prices to a political committee if "usual and normal practices offered by the [corporation] in its ordinary course of business to its nonpolitical clientele," Advisory Opinion 1985-28 (November 4, 1985);

Compensation to a political committee for unavailability of theater date if "such payment is made on a commercially reasonable basis and in the ordinary course of the corporation's business," Advisory Opinion 1986-1 (February 21, 1986);

Provision to political candidates and committees of rebates for television commercials if made available "on the same terms and conditions as . . . to other advertisers," Advisory Opinion 1986-22 (July 24, 1986).

In addition to the Commission's case-by-case development, its regulations have applied the ordinary-course-of-business standard in various contexts. For example, the

regulations make clear that a loan of money by a lending institution is not a contribution if "made in the ordinary course of business," 11 C.F.R. § 100.7(b)(11), and that the extension of credit by a corporation to a political entity is permissible "provided that the credit is extended in the ordinary course of the corporation's business"

11 C.F.R § 114.10(a). In addition, the regulations provide that no in-kind contribution results where goods or services are provided at the "usual and normal charge." 11 C.F.R. 100.7(a)(iii)(A).

Thus, it is well established, even without recourse to the convention financing regulations, that reduced or discounted goods or services provided to the Committee in the ordinary course of the vendor's business do not constitute contributions within the purview of the Act. In the convention context, the regulations expressly incorporate the ordinary-course-of-business standard and reinforce the legitimacy of such business transactions.

The convention financing regulations make clear, for example, that in providing facilities or services in connection with a national convention, government agencies and municipal corporations may obtain such facilities, goods or services from any corporations at reduced or discounted rates, "provided that such reductions were made in the ordinary course of

business." 11 C.F.R. § 9008.7(b)(1).⁹ The Commission's convention financing regulations also explicitly permit retail businesses to provide reduced or discounted rates on goods or services with respect to a presidential nominating convention so long as "such reductions or discounts are in the ordinary course of business." 11 C.F.R. § 9008.7(c)(1)(i); accord, 11 C.F.R. § 114.1(a)(2)(viii). The Commission's Explanation and Justification accompanying this regulation states that the regulation "makes it clear that retail businesses may give normal discounts to a national committee with respect to the convention." 44 Fed. Reg. 63037 (Nov. 1, 1979).¹⁰

⁹ In the Explanation and Justification to this regulation, the Commission referenced Advisory Opinion 1975-1 (July 15, 1975), which forms the basis for the current convention financing regulations. In that opinion, the Commission explains its concern as follows:

"Municipal corporations may not serve as conduits for contributions which a corporation may not make directly."

This indicates the Commission's view in Advisory Opinion 1975-1, and in the convention financing regulations, that a corporation may "directly" make discounts or reductions available if they are in the ordinary course of its business.

¹⁰ The General Counsel's conclusion that each of the respondents, including the Committee and Mr. Clark, violated Section 441b because they failed to comply with 11 C.F.R. 9008.7(c)(1) is wrong. As the foregoing discussion suggests, that regulation is a permissive, and not prohibitive, application of the Act. While Section 9008.7(c)(1) is an application of the ordinary course of business standard, it is not the only application, as Section 9008.7(b)(1) illustrates. If, under established

(footnote cont'd)

As indicated above, the Commission has applied the ordinary course of business standard to any variety of business reductions or discounts in a number of different contexts. Underlying all of these applications, however, is the paramount concern that the transaction in question be commercially reasonable (so that nothing of value passes, without consideration, to the political entity) and be demonstrable of that fact.

Thus, in analyzing the ordinary-course nature of particular transactions, the Commission has considered whether it was the practice of the business in question to offer similar reductions or discounts to non-political clients. See Advisory Opinion 1982-30 (discount coupon books), supra; Informational Letter of Mr. Papini (discounted theater facilities), supra; Advisory Opinion 1985-60 (free videotape), supra.

(footnote cont'd)

Commission practice, a discount or reduction does not constitute a contribution, then application of Section 9008.7(c)(1) is irrelevant. Indeed, the Commission explains Section 9008.7(c)(1) as simply making "clear" that retail businesses may provide ordinary course reductions or discounts to a convention without such reductions and discounts, like any noncontribution, counting against the convention expenditure limit.

Thus, the General Counsel's emphasis on this regulation, and in particular its "retail" requirement, is misplaced. While the type of business engaged in by a corporation, be it retail or otherwise, certainly may be relevant to the question of whether such reductions or discounts are provided in the ordinary course of business, such a factor is not controlling for purposes of determining whether a contribution has been made or Section 441b violated.

The Commission also has focused on whether it was customary practice in the industry in which the business was engaged to offer similar discounts or reductions to other customers. See, e.g., Advisory Opinion 1976-86 (continued billboard advertising), supra; Informational Letter to Rep. Santini (complimentary hotel reservations), supra.

Another factor emphasized by the Commission has been the ability of the business to demonstrate the commercial reasonableness of the discounts or reductions in question and their availability to non-political clients. See Advisory Opinion 1986-1 (theater compensation), supra; Informational Letter to Rep. Santini, supra. In fact, in Advisory Opinion 1986-22, supra, the Commission recently approved the provision by a corporation of advertising rebates to political entities on the representation that the rebate program, which was brand new and apparently not supported by prior practice, would be made available to qualifying political and non-political clients alike.

These foregoing factors are precisely the ones forming the basis of the "Guidelines" Memorandum prepared by the Committee's outside counsel and used by the Committee as it approached the transactions with the ten respondents herein.

2. The Best Available Evidence Indicates that the Reductions or Discounts in Question Were Provided In the Ordinary Course of Business

The publicity surrounding the Convention offered an extraordinary opportunity for vendors. They would be able to

demonstrate their goods or services to an educated, successful audience, and they could take advantage of the immense media coverage of the Convention. Accordingly, it was not surprising that in exchange for the added status of an official provider designation, and other promotional, sales, and volume opportunities, prospective vendors might offer goods or services to the Committee at less than the full retail price. The Committee, while it could not calculate the exact value of the official provider designation, awarded the designation only in instances when the discount or reduction offered appeared commercially reasonable. Indeed, there is absolutely no reliable evidence -- the only contrary evidence is some "puffing" in the newspapers -- that the transactions were not in the ordinary course. The Committee understands that eight of the ten official providers named as respondents will have filed factual responses with the Commission, and their responses will establish that the agreements with the Committee were in the ordinary course of business. In all cases, the substantial evidence shows that the agreements with the providers were in the ordinary course.

With regard to ANS, for example, the facts set forth at 14-17, supra, demonstrate that the discount provided was entirely reasonable. ANS was a new company promoting a new service. According to the president of ANS, the discount ANS provided was a standard industry practice, and one ANS would be willing to repeat for non-political events. ANS warranted

its claims in the written contract it executed with the Committee. Moreover, for the service provided -- advertising of restaurants and places of interest in Dallas -- \$10,000 may well be viewed as too high a price. To any reasonable person, the true customers of the ANS system were restaurants and other retailers, who could now reach the public through a computer. The Committee simply paid for the privilege of watching advertisements.

The General Counsel suggests, however, that the value of the ANS system ought to be measured by the claim attributed to Mr. Saffron in the newspaper -- that the value of the ANS equipment was \$250,000. There is absolutely no basis for supposing that the Convention received a service in this amount. The newspaper account refers to the value of the "equipment and supplies" -- surely meaning the price of the hardware and software if they were purchased. The Committee's expert, Mr. Blythe, confirms that the reference has to be to the retail purchase price of the equipment. Mr. Blythe believes that the value of the service could not have exceeded \$20,000, the full price ANS quoted in the contract.

As the facts relating to Compucorp at 21-28, supra, show, that company was intent on garnering as much Convention-related publicity as possible, evidently a longstanding company practice. The Committee did not even get as good a deal as Comucorp gave to other public events. Compucorp had served as an official provider for the 1982 World's Fair, the

1972 Olympics, and assorted other athletic events, supplying, in those cases, free equipment. Exhibit 22. In addition, Compucorp had loaned computer equipment for one year at no charge to a film company, solely in exchange for "product promotion." Exhibit 25. In the computer industry, provision of such free equipment appears to be a regular activity; indeed, IBM is said to have paid for the opportunity to become the official computer of the 1984 Olympic Games. Id. The Committee, however, did not receive such a deal; it paid a monthly fee -- \$100 -- for each piece of equipment used in the word and data processing and for the electronic mail system.

As with ANS, the sole piece of "evidence" cited by the General Counsel is the unsupported newspaper quotation attributed to Mr. Rentzel, to the effect that Compucorp supplied equipment valued at over one million dollars. This figure, if it has any validity at all,¹¹ has to be a reference to the full purchase price. The Committee simply rented the equipment. Furthermore, investigation by Compucorp's own counsel showed that "the aggregate discount or reduction will be substantially below \$75,000." According to that same counsel, Compucorp more than made up for any discount it provided for word and data processing equipment by selling word processing systems to the RNC. Exhibit 25. Compucorp

¹¹ Mr. Rentzel had earlier represented that the retail price of the word and data processing equipment was \$500,000, Exhibit 23, which renders this more recent claim all the more dubious.

also made aggressive use of Convention-related publicity. All the reliable evidence indicates that the agreements with CompuCorp were in the ordinary course of business.

As for the other providers, the Committee expects that their submissions, containing information not readily accessible to the Committee, will demonstrate definitively that their transactions were in the ordinary course of business. Even the evidence available to the Committee as a customer, however, indicates that such was the case. Baldwin, for example, regularly makes musical instruments available at well-publicized, special events; indeed, Baldwin gained substantial publicity when Ray Charles played one of Baldwin's pianos during his televised appearance at the Convention. Moreover, contrary to the General Counsel's finding, Baldwin did execute an appropriate written contract with the Committee. See 17-19, supra.

Metier, another provider, regularly allowed prospective customers, such as Mr. Van Steenberg represented, to work on its demonstration computer system at no charge. See 28-30, supra. Similarly, VMX typically assigned voice mailboxes to potential customers for free. See 34-35, supra. In fact, for doing what they ordinarily do for free, Metier and VMX became official providers, a status that offered more publicity than otherwise available in dealing with individual customers.

As for Rapicom and Savin, which provided facsimile and photocopying equipment, respectively, their agreements

with the Committee were the result of a business-like competitive bidding process organized by Mr. Hatfield. Neither offered to work entirely for free. The Committee had to bear the costs of the Rapicom machines -- over \$1,000 -- and it paid close to \$50,000 to Savin. See 30-32, supra. It is only reasonable to conclude that the Rapicom and Savin offers were based on a businessman's analysis of the value of an official provider designation.

Other official providers offered new goods or services for which the commercial value of the official provider designation was readily apparent. Blythe-Nelson, for instance, a new firm in the infant industry of information systems consulting, began work for the Committee because it was critical to build a customer base and to obtain publicity. See 19-21, supra. Similarly, EPS, which had a new graphics system, offered a favorable price in order to attract business. See 27-28, supra. The mobile telephones provided by SBMS were the beginning of a brand new industry, in which the value of public exposure -- especially to the news media and to an educated audience such as Convention officials and delegates -- would be immense. See 32-34, supra.

The best evidence available to the Committee as a customer, therefore, is that the discounted goods or services in question were provided to it in the ordinary course of the vendors' businesses. The Committee is not aware of any reliable evidence whatsoever that leads to a contrary conclusion. Indeed, when all of the facts are in, they will lead to

only one inescapable conclusion: that each of the ten transactions without question was commercially reasonable and offered in the vendor's ordinary course of business.

B. The Committee and Mr. Clark Did Not Knowingly Receive Prohibited Contributions

1. Section 441b Requires that a Recipient Committee Act Knowingly

It bears emphasis that the prohibition of Section 441b on the receipt by political committees of corporate contributions is not a strict liability provision. Instead, Section 441b makes it unlawful for a political committee "knowingly to accept or receive any contribution prohibited by this section" 2 U.S.C. § 441b(a). A similar knowledge requirement, in the context of Section 441a(f), has been held to require "a party's knowledge of the facts rendering its conduct unlawful." Federal Election Commission v. John A. Dramesi For Congress Committee, 640 F. Supp. 985 (D.N.J. 1986); Federal Election Commission v. California Medical Association, 502 F. Supp. 196, 203 (N.D. Cal. 1980). Cf. United States v. Haney Chevrolet Inc., 371 F. Supp. 381, 384 (M.D. Fla. 1974) ("It is well settled that an act is done knowingly when it is done voluntarily and intentionally, and not by mistake or accident.")

Thus, in the instant proceeding, the Committee and Mr. Clark cannot be found to have violated Section 441b unless the Committee accepted the discounted goods or services in

question, knowing them to be contributions, as opposed to ordinary-course reductions or discounts.

2. The Committee Acted in Good Faith and Did Not Knowingly Receive Prohibited Contributions

As discussed above, the Committee believed, based upon the best evidence available to it at the time of the Convention -- and continues to believe, following its investigation of this matter -- that none of the respondents in this proceeding provided contributions to the Committee in violation of Section 441b. This is borne out by the factual record established herein, and will be further demonstrated by the submissions to the Commission of other of the respondents to this proceeding.

Assuming arguendo, however, that any of the goods or services provided by respondents to the Committee now are determined by the Commission to have been prohibited contributions under Section 441b, the facts demonstrate that the Committee acted diligently and in good faith to comply with the provisions of the Act, in general, and Section 441b, in particular, and therefore did not knowingly receive such contributions.

As the foregoing factual discussion demonstrates, the Committee made a reasonable good faith effort, both as a general matter, and in the case of each respondent, to ensure that any business reductions or discounts provided to it were being made in the ordinary course of the vendor's business,

and therefore were not prohibited under Section 441b. These efforts included: promptly seeking the advice of counsel as to the requirements of the Act in this regard; explaining the legal requirements to Committee staff and explicitly prohibiting them from accepting any corporate reductions or discounts not provided in the ordinary course of business; establishing procedures to require the express assurance of each respective provider that any reductions or discounts indeed were being offered in the ordinary course of business; requiring follow-up to attempt to confirm such assurances in writing; and, where circumstances led the Committee to question such a corporate assurance, to require a documented "due diligence" opinion of the corporation's outside counsel. The Committee thus went as far as it could go to inquire, as a customer, into the ordinary-course nature of the transactions offered by these vendors; it could not have known it was receiving any contribution because all of these efforts were designed to assure it, and, in fact, operated to assure it, that no contributions were being made by the vendors in question.

The ANS situation provides an apt example of the propriety and legality of the Committee's conduct. See 14-17, supra. Although the services in question appeared to be of only marginal benefit to the Convention delegates, the Convention staff nevertheless diligently implemented the procedures designed to ensure that the "official provider" agreement comported with the law.

The staff, in this case Ms. Ford, obtained an oral assurance from the president of the company, Mr. Saffron, that its offer was in the ordinary course of business. Mr. Saffron adumbrated this point, telling Ms. Ford that he expected ANS to derive considerable publicity from the Convention. ANS also received the second Angelo letter of July 25, 1984, which, at Mr. Sanders' direction, sought a written contract -- and a written assurance that the agreement was in the ordinary course of business. ANS complied with the request, confirming that the discount was in the ordinary course:

ANS hereby warrants that the 50% discount is equal to the discounts that are of common practice in the industry in which ANS is involved, and ANS would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though ANS in the past has not routinely made such discounts available to non-political commercial entities.

Exhibit 11, ¶ 3. There was certainly nothing in the circumstances of this service, for which the Committee paid \$10,000, that would have given any reasonable person cause to believe that this service was the vehicle for an illegal political contribution. Rather, it appeared to be exactly what it was -- the effort of a fledgling business to achieve the distinction and exposure flowing from official association with the Convention. In truth, when in retrospect the commercial benefits flowing to ANS by such exposure are weighed against the value of the "services" provided, the only objective conclusion is that the Committee may have overpaid.

The General Counsel's allegations in this matter ignore the foregoing circumstances and simplistically credit press accounts which can only be described as promotional "puffing." The Committee has been unable to locate ANS or Mr. Saffron to have the quote explained, but his statement must be construed as no more than exaggerated advertising. ANS's explicit warranty in the contract provides reason enough for the Committee to believe that the transaction was in the ordinary course. Moreover, the Committee's expert, Mr. Blythe, is of the opinion that the price stated in the contract is accurate. Finally, the quote itself suggests that Mr. Saffron is referring to the retail sales price of the equipment. The Committee, therefore, had every reason to believe that the ANS offer was in the ordinary course of business.

The case of Compucorp illustrates that when the Committee had even the least reason to suspect that a contribution might be made in the guise of a good or service, it exercised uncommon diligence. See 21-27, supra. The Committee went as far as it could with Compucorp, without insisting on a full financial audit, to determine that it had received word and data processing equipment at a rate that was in the ordinary course of business. The Committee provided Compucorp with a copy of the Guidelines when Compucorp first submitted a proposal to supply word and data processing equipment. The Committee then demanded and received both oral and written assurances that the offer was in the ordinary course of

business. Compucorp responded with a list of large public events at which it had supplied equipment for free, an offer, it should be noted, that had not been so generously extended to the Committee.

Once Compucorp was made an official provider, the Committee advised that this status depended on submission of a further written assurance. This assurance became critical when, several days after Compucorp had received its designation, the Committee learned of a newspaper story attributing to Compucorp's representative the statement that the equipment Compucorp provided was worth \$500,000. Concerned about the statements in this article, the Committee insisted that Compucorp have its outside counsel submit an opinion letter, demonstrating the bona fides of the existing Compucorp offer.

Counsel for Compucorp represented to the Committee that "the aggregate discount or reduction will be substantially below \$75,000." This letter from counsel offered three independent reasons why the transaction was in the ordinary course of business. First, the volume of the systems the Committee would rent would justify a discount. Second, the "publicity and public relations" value of the Convention supported a reduction. Finally, the offer may have played a role in the RNC's decision to purchase Compucorp word processors. Indeed, according to counsel, "[t]he gross profit to Compucorp from this one transaction will more than offset the discount in the rental proposal to the Arrangements Committee"

-- the discount of at most \$75,000. Counsel cited several athletic and other special events where Compucorp had provided equipment for free, in exchange for the anticipated promotional value. There is simply nothing more the Committee could have done, other than seeking full discovery against Compucorp, to see that it had not accepted a prohibited contribution.

With respect to the electronic mail system, Compucorp assured Mr. Ford orally that the terms of that agreement were in the ordinary course of business. Since the terms of the lease of the system were almost identical to those of the agreement for word and data processing equipment -- \$100 per component unit -- the Committee had no reason to think that this transaction stood in any different posture than that well-documented and more significant agreement for word and data processing.

Of course, the Committee did not always have reason to require such extensive assurances. Mr. Shelby, the first Convention Manager, made it a point to be sure he was satisfied personally that a vendor's offer was made in the ordinary course of business. When, for example, Blythe-Nelson approached him, Mr. Shelby concluded that, given the relative newness of the firm, its need for a client base, and the publicity the firm could expect, the offer of consulting at a reduced rate for the Committee was a reasonable business judgment. The agreement by which Blythe-Nelson became an official provider was based similarly on the fact that official provider status

would provide much-needed publicity to Blythe-Nelson. See 19-21, supra. There was, therefore, no reason for the Committee to think that the Blythe-Nelson agreement was not in the ordinary course.

With respect to VMX, the other provider handled by Mr. Shelby, the Committee knew that VMX regularly assigned voice mailboxes at no charge to potential customers. While the Committee chose not to purchase the VMX system, the official provider designation -- and the attendant public relations benefits -- were adequate compensation for what amounted to free samples. See 34-35, supra. The Committee had every reason to think that VMX's willingness to enter into this arrangement was fully in the ordinary course of business.

As the Convention approached, and increasing numbers of businesses sought official provider status, the Committee introduced a degree of institutionalization in order to ensure that the providers supplied satisfactory assurances of ordinary course of business. See 8-12, supra. The staff, including Mr. Denning and Ms. Ford, were instructed as to the legal parameters governing these transactions. Ms. Ford was directed to and did obtain oral assurances from six of the official providers named as respondents: ANS, Baldwin, Compucorp, EPS, Rapicom, and Savin. The assurances Ms. Ford obtained were reviewed by Mr. Sanders, and Mr. Sanders would not have approved a proposed transaction unless adequate assurances had been provided. Mr. Sanders then attempted to have the oral

assurances re-confirmed in writing. He had two letters sent out over the signature of the Committee Chairman, which referred to this requirement. While Mr. Sanders was not entirely successful in obtaining contracts, owing largely to the press of other Convention events and the unavailability of representatives of the providers, Mr. Sanders did obtain written assurances from three of the respondent providers, ANS, Baldwin, and Metier, as well as two of the providers not named as respondents, AT&T Communications and DFW Communications, Inc.

With specific regard to the providers other than ANS, Compucorp and Blythe-Nelson, there was no cause for the Committee to believe, in any case, that the transactions were not in the ordinary course of business. Baldwin told the Committee that it regularly provided free musical instruments to large public events, and there was no reason to suppose otherwise. Baldwin also represented its ordinary-course dealings in the contract it presented. See 17-19, supra. EPS similarly assured the Committee that its price was in the ordinary course, and since it was competitive with established companies, this assurance appeared to be correct. See 27-28, supra. Metier regularly permitted prospective customers, such as Mr. Van Steenberg represented, to use its demonstration system at no charge. In view of this practice and because Mr. Van Steenberg performed all the computer work himself, that arrangement too seemed perfectly reasonable. See 28-30, supra.

With respect to both Rapicom and Savin, both companies advised Ms. Ford orally that their offers were in the ordinary course of business. Both offers came in as the result of a competitive bidding process instituted by Mr. Hatfield, so there was every reason to believe that the bids were carefully calculated businessmen's offers. Moreover, Rapicom spelled out in its offer the extensive range of public relations uses it intended to make of its official provider status. Savin, for its part, regardless of the discount it offered, received almost \$50,000 for its services. See 30-32, supra.

As to SBMS, it offered to the Committee a brand-new product, cellular mobile telephones. The written contract with SBMS makes explicit that SBMS was "desirous of obtaining the benefit of being associated with the Convention and the attendant good will, advertising and public relations." The Committee had to pay for operator-assisted or long distance calls. SBMS refused all responsibility for operation of the equipment, and the agents gave no warranty. If equipment broke down, the Committee's only recourse was against an unnamed seller, who was not a party to the contract. The Committee also had to assume the risk for various claims. To any impartial eye, this is plainly an arms-length transaction. Furthermore, given the then newly competitive nature of the telephone industry and the need to promote new products as quickly as possible, there was every reason for the Committee

to conclude that the SBMS offer was commercially reasonable and made in the ordinary course of business. See 32-34, supra.

Thus, as a general matter, the Committee acted diligently and used its best efforts to attempt to avoid the receipt of prohibited corporate contributions. With some respondents, the Committee obtained extensive documentation; with others, it was not able to obtain as much documentation. The lowest common denominator with respect to each of these respondents, however, is that the Committee acted reasonably and in good faith to attempt to avoid any violation of the Act where corporate reductions or discounts were concerned. It is fantastic to suggest that the Committee could have "knowingly" received a prohibited contribution from any of the respondents.

II. THE COMMITTEE AND MR. CLARK DID NOT EXCEED THE EXPENDITURE LIMITATIONS OF 26 U.S.C. § 9008(d)

Section 9008(d) provides, in relevant part, that "the national committee of a major party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of [its public funding entitlement]." 26 U.S.C. § 9008(d). This means that the sum of the amount of public funding received by the Committee plus any private contributions to defray convention expenses cannot exceed the total amount of the entitlement. See 11 C.F.R. § 9008.8(a)(2). Thus, the Committee cannot have exceeded its limitation in the instant case unless the reduced

or discounted services provided to it constitute contributions that count against the entitlement.

As demonstrated above, however, there simply is no basis upon which to conclude that the discounted goods or services provided by respondents to the Committee constituted contributions.¹² To the contrary, as this response and those of other of the respondents show, the discounts or reductions in question were provided to the Committee in the ordinary course of the vendors' businesses. They not only are sanctioned by more than a decade of Commission practice and its advisory opinions, but by its convention financing regulations as well. There is, therefore, certainly no probable cause to believe that the Committee's limitation was exceeded.

Moreover, in view of the Committee's good faith efforts of compliance and the passage of time since the transactions in question, to make such a finding would not serve the public interest.¹³ As the factual record indicates,

¹² In this regard, the Commission's regulations make clear that the term "contribution", as it is used in the convention financing context, has the same meaning as when used with respect to the prohibitions and prescriptions on contributions in the Act and regulations. 11 C.F.R. § 9002.13.

¹³ Indeed, the Act provides that "best efforts" by a committee treasurer constitute compliance with the recordkeeping and reporting requirements of the Act. 2 U.S.C. 432(i); 11 C.F.R. 104.7(a). And, the courts have held that it is "unfair" to issue injunctions against violators of the Act where, among other things, the defendant acted "in good faith and with diligence to cure the violation." *FEC v. Comm. for a Constitutional Presidency, Fed. Elec. Campaign Financing Guide (CCH) ¶ 9074 at 50,632 (D.D.C. 1979).*

the Committee made a reasonable, good faith effort to ensure that the corporate reductions or discounts provided to it were not contributions. Moreover, as the facts set forth above and the submissions of other respondents will show, the value of the discounts or reductions in question are, in the aggregate, truly insignificant when compared to the expenses incurred in connection with the Convention. Finally, given the fact that the Committee was an organization with a limited duration and no permanent employees or location, the two to nearly five years that have elapsed since each of the transactions in question have severely prejudiced the ability of the Committee to reconstruct the details surrounding the particular transactions in question.¹⁴ For all of these reasons, no public interest, and indeed no valid purpose, would be served by finding probable cause to believe that the Committee and Mr. Clark violated the expenditure limitation of Section 9008(d).

CONCLUSION

For the foregoing reasons, the Commission should conclude that there is no probable cause to believe that either the Committee on Arrangements or George L. Clark

¹⁴ In fact, given the passage of years, two of the respondents, ANS and Compucorp, no longer are in business.

violated either 2 U.S.C. § 441b or 26 U.S.C. § 9008(d), and should terminate this proceeding.

Respectfully submitted,

Dwight C. Smith, III

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Of Counsel:

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General Counsel

E. Mark Braden
Chief Counsel

Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

February 3, 1987

CC: 2697

UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

In Re Committee on Arrangements
for the 1984 Republican National
Convention and George L. Clark,
as Treasurer

MUR No. 2171

RESPONSE OF THE COMMITTEE ON ARRANGEMENTS
AND GEORGE L. CLARK

AFFIDAVITS AND EXHIBITS

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Scott D. Gilbert
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February 3, 1987

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UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

In Re Committee on Arrangements)
for the 1984 Republican National)
Convention and George L. Clark,)
as Treasurer)

MUR No. 2171

AFFIDAVIT OF PEGGY VENABLE

I, Peggy Venable, being duly sworn, depose and say:

1. I am currently employed as the coordinator of a secretarial task force at the Department of the Interior. In January, 1981, I began serving as Director of Meetings and Conventions for the Republican National Committee ("RNC"). In January, 1982, I also assumed the position of Assistant Secretary to the Arrangements Committee ("the Committee"), which the RNC had formed to prepare for the 1984 Republican National Convention. In my capacity as Assistant Secretary, I oversaw the staff work necessary for the business of the Committee. I reported to the Chairman of the Committee and to the Chairman of the RNC. In the summer of 1983, I was appointed Executive Director, where my duties involved support of the logistics and planning for the Convention.

2. In my capacity as Assistant Secretary and then as Executive Director, I dealt with the businesses that initially were selected as "official providers" to the Convention and which I understand have been named as respondents in MUR 2171. From the onset of the Committee's dealings with these businesses, we

were advised by outside counsel, Covington & Burling, as to the requirements of the federal election law and, in particular, that we could not accept reductions or discounts from businesses unless they were provided in the ordinary course of business. I, and I believe the other members of the Committee, understood the importance of full compliance with this requirement. I made every effort to obtain reasonable assurances from the businesses I dealt with that any reductions or discounts being offered to the Committee were in the ordinary course of business.

3. The concept of designating "official providers" first arose in August, 1982, shortly after the Site City Agreement with Dallas had been signed. American Airlines, which is based in Dallas, approached the Committee, seeking to become the "official airline." I and members of the Committee were concerned that the delegates and their families had adequate, affordable transportation to Dallas, and we were aware that meetings and conventions generally were able to get guaranteed seats and favorable rates from airlines for travel by participants. We also knew that the airlines had just been deregulated, and that rates might soon be going up. Accordingly, the Committee wanted to lock in favorable convention fares as soon as possible.

4. In August, 1982, as well, Mr. Lance Rentzel, the Washington, D.C. representative of Compucorp, Inc., approached the Committee, offering to lease a variety of computer services for the 1984 Convention. In particular, he offered to make word and data processing equipment available at a reduced rate. From

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what Mr. Rentzel told me, I believe Compucorp was very interested in playing a major role at the Convention and in receiving as broad a mandate as possible from the Committee in order to take full advantage of the publicity surrounding the Convention. In particular, Compucorp representatives wanted to be able to advertise the company as the manufacturer of the "official" computer of the 1984 Convention.

5. Having had such preliminary indications of interest from American and Compucorp, I then requested the Committee's outside counsel, Covington & Burling, to provide advice about the legal requirements regarding dealings between the Committee and businesses supplying goods or services to the Committee. Specifically, I was informed by counsel and understood that the Committee could not accept reduced or discounted goods or services from businesses in connection with the Convention unless such discounts or reductions were made in the ordinary course of the provider's business. Exhibit 2. In order to ensure that any businesses proposing to provide goods or services to the Committee understood this legal requirement, I asked counsel to prepare a memorandum setting forth guidelines on permissible reductions or discounts for distribution to each prospective provider. This memorandum, entitled "Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention" ("the Guidelines") stated explicitly that the Committee could not accept business reductions or discounts unless they were provided in the ordinary course of

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business. The Guidelines were printed on Committee letterhead in January, 1983. Exhibit 1.

6. After the Committee and I had received outside counsel's advice, I obtained proposals from American, Delta, and Compucorp to present to the Committee at its meeting in January, 1983. Each proposal included the requirement that the offering company be named an official provider. The Committee voted to accept American's and Compucorp's proposals and to designate each company as an official provider. American was to be designated the official airline of the 1984 Convention, and Compucorp's official provider status was limited to word and data processing. I gave each company a copy of the Guidelines and informed it that the official provider designation depended upon receiving written assurance that the company satisfied the Guidelines. We received such written assurance from American in March, 1983, and Compucorp provided written assurance in May, 1983. Mr. Rentzel had earlier assured me orally that Compucorp's offer was in the ordinary course of its business.

7. In late January or February of 1983, I became aware of a newspaper story quoting Mr. Rentzel that Compucorp had agreed to provide \$500,000 worth of equipment in connection with the Convention. I and members of the Committee were concerned that, if this statement were accurate, the value of this equipment had been grossly understated in Compucorp's presentation to the Committee and that any agreement with Compucorp might run afoul of the Guidelines. Accordingly, before the Committee agreed to execute a written contract with Compucorp, our counsel was

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directed to obtain a written, documented opinion from Compucorp's outside counsel, Irell & Manella, indicating the value of the reduction provided to the Committee and the fact that the discount reflected in Compucorp's offer was being provided in the ordinary course of its business. Not until such an opinion letter and documentation were obtained, did the Committee and Compucorp execute a written contract.

8. In November, 1983, I took on the responsibility for delegate certification and planning other official convention proceedings. This work precluded further involvement with businesses that desired to become official providers or otherwise do business with the Committee.

I hereby certify and affirm under the penalty of perjury that the foregoing Affidavit is true and correct to the best of my knowledge and belief.

Peggy Venable
Peggy Venable

DISTRICT OF COLUMBIA :
: SS
CITY OF WASHINGTON :

SWORN TO AND SUBSCRIBED before me this 2nd day of February, 1987.

James E. Lohman
NOTARY PUBLIC

My Commission Expires: March 31, 1990

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UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

In Re Committee on Arrangements
for the 1984 Republican National
Convention and George L. Clark,
as Treasurer

MUR No. 2171

AFFIDAVIT OF RICHARD SHELBY

I, Richard Shelby, being duly sworn, depose and say:

1. I am currently Senior Vice President of the Keefe Company, Washington, D.C. I served as Convention Manager for the 1984 Republican National Convention in Dallas, Texas, from December, 1982, through mid-October, 1983. I was not officially appointed Convention Manager by the Committee on Arrangements ("the Committee") until January, 1983. My duties included overall coordination of the preparation necessary for the Convention. I reported directly to the Chairman of the Committee, Mr. Ernest Angelo.

2. Shortly after I became Convention Manager, I received a copy of the "Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention" ("the Guidelines"). I read the Guidelines and understood that the Committee could receive reductions or discounts from vendors of goods and services only if the reduction or discount was in the ordinary course of the vendor's business. I also

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understood that, as the head of the Committee staff, I had to be satisfied that any agreement was in the ordinary course of business. I made it a point to discuss the Guidelines with the vendors. However, as I performed numerous tasks for the Committee, and in that more than three years have passed since these dealings, I cannot now recall any specific discussions.

3. Of the vendors eventually designated official providers and that I understand have been named as respondents in MUR 2171, I have knowledge of some of the Committee's transactions with Blythe-Nelson and VMX, Inc.

4. With respect to Blythe-Nelson, James Blythe approached me within the first two months I served as Convention Manager, offering to provide a variety of information systems consulting services, including telecommunications advice. At that time, the telephone industry had just been deregulated, and AT&T had been broken up, and I knew I needed help with arranging appropriate telephone service. Mr. Blythe gave me a proposal that he had made to the Committee at an earlier time that covered a variety of information systems and telecommunications services. I felt that the proposal was too ambitious for our needs at the time, and I told Mr. Blythe that we would hold any decision relevant to a formal designation as an official provider in abeyance until we had a better understanding of our particular needs.

5. I did however, ask Mr. Blythe to consult with us in our negotiations with Southwestern Bell for telephone service. Mr. Blythe agreed to bill us for his time at a reduced rate. Mr.

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Blythe told me he was willing to do so because his business was new, and they were interested primarily in developing his new business, rather than in maximizing the profit on any particular job. Mr. Blythe also hoped to share in the publicity related to the Convention which would be of obvious economic value to his new enterprise. I was accordingly satisfied that our agreement with Blythe-Nelson was in the ordinary course of business.

6. Blythe-Nelson gained considerable publicity when we allowed Mr. Blythe to make a presentation on telecommunications for the Convention at a meeting of the Committee in June, 1983, in Dallas. The presentation was open to the press, and I recall that after the presentation, calls from the news media regarding telecommunications at the Convention were frequently directed to Mr. Blythe.

7. As to VMX, Inc., that company wanted to supply an entire voice mailbox system to the Convention. On a demonstration basis, VMX assigned five voice mailboxes to Committee staff members in March or April 1983, and another five in September or October 1983. The Committee, however, did not wish to purchase such a system.

8. I understood from VMX that these demonstration mailboxes were promotional devices and that free voice mailboxes were routinely made available on a trail basis to potential customers. I was satisfied that this transaction was in the ordinary course of VMX's business.

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UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

In Re Committee on Arrangements
for the 1984 Republican National
Convention and George L. Clark,
as Treasurer

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) MUR No. 2171
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AFFIDAVIT OF DANIEL DENNING

I, Daniel Denning, being duly sworn, depose and say:

1. I am currently Director, Office of Congressional Relations, Office of the Assistant Secretary for Defense Programs, Department of Energy. From November 1, 1983, through September 30, 1984, I served as Deputy Convention Manager for the 1984 Republican National Convention ("the Convention"), which was held in Dallas, Texas. My responsibilities included overseeing virtually all logistics for the Convention and selecting those businesses from which the Committee on Arrangements ("the Committee") would receive goods and services in connection with the Convention. I reported directly to the Convention Manager, Ronald H. Walker.

2. After I began work for the Arrangements Committee ("the Committee"), I was given a copy of the "Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention" ("the Guidelines"), which the Committee had received from outside counsel and prepared for distribution to each prospective business provider. I was advised personally by counsel and understood that the Committee

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could receive a reduction or discount from a provider if offered in the ordinary course of the provider's business, or, if the provider had no past practice of providing such discounts, if the discount was comparable to the reasonable commercial value of the "official provider" designation. I was also instructed by Mr. Walker to be particularly cautious since the Arrangements Committee staff indirectly represented President Reagan and therefore needed to be certain to abide fully by the federal election laws and regulations.

3. I did not deal personally with the providers to see that the Guidelines were followed. Instead, as explained below, I delegated this responsibility to Emily Ford and R. Carter Sanders, the special counsel to the Committee, and I monitored Ms. Ford's work on these matters.

4. By the time I joined the Arrangements Committee staff, several businesses that became "official providers" to the Convention had already reached agreements with the Committee. These included American Airlines, Compucorp, and Blythe-Nelson.

5. After I joined the staff in November, 1983, I received approximately three or four telephone calls each day from companies seeking to be named official providers of goods and services to the Convention. I screened out probably 80% of these companies and selected for further consideration only those companies that appeared reputable and that offered goods or services needed for the Convention.

6. With respect to the companies meriting further consideration, I delegated to my staff, usually Emily Ford, but

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also Guy Hatfield, the responsibility for following up on those offers.

7. In addition to discussing terms with companies desiring to do business with the committee, Ms. Ford was responsible to me for obtaining assurances from each prospective provider that the goods or services that the company proposed to provide were being offered in a manner consistent with the Guidelines, as I understood them from conversations with counsel. Specifically, when Emily Ford joined the staff in March 1984, I reviewed with her the Guidelines that we had received from counsel. In order to ensure that she was following the Guidelines, I asked her initially to review with me her discussions with proposed official providers and questioned her specifically about the assurances she had received. Once I had confidence that she was obtaining the appropriate assurances, I no longer asked her about each of her discussions with providers. I continued to oversee the process, and I made it a practice to inquire whether Ms. Ford had received the necessary assurances for each agreement. I do not recall that she ever failed to do so and believe that the Guidelines were followed and implemented by Ms. Ford throughout the planning and execution of the Convention.

8. Following negotiation of terms with a business desiring to provide goods or services and receipt by Ms. Ford of assurances that the company provided such deals in the ordinary course of its business, or, if the company had no past practice of providing such discounts, that the discount was comparable to

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the reasonable commercial value of the "official provider" designation, Ms. Ford would discuss the matter with Mr. Sanders for his approval. Mr. Sanders or I then would doublecheck whether, from the Committee's perspective, the transaction appeared to comply with the Guidelines as we understood them. If so, the recommended agreement would then be transmitted to the Committee Chairman, Mr. Ernest Angelo, who had the power to enter into an agreement on behalf of the Committee.

9. My staff, particularly Ms. Ford, therefore had more substantial personal dealings with the official providers than I did. However, regarding the official providers named as respondents in this proceeding, MUR No. 2171, I do recall details concerning American Network Services, Inc., Baldwin Piano & Organ Co., Blythe-Nelson, Metier Management & Systems, Inc., and Southwestern Bell Mobile Systems.

10. As to American Network Services, Inc. ("ANS"), ANS approached my staff sometime in July, 1984, after the Democratic National Convention, to provide a computerized information service for our Convention delegates. ANS presented a non-negotiable deal to us, which I decided to accept because I believed the Democratic Party had had the same service at its Convention, and I wanted our Convention to be competitive. It was not a service I otherwise would have used. The service ANS offered was largely an advertising tool for local restaurants and other business, and I do not think it ought to have cost us very much, although I do not recall how much we paid. In accordance

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with the practice I had developed with Ms. Ford, I believe that Ms. Ford or someone on the staff obtained an assurance from ANS that its provision of services at a reduced rate was made available in the ordinary course of business. The ANS equipment was installed at the Dallas Convention Center just before the Convention began.

11. As to Baldwin Piano & Organ Company, in February, 1984, I received a letter from Baldwin, offering to make musical instruments available to the Convention at no charge. I passed this letter on to Ms. Ford for her to handle when she joined the staff in March to make arrangements with Baldwin to borrow baby grand pianos. I recall that she obtained the necessary assurances from Baldwin that the free pianos were provided in the ordinary course of Baldwin's business. I recall that a piano was placed on the rostrum solely for Ray Charles during his appearance. There was another Baldwin piano in the orchestra pit in the Convention Hall.

12. Regarding Blythe-Nelson, this firm had been hired to assist in negotiations regarding telephone service before I joined the staff. After I joined the staff, I suggested that if the firm wished to maintain its association with the Convention, it submit a proposal to become an official provider. Blythe-Nelson did so, offering to consult on additional technological matters in exchange for official provider status. Consistent with its earlier arrangement, Blythe-Nelson would continue its existing consulting on telecommunications at the same rate, until August,

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when Blythe-Nelson would bill at its full rate for all services. I believed that Blythe-Nelson's proposal was a reasonable business transaction and that the firm would be willing to make a similar arrangement with a non-political event on a par with the Convention. I recall that we received assurances from Blythe-Nelson that the proposal was in the ordinary course of business, although I do not remember who on the staff obtained them. Accordingly, Blythe-Nelson was made an official provider. After the Convention was over, I received several telephone calls seeking references for Blythe-Nelson consulting work from prospective clients.

13. With respect to Metier Management & Systems, Inc., I instructed Roy van Steenbergen, the Director of Management Information Systems on the Committee staff, to perform a "critical path" analysis for the Convention. A "critical path" analysis shows the proper sequence of decisions that must be made in order for a project, such as the Convention, to be completed as efficiently as possible. In addition, as part of my practice, I believe I instructed Mr. van Steenbergen that any work with a computer company had to be in the ordinary course of business, or if the company had no past practice of providing such discounts, that the discount was comparable to the reasonable commercial value of the "official provider" designation. Mr. van Steenbergen made an arrangement with Metier for him to utilize computer software. I do not remember the terms of the arrangement, although I recall that I believed it was a reasonable commercial transaction. I later recommended that Metier be designated as

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Exhibit D

UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

In Re Committee on Arrangements
for the 1984 Republican National
Convention and George L. Clark,
as Treasurer

MUR No. 2171

AFFIDAVIT OF EMILY FORD

I, Emily Ford, being duly sworn, depose and say:

1. I am currently Director, Administrative Operations Division, Department of the Treasury. During the period from March 1984 until September 1984, I served as Special Assistant to the Convention Manager of the 1984 Republican National Convention. My duties included making arrangements with companies that desired to become official providers of goods and services for the Convention. I reported directly to the Convention Manager, Ronald H. Walker.

2. When I began work, I received and reviewed the memorandum from counsel entitled "Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention" ("the Guidelines"). I was instructed that the Committee could enter into an agreement with a business only if any discount or reduction given was one that the company made available in the ordinary course of business.

3. I was told that it was my responsibility to obtain assurances from each of the vendors I dealt with that any discount was in the ordinary course of business. I made it my practice, when a vendor was recommended to be an official provider, to seek

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explicit assurances that the proposed agreement fell within one or more of the legally permitted categories referred to in the Guidelines. In my first months on the job, I would discuss the proposed agreements with Daniel Denning, one of the Deputy Convention Managers. In every case, once I had obtained the appropriate assurances from a provider, I would speak with R. Carter Sanders, Jr., special counsel to the Committee. Mr. Sanders advised whether I had obtained a sufficient assurance and offered his recommendation whether the transaction was advisable.

4. With respect to the individual providers named as respondents in MUR No. 2171, I asked for and obtained assurances from the following companies that the reductions or discounts they proposed to provide to the Committee were in the ordinary course of business:

- a. American Network Services, Inc.
- b. Baldwin Piano and Organ Company
- c. Compucorp
- d. Executive Presentation Systems
- e. Rapicom, Inc.
- f. Savin Corporation

I am also confident that we received such an assurance from Southwestern Bell Mobile Systems. I was not asked to seek such assurances from Blythe-Nelson, Metier Management and Systems, Inc. or VMX, Inc.

5. With respect to American Network Services, Inc. ("ANS"), Alan Saffron assured me orally that the reduced rates

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for the services ANS proposed to provide were in its ordinary course of business. Specifically, he informed me that ANS, which was newly established, would offer discounts similar to the one given the Committee to commercial, non-political events. Indeed, Mr. Saffron also stated to me that he believed ANS would reap substantial benefits from the publicity it would receive from the Convention and as the Official Provider of Delegate Information Services.

6. Regarding Baldwin Piano & Organ Company, shortly after I joined the Committee staff, Mr. Denning gave me a letter he had received from that company and asked me to contact it about providing pianos at the Convention. I negotiated an agreement with Baldwin that resulted in a loan of pianos to the Convention, although I do not remember how many.

7. When I asked Baldwin for assurances that the free loan of pianos was in its ordinary course of business, I was assured by Baldwin that they regularly provided free pianos to special events.

8. With respect to Compucorp, I dealt with that company in connection with the computerized electronic mail system it installed on the Convention floor. Although I did not negotiate the agreement with Compucorp, I did seek assurances that the rate for the lease of the system was in the ordinary course of business. Mr. Lance Rentzel, a Compucorp representative, assured me in person that the charge to the Committee for use of the system was made in the ordinary course of its business. Mr. Rentzel also told me that he expected Compucorp to gain

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substantial good will and public exposure by being able to demonstrate its system on the floor of the Convention.

9. As to Executive Presentation Systems ("EPS"), that company provided graphics equipment to the Committee for approximately six weeks leading up to the Convention. EPS assured me that its charges reflected an ordinary discount and that they expected marketing benefits from the exposure of the use of the equipment and by receiving the official provider designation.

10. With regard to Rapicom, Inc., that company rented facsimile machines to the Committee. I did not negotiate the agreement with Rapicom, but I did contact Rapicom to make sure that its rates did not reflect a discount not ordinarily available. Rapicom told me that they regularly offered similar discounts. I am also aware that facsimile machine suppliers regularly provide facsimile machines on a month's free trial basis and offer other discounts.

11. With respect to Savin Corporation, while I did not negotiate the Committee's deal with the company, I sought and obtained from Savin an assurance that the discount it provided the Committee was one that they ordinarily offered. I am familiar with copying companies, and I am aware that they routinely provide various discounts as well as occasional free service.

12. As to Southwestern Bell Mobile Systems ("SBMS"), I am confident that we received assurances from that company that the provision of mobile telephones and associated air time was in the ordinary course of its business, although I did not personally obtain such assurances. Given our practice of seeking

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Exhibit E

UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

In Re Committee on Arrangements
for the 1984 Republican National
Convention and George L. Clark,
as Treasurer

MUR No. 2171

AFFIDAVIT OF R. CARTER SANDERS

I, R. Carter Sanders, being duly sworn, depose and say:

1. I currently am engaged in the practice of law in Washington, D.C. I received my law degree from the University of San Diego in 1971, and I am admitted to practice law in California and the District of Columbia.

2. During the period February 1984 through September 1984, I served as Special Counsel to the Committee on Arrangements ("the Committee"), which was responsible for making preparations for the 1984 Republican National Convention ("the Convention"). My work for the Committee included, among other duties, assisting in handling contracts with outside vendors for the Convention and establishing procedures by which companies proposing to do business with the Committee were to be given guidelines regarding the transactions in order to comply with the federal election laws and regulations. I assisted the staff in handling legal questions that might arise regarding official providers and other vendors. I was also in charge of assembling the documentation from each of the official providers to the Convention. I reported directly to the Chairman of the Committee, Mr. Ernest Angelo.

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3. When I joined the staff, I received a copy of the "Guidelines for Permissible Discounts in Connection with the 1984 Republican National Convention" ("the Guidelines"). The Guidelines stated that the Committee could accept goods or services from a vendor at a reduced rate only if the reduction or discount was provided in the ordinary course of the vendor's business.

4. I discussed the Guidelines with Emily Ford and other members of the Convention staff, with particular emphasis on the circumstances set forth in the Guidelines under which the Committee could accept a reduction or discount.

5. Ms. Ford had the responsibility for obtaining assurances from each firm desiring to do business with the Committee that its discount or reduction was provided in the ordinary course of business.

6. Agreements with businesses that wanted to become official providers were reviewed by Mr. Daniel Denning, one of the Deputy Convention Managers. After Mr. Denning had considered the proposed transaction, Ms. Ford came to me to describe the assurances she had obtained, and I advised whether the proposed transaction was permissible.

7. The purpose of my discussions with Ms. Ford was to assess the quality of the assurances she had received that the proposed transactions involved discounts or reductions that were in the ordinary course of business. I was less interested in creating a documented record of the assurances than in ensuring that the Committee observed the federal election law on discounted goods or services. While I do not recall the specific assurances

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Ms. Ford told me she had received from individual providers, I would not have approved a vendor as a potential official provider unless, in my opinion, the discount or reduction offered appeared reasonably to be provided in the ordinary course of business. I recall no instance of having received inadequate assurances.

8. Most of the vendors which were designated official providers were notified by letters from Chairman Angelo which were sent out by early June, 1984. I decided that these letters represented an opportunity to reduce to writing the transactions and the assurances that discounts were in the ordinary course of business. Accordingly, I asked that a sentence be included in many of these letters that stated that the official provider designation was contingent upon execution of a written contract. By this time, I was satisfied that each provider had assured us that its discount was in the ordinary course of business. My purpose in seeking a written contract was to create a documented record.

9. In July, 1984, I drafted another letter for Chairman Angelo's signature that included the terms we wanted in a written contract. This letter stated that the contract must include a written representation that any discount came within one of the three permissible categories in the Guidelines for ordinary course of business. These letters were sent out on July 25, 1984.

10. I attempted to follow up on the July 25 letter, but I had great difficulty finding the company representatives who had received the letter. The press of other Convention

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Exhibit F

AFFIDAVIT OF GUY E. HATFIELD

I, Guy E. Hatfield, being duly sworn, depose and say:

1. I am currently Chief Executive Officer of Motels of America, in San Diego, California. From January through September, 1984, I served as a volunteer, without compensation, as Assistant Convention Manager for Facilities on the staff of the Committee on Arrangements ("the Committee") for the 1984 Republican National Convention ("the Convention"). My duties were to assist in making arrangements for various services the Convention needed at the best price we could obtain., We dealt with official providers, as well as other vendors. I reported to the Deputy Convention Manager, Daniel Denning.

2., Soon after joining the staff, I received a copy of the "Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention" ("the Guidelines"), which was legal advice for dealing with vendors. I was aware that a business could not give us a discount that it did not otherwise make available in the ordinary course of business. I was also instructed orally by Mr. Denning to adhere strictly to the election laws, and to contact counsel in the event of any questions.

3. Of the official providers who have been named as respondents in this proceeding, I negotiated a preliminary agreement with Rapicom, Inc. and Savin Corporation. I was also involved in transactions with Executive Presentation Systems, Compucorp, and Southwestern Bell Mobile Systems.

4. The negotiations we conducted with the vendors were vigorous and at arms length. If possible, we would solicit bids from several potential suppliers and recommend the most favorable. After an agreement had been negotiated, Ms. Ford would obtain the assurances necessary to comply with the Guidelines, and I understand that she would review the transaction with Mr. Denning and Mr. R. Carter Sanders, the special counsel to the Committee. Mr. Denning would then pass the agreement on to the Conventions Manager, Mr. Ron Walker, who in turn presented the agreement for final approval to the Chairman of the Arrangements Committee, Ernest Angelo.

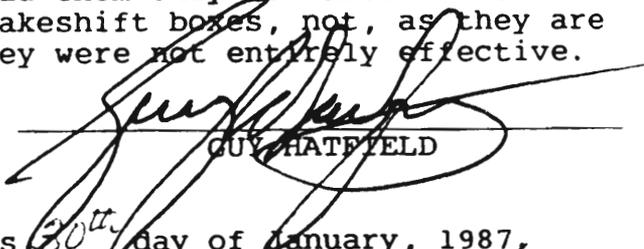
5. As to Rapicom, it provided facsimile machines for the Convention. Rapicom came to us because bids were solicited from several facsimile machine manufacturers. Rapicom offered the lowest price. The price paid was a competitive price that would be available to a non-political customer seeking a similar service. We had had difficulty locating a facsimile company willing to lease us machines on a short-term basis--less than four months.

6. As to Savin, we had trouble lining up a copying service, and I asked James Blythe to assist in finding a suitable company in Dallas. He brought us Savin. Savin offered a better deal than had been available from other suppliers, and because a copying service was needed -- this was about six weeks before the Convention started -- we agreed to use them. In exchange for the copying service, we paid the cost of the paper and allowed Savin to place a booth in a heavily trafficked area just outside the Convention Hall, where they received substantial publicity.

7. With respect to EPS, EPS was made an official provider in February 1984. I had occasion to contact EPS through Blythe in the summer of 1984, when directional signs in the Convention Hall were needed. We had solicited bids for this work from Dallas area sign makers, but found their bids too high. I remembered from a presentation made by James Blythe that EPS did graphics work, and asked James Blythe to see what EPS might do. EPS offered to lease us a graphics machine so that we could make our own signs. This arrangement was less expensive than having signs made, and we agreed. We later found that the signs produced with this equipment were smaller than we had hoped and were not used.

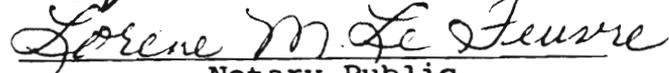
8. As to Compucorp, Compucorp had agreed to provide word processing services to the Convention well before I joined the staff. After I had joined the staff, Compucorp wanted to expand its official provider status in order to publicize its other computer equipment. Compucorp's representative, Mr. Lance Rentzel, pressed me and others for consent to set up its electronic mail system on the floor of the Convention as an experiment. Compucorp made a very hard sell of this equipment. Once Compucorp was permitted to have the equipment installed, Compucorp sought to reduce the number of word processing units. I believe that the reason for the reduction was that Compucorp was experiencing financial problems.

9. With respect to Southwestern Bell Mobile Systems ("SBMS"), in early 1984 this company informed me and others that they were developing experimental mobile cellular telephones and inquired whether they would be useful at the Convention. Because we had had trouble arranging for communications equipment, such as walkie-talkies and beepers, I advised SBMS that we would use mobile telephones, if indeed SBMS could provide them. A series of meetings followed, at which SBMS told us how their development work on the telephone system was coming. In fact, we did not receive the mobile telephones until shortly before the Convention so we had them only for about a week or two. The telephones were placed in makeshift boxes, not, as they are now, installed in automobiles, and they were not entirely effective.



GUY HATFIELD

SUBSCRIBED AND SWORN TO before me this 20th day of January, 1987,



Lorene M. Le Feuvre
Notary Public

My Commission expires:
Dec 25, 1990



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Exhibit G

AFFIDAVIT OF JAMES L. BLYTHE

January 31, 1987

I, James L. Blythe, being duly sworn, depose and say:

1. I am a partner in the information systems consulting firm of Blythe•Nelson. I formed the partnership with Mart D. Nelson, a Professional Engineer, in June, 1981. The partnership is based in Dallas, Texas.

2. In January 1984, Blythe•Nelson was designated the Official Information Systems Consultant for the 1984 Republican National Convention in Dallas, Texas. Blythe•Nelson had earlier consulted on telecommunications for the Convention; the designation broadened the scope of Blythe•Nelson's work to include consulting on all information and communications technologies. I represented Blythe•Nelson in its work for the Committee on Arrangements ("the Committee"), and I dealt directly with the Committee staff.

3. As the technology consultant and because I was one of the first local Dallas businesses to be hired by the Committee, it was part of my job to find local businesses able to handle work for the Convention. Four businesses that I recommended later were selected as "official providers." These were Executive Presentation Systems

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("EPS"), Savin Corporation, Southwestern Bell Mobile Systems, Inc., and VMX, Inc. I am also familiar with American Network Service, Inc. ("ANS") and CompuCorp. I was not in charge of negotiating agreements with any of these companies, although I am aware of some of the terms of the transactions, nor was it my responsibility to obtain assurances from these companies that any discounts were in the ordinary course of business.

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4. With respect to EPS, I approached them in late 1983. EPS was a new Dallas company that produced computer-generated graphics. I thought well of them, and I suggested that they might be able to provide transparencies for use in the Convention. I included EPS in a presentation I made to members of the Committee staff. EPS was hired in the summer of 1984 to provide an on-site computer for use by the staff in making signs and other graphics for the Convention.

5. As to Savin Corporation, because the Convention needed photocopying, I contacted Savin at Guy Hatfield's request. He negotiated an agreement under which Savin became the official provider of copying services.

6. I was also involved with respect to Southwestern Bell Mobile Systems ("SBMS") on behalf of the Convention in late 1983 about obtaining mobile telephones for use in the Convention cars. It is my understanding that under the agreement with SBMS, the Committee received about forty to fifty mobile telephones and free air time. The amount of air time provided was to be \$50,000 worth because I asked SBMS to specify a realistic maximum that the Convention would be unlikely to meet or exceed. In fact, I understand that the Convention used only approximately \$10,000 worth of air time. SBMS advertised its official provider status at the Convention itself by posting prominent signs throughout the Convention Center. In one of the local newscast in which I participated concerning technology at the Convention, SBMS was the major company featured.

7. Regarding VMX, Inc. I approached them in October, 1983 to inquire whether they would be interested in providing a voice mailbox system to the Convention. When I spoke with VMX, however, it had already contacted Ernest Angelo, the Chairman of the Committee. I am familiar with voice mailbox systems, which are similar to telephone answering machines except that the user of a voice mailbox can simply telephone in to retrieve

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messages, rather than having to operate the machine in person. VMX offered to sell a voice mailbox system to the Committee, and the Committee declined. However, VMX did provide some voice mailboxes for the Committee and the Committee staff.

8. With regard to ANS, I am familiar with the services ANS provided to the Convention. I am also familiar with the story in the press about the president of ANS, Allan Saffron, in which he is quoted as saying that the value of the equipment provided to the Convention was \$250,000. In my opinion, Mr. Saffron had to be referring to the retail price of the hardware and software. I have had extensive dealings with service bureaus, telecommunications and computer companies, and in my opinion, the retail market value of the services provided, not the hardware and software, could not have exceeded \$20,000.

9. With respect to Compucorp, I am aware that the company entered into two agreements with the Committee to provide word and data processing and an electronic mail system to the Convention. From my personal dealings with Compucorp's representative, Mr. Lance Rentzel, I know that Compucorp was quite eager to use the Convention to

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promote its full range of computer products. I recommended to Richard Shelby, however, that Compucorp be limited to word processing, and initially he followed that recommendation. Mr. Rentzel, however, continued to press the Committee for the entire word and data processing designation and Compucorp was eventually awarded such designation.

10. Additionally, regarding the electronic mail system, I encouraged Compucorp and AT&T Communications to work together to electronically integrate AT&T's Message Center with Compucorp terminals and printers to provide electronic mail on the Convention Floor. It is my understanding that AT&T secured an agreement with Compucorp to provide these integrated services but I am not aware of the actual terms of their agreement.

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11. I consulted on the installation of the system; Compucorp eventually reduced the number of units it wanted to install. I was aware that Compucorp sought considerable media exposure and advertised itself among the delegates.

James L. Blythe
JAMES L. BLYTHE

Sworn to and subscribed before me this 31st day of
January, 1987.

J.R. Moran
J.R. MORAN
NOTARY PUBLIC

My Commission Expires: 8-30-89.

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UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

In Re Committee on Arrangements)
for the 1984 Republican National)
Convention and George L. Clark,)
as Treasurer)
_____)

MUR No. 2171

AFFIDAVIT OF ROY VAN STEENBERGEN

1. My name is Roy Van Steenbergen. I am a Program/Project Control Manager for Sverdrup Corporation, a construction and construction management firm. My business address is Sverdrup Corporation, 1500 Wilson Blvd., Suite 700, Arlington, Virginia 22209. I have worked in the construction management industry since 1958. I was a member of the United States Army Corps of Engineers (Corps) from 1958 to 1979. From 1979 to 1986, I worked for VSE Corporation (VSE). Since November 1986 I have been with Sverdrup Corporation.

2. In October 1983, I became an employee of the Republican National Committee's Convention Committee as Director of Management Information Systems. At this time, I continued my work at VSE on a part-time basis.

3. Shortly after starting work for the Committee on Arrangements ("the Committee"), Daniel Denning, a Deputy Convention Manager, and I realized that the Committee had a need for a critical path program for scheduling, planning and controlling Convention-related activities. To perform these functions,

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I needed access to an appropriate computer system. Mr. Denning asked me to undertake the task of finding an appropriate system.

4. I thought that the ARTEMIS system marketed by Metier Management Systems, Inc. (Metier) could do the job. I had only recently been contacted about a sale of this system by a Metier sales representative, Mr. John Shea, in my official capacity as Division Manager at VSE. In August 1983, following Mr. Shea's call, I visited Metier's offices and Mr. Shea demonstrated the system for me.

5. I knew that Metier was very interested in selling the system to VSE. Moreover, I believed that VSE needed such a system. I also knew that as part of its regular marketing efforts, Metier offered the use of the demonstration system at no charge to potential customers.

6. I was familiar with the system through a Metier sales contact made in 1977 while I was with the Corps, and knew that with very little instruction, I could use the system to analyze the Committee's scheduling problem. I contacted Mr. Shea and asked if I could use the demonstration system to analyze the problem. Metier agreed to my use of its demonstration system over the period of time necessary. It simply did not cross my mind that the use of Metier's ARTEMIS system would have been provided by Metier other than in the ordinary course of business. Indeed, I understood that Metier operated the demonstration system specifically to illustrate the capabilities of the ARTEMIS software.

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7. In my experience, this is a common industry practice. Indeed, with respect to sophisticated systems like ARTEMIS, it is through such demonstrations that most sales are made. Computer system marketers generally permit potential customers this experimental use over a period of weeks or months, depending on the time required for the customer to see how the system applies to the kinds of problems the customer wants to solve.

8. While this marketing method does not necessarily result in a direct sale, I have used demonstration systems on numerous occasions and recommended purchases based on those experiences. I have also withheld recommendations based on those experiences.

9. In another instance in 1984, I was given the Pick Operating System to use at no charge. Pick actually demonstrated the system using a particular application I was interested in. At a later time, I recommended the system to the Manager of VSE's Reverse Engineering Center because I thought it would meet one of the Center's needs. I took the Manager to a demonstration that Pick arranged, and the Manager purchased the system.

10. On another occasion, this time for an entire year beginning in December 1985, another company, Altos, gave me the use of their multi-user computer system at no charge so that I could develop a system for the Navy. This not only culminated in two sales of the Altos system to the Navy, but VSE also purchased a similar system. (It should be noted that VSE also purchased

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Xerox computers during the same period also on my recommendation, even though I was not provided with a demonstration system or software.)

11. Just this past summer, another company, Oracle, provided me with a copy of their Database Management System at no charge. Oracle also provided some consulting advice on the use of the system.

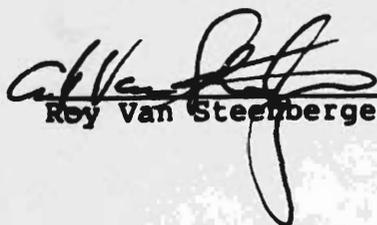
12. As regards Metier's demonstration system, I went to Metier's Alexandria office in October 1983 to load my data on the Convention scheduling problem into the system. Metier provided some initial instruction on the use of the system. Following this instruction, I loaded the data myself into the system.

13. I used the demonstration system intermittently from December 1983 through August 1984 to load data, prepare reports, and print out a bar chart and two plots. Most often, I communicated with the system through the Convention Committee's portable computer at its Capital Hill headquarters. During the Convention in August, I communicated with the system through the same portable computer from Dallas. Altogether, I estimate that I used the system for 40 to 60 total hours.

14. In the belief that it might be of some value to Metier and since I was using the demonstration system to provide management information to the Committee, I put Metier in contact with the Convention Manager, Mr. Ron Walker, regarding designation of Metier as an "official provider" to the Convention. Metier's name was later listed in the Convention program.

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I hereby certify and affirm under the penalty of perjury that the foregoing Affidavit is true and accurate to the best of my knowledge and belief.



Roy Van Steenberg

COMMONWEALTH OF VIRGINIA:
~~DISTRICT OF COLUMBIA~~ :
COUNTY OF ARLINGTON : ss
~~CITY OF WASHINGTON~~ :

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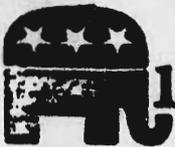
SWORN TO AND SUBSCRIBED before me this 2nd day of February, 1987.



NOTARY PUBLIC

My Commission Expires: 4/20/87

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1984 Republican National Convention

COMMITTEE ON ARRANGEMENTS:

Ernest Angola, Jr., TX
Chairman

Trudy McDonald, CA
Vice Chairman

George Clark, NY
Treasurer

Mary Stivers, GA
Secretary

Roger Allan Meers
General Counsel

January 1, 1983

Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention

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This memorandum is designed to provide guidance to businesses proposing to provide goods or services in connection with the 1984 Republican National Convention at discounted rates or on other favorable terms. By virtue of federal law governing federal elections and presidential nominating conventions, goods and services may be provided at discounted rates in connection with such conventions only under certain defined circumstances. These permitted circumstances are discussed below. Any corporation or other business entity proposing to provide goods or services at discounted rates or on other favorable terms will be required to represent in writing to the Arrangements Committee for the 1984 Republican National Convention that the circumstances of the proposed transaction fall within one or more of the legally permitted categories set forth below.

The Federal Election Campaign Act and the corresponding regulations of the Federal Election Commission prohibit corporations from making contributions or expenditures in connection with a federal election. For purposes

of this proscription, a "contribution" is defined to include the provision of "money, or any services, or anything of value." Thus, the provision of corporate goods or services in connection with the 1984 Republican National Convention at less than the usual and normal charge for such goods or services generally would constitute a contribution and would be impermissible under the federal election law.

No contribution would result, however, if the provision of corporate services or goods at reduced or discounted rates is offered by a corporation in the ordinary course of business. ^{*/} Such reductions or discounts may be considered to be offered by a corporation in the ordinary course of business if:

1) it is the standard practice of such corporation to offer such discounts or reductions to non-political, commercial entities under similar circumstances;

2) although such corporation in the past has not routinely made such discounts or reductions available to non-political, commercial entities, the provision of such reductions or discounts is a common practice in the industry in which the corporation is involved, and the corporation would be willing in the future to offer such reductions or

^{*/} In this regard, the Federal Election Commission's regulations explicitly provide that retail businesses may provide goods or services to a "national committee with respect to a presidential nominating convention at reduced or discounted rates . . . [so long as] such reductions or discounts are in the ordinary course of business." 11 C.F.R. § 9008.7(c)(1)(i).

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discounts to non-political, commercial entities under similar circumstances; or

3) although it is not the standard practice of the corporation or a common practice in the industry to offer such reductions or discounts, the discounts or reductions in question are provided in exchange for a commercial benefit of equal or greater value, such that the corporation would be willing to offer such reductions or discounts to non-political, commercial entities under similar circumstances.

Unless one of these three situations exists, the Arrangements Committee will be unable to accept goods or services from a corporation at reduced or discounted rates.

1. Standard Corporate Practice

There is a presumption that the provision of corporate goods or services at reduced or discounted rates to a political organization such as the Arrangements Committee, which is responsible for organizing and administering a presidential nominating convention, is politically motivated and therefore made in connection with a federal election and impermissible. This presumption may be rebutted if it is the standard practice of such corporation to offer such discounts or reductions to non-political, commercial entities under similar circumstances.

Thus, a corporation may provide discounts or reductions to the Arrangements Committee on a volume basis

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if it is the standard practice of such corporation to offer to its other clients or customers volume discounts or reductions similar in kind or degree. Similarly, if it is the practice of a corporation to provide reductions or discounts to clients whose use of its goods or services it expects will bring it additional prestige and future customers, it also may offer such discounts or reductions to the Arrangements Committee on a basis of similar realistic expectations.

2. Common Industry Practice

The situation may arise where the corporation in question in the past has not routinely offered reductions or discounts to non-political entities on a basis similar to that on which it desires to offer reductions or discounts to the Arrangements Committee, and therefore cannot be said to have a standard practice of offering such discounts or reductions. In such a situation, the reductions or discounts offered to the Arrangements Committee still may be said to be offered in the corporation's ordinary course of business if it is a widely-known practice in the industry in which such corporation is involved to offer such discounts or reductions to non-political, commercial entities. In such circumstances, it would be within the realm of reasonable commercial practice for the corporation in question to offer such reductions or discounts to an organization like the

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Arrangements Committee. However, in order to rebut completely any presumption that such reductions or discounts are politically motivated, it is important that the corporation in question would be willing in the future to offer discounts or reductions to non-political, commercial entities on a basis similar to that on which such reductions or discounts are offered to the Arrangements Committee.

3. Commercial Benefits

In the situations described above, where it is standard corporate practice or common industry practice to offer to non-political, commercial clients discounts or reductions on a basis similar to that on which such discounts or reductions are offered to the Arrangements Committee, there is an underlying assumption that the corporation providing such discounts or reductions will receive in return commensurate, albeit perhaps intangible, commercial benefits, and therefore that such reductions or discounts are made in the ordinary course of business. If there is no prior practice of offering such reductions or discounts to non-political, commercial clients, either by the corporation or in the industry, then a commensurate commercial benefit cannot be inferred. In such a situation, therefore, the

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presumption that the provision of corporate reductions or discounts to the Arrangements Committee constitutes an impermissible political contribution may be rebutted only if the reductions or discounts in question are offered by the corporation in exchange for demonstrable commercial benefits of equal or greater value.

As a practical matter, it will be difficult for a corporation to determine whether it will receive from the Arrangements Committee commercial benefits of equal or greater value in the absence of a formal agreement between the corporation and the Arrangements Committee that would require action or forbearance by the Arrangements Committee of commensurate value to the corporation. In this regard, an executory contract providing for future consideration by the Arrangements Committee, i.e., a promise to endorse a particular product, would be permissible. In the case of an executory contract, care must be taken to ensure that the time within which the Arrangements Committee must fulfill its promise is reasonable in light of commercial practice in the industry. It bears emphasis that in such a case, actual consideration must be provided by the Arrangements Committee; the mere expectation by the corporation in question of a commensurate commercial return is not sufficient to demonstrate

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the commercial reasonableness of the reductions or discounts
in question.

The Committee on Arrangements
for the 1984 Republican
National Convention

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August 15, 1982

MEMORANDUM FOR THE COMMITTEE ON
ARRANGEMENTS FOR THE 1984
REPUBLICAN NATIONAL CONVENTION

Re: Federal Regulation of Convention Financing

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Federal law provides for public financing of the Presidential nominating conventions of national political parties. See 26 U.S.C. § 9008. As the committee of a major party, the Republican National Committee is entitled to receive public funds for this purpose of up to a 1974 statutory base period amount of \$3 million as adjusted by the Consumer Price Index on an annual basis. See 26 U.S.C. §§ 9008(b)(1), (5). On the basis of the current Consumer Price Index level, we estimate that the public funding entitlement for the 1984 Convention will approach \$6 million.¹

In order to receive such funding, the RNC must establish a convention committee with responsibility for

¹ For purposes of the 1980 Presidential nominating conventions, the Consumer Price Index adjustment increased the public funding entitlement to approximately \$4.5 million. As of January 26, 1982, the Consumer Price Index had increased 84.4 percent from the 1974 base period average, meaning that if the Republican National Convention were held this year, the RNC would be entitled to approximately \$5.5 million in public funding. It is expected that the 1984 public funding entitlement will exceed this amount.

While any or all of the public funding entitlement may be invested, the RNC's entitlement amount will be reduced by any investment earnings and credited for any taxes paid thereon. See 11 C.F.R. § 9008.4(b).

conducting convention-related arrangements and operations and for receiving and expending convention-related funds. See 11 C.F.R. § 9008.8(b). The Committee on Arrangements is the RNC's designated committee for this purpose.

As discussed below, the Committee must register with the Federal Election Commission as a political committee, must maintain separate bank accounts, is subject to special record-keeping and reporting requirements, and must adhere to the contribution and expenditure limitations of the federal election law. Thus, the Committee generally is prohibited from accepting corporate contributions or contributions from other persons in excess of prescribed limits. See 2 U.S.C. §§ 441a(a), 441b(a).

In addition, in the absence of extraordinary circumstances, the convention-related expenses of the RNC and the Committee cannot exceed the RNC's public funding entitlement whether or not the RNC in fact accepts any public funds. See 26 U.S.C. § 9008(d)(1); 11 C.F.R. §§ 9008.7(a)(1), (3). Applicable federal law provides that the sum of all public and private contributions to the RNC or the Committee for defraying convention expenses cannot exceed its public funding entitlement. See 11 C.F.R. § 9008.8(a)(2). Thus, acceptance of private contributions to defray convention expenses simply reduces the amount of public funding that may be accepted.

The RNC and the Committee must take steps to ensure compliance with the requirements of the federal election law

with respect to the 1984 Convention. In particular, the RNC and the Committee must ensure that the public funding entitlement threshold is not exceeded and that no contributions are accepted from prohibited sources.

I. Registration

As noted above, the Committee has an obligation to register with the Federal Election Commission as a political committee. 11 C.F.R. § 9008.8(b)(2). Its registration statement, known as the Statement of Organization, must be filed with the Commission on FEC Form 1 within ten days of the date of its organization, which will be August 27, the date of the Committee's initial organizational meeting in Dallas. See 11 C.F.R. § 102.1(d). The Committee's Statement of Organization must be signed and verified by the Committee Treasurer to be elected on August 27 and, among other matters, must list all banks, safe deposit boxes or other depositories used by the Committee. 11 C.F.R. § 102.2(a). In this regard, it should be noted that the Committee is required to keep separate accounts for the receipt of public and private funds. See 11 C.F.R. § 9008.8(b)(4)(iii), (iv).

Once filed, the Committee's Statement of Organization may be amended by filing within ten days of the date of any change an amended Statement of Organization or a letter noting the change. 11 C.F.R. § 102.2(a)(2). In addition, because political committees are prohibited from accepting or expending funds when there is a vacancy in the office of Treasurer, it

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is advisable for the Committee, at its organizational meeting, to elect one or more Assistant Treasurers. See 11 C.F.R. § 102.7.

II. Receipts and Disbursements

Following its organization and registration as a political committee, the Committee is eligible to receive public funding and private contributions, and to make expenditures in connection with the 1984 Convention, as follows.

A. Public Funding Entitlement

1) Application and Certification

In order for the Committee to qualify for the public funding entitlement, the RNC must file with the Commission an application statement that, among other things, identifies the officers of the Committee, in particular, those officers designated by the RNC to sign requests for public funding payments. See 11 C.F.R. § 9008.8(b)(3). In conjunction with such application statement, the Committee must file a letter with the Commission agreeing to certain conditions, which agreement also is binding on the RNC. See 11 C.F.R. § 9008.8(b)(4). Such conditions include: 1) compliance with the public funding entitlement expenditure limitation, 2) filing of required convention reports, 3) establishment of separate depositories for convention-related private and public funds, 4) documentation

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on July 1, 1983. 11 C.F.R. § 9008(d). If, at the time the application statement is filed, it is not possible to determine the cost of living increase for 1983, the amount determined by such increase will be paid to the Committee promptly following determination of the increase. 11 C.F.R. § 9008.8(c).

2) Expenditures

As noted above, monies received by the Committee as part of the public funding entitlement may be used only to defray convention expenses. See 11 C.F.R. § 9008.6. This includes the repayment of loans and advances the proceeds of which were used to defray convention expenses. 11 C.F.R. § 9008.6(a)(2). The term convention expenses includes all expenses incurred by or on behalf of the RNC or the Committee with respect to and for the purpose of conducting the 1984 Convention or Convention-related activities. See 11 C.F.R. § 9008.6(a)(4). Convention expenses generally do not include funds used to defray the expenses of any candidate, delegate or alternate delegate participating in the Convention. See 11 C.F.R. § 9008.6(b)(1).

Thus, the Committee must ensure 1) that expenditures of public funds are made solely to defray convention expenses and 2) that all of the Committee's convention-related expenditures do not exceed the public funding entitlement threshold.

B. Private Contributions

In addition to public funding, the Committee may accept contributions of funds, goods or services with respect

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of convention expenses,¹ 5) furnishing of convention-related records and information to the Commission upon request, 6) submission to examination and audit by the Commission, and 7) payment of any civil penalties. Id.

The public funding application statement and agreement may be filed any time between June 1, 1983, and the first day of the convention. See 11 C.F.R. § 9008.8(b)(5). Following submission of such documents, and upon receipt of a written request, the Commission will certify payment of the Committee's entitlement to the Secretary of the Treasury. 11 C.F.R. § 9008.8(e). The Committee may receive public funds beginning

¹ In this regard, it bears emphasis that the Committee is prohibited from using public funds for any purpose other than to defray convention expenses. Thus, the Committee bears the burden of demonstrating to the Commission 1) that expenditures actually were made or incurred and 2) that such expenditures were made with respect to or in connection with the convention. See 11 C.F.R. § 9008.8(b)(4)(v). Accordingly, all Committee expenditures must be properly documented.

Therefore, for all expenditures exceeding \$100 or for all expenditures of less than \$100 to a payee who receives expenditures from the Committee in excess of \$100 per year, the Committee should maintain either a receipted bill from the payee stating the particulars of the expenditure or, if such a bill is unavailable, a cancelled check negotiated by the payee and a bill, invoice or voucher or contemporaneous memorandum generated by the payee or, if such documents are unavailable, a voucher or contemporaneous memorandum generated by the Committee. If such documentation is unavailable, the Commission will accept a cancelled check stating the particulars of the expenditure. If such a check is unavailable, the Commission may accept as substantial documentation, a cancelled check and collateral evidence. For all other expenditures, the Committee should maintain cancelled checks negotiated by the payees, stating the identification of the payee and the amount and date of the expenditure, or, if from a petty cash fund, a record of the identification of the payee and the amount and date of the expenditure. Id.

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to the 1984 Convention. As noted above, however, such contributions are subject to all the limitations and proscriptions of the federal election law applicable to political contributions which, among other things, means that the Committee is prohibited from accepting corporate contributions. Moreover, as noted above, any private contributions to the Committee correspondingly reduce the amount of public funding that it may accept.

The following provisions of goods, services or funds to or on behalf of the RNC or Committee do not constitute contributions or expenditures under the federal election law and do not count toward the Committee's public funding entitlement threshold.

1) The City of Dallas

a.) Expenditures to Defray Convention Expenses

Federal, state or local government agencies and municipal corporations may make expenditures for facilities or services in connection with a Presidential nominating convention, including, but not limited to, providing: 1) use of an auditorium or convention center construction and convention-related services; 2) local transportation services such as buses and automobiles; 3) law enforcement services necessary to ensure an orderly convention; 4) convention bureau personnel to provide central housing and reservation services; and 5) hotel rooms at no charge or a reduced rate on the basis of actual bookings. See 11 C.F.R. § 9008.7(b). As part of its

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contract with the Committee, and in order to attract the 1984 Republican National Convention, Dallas has agreed to make expenditures for certain of the foregoing types of facilities and services.

In providing such facilities or services, however, government agencies and municipal corporations such as Dallas may not act as conduits for otherwise prohibited political contributions from the private sector. Accordingly, Dallas is prohibited, in executing its facilities and services commitment to the Committee, from obtaining facilities, services or goods at less than fair market value unless reduced or discounted rates generally are provided in the ordinary course of business. 11 C.F.R. § 9008.7(b)(1).

b.) Funding of Expenditures

By virtue of Advisory Opinion 1982-27, issued in April to the City of Dallas, Dallas may finance its convention-related expenditures by means of the Dallas Convention Fund. The Fund is an account of the City government established to facilitate the promotion of Dallas as a convention center by a variety of means, including the financing of convention facilities and services packages designed to attract prospective convention sponsors such as the RNC. Monies for the fund will come entirely from the private sector through unrestricted, general donations by individuals, associations, businesses, corporations and other persons. As the Commission concluded in its advisory opinion, contributions to and expenditures by

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the Fund will not be considered to be political contributions that otherwise would be subject to the limitations or prescriptions of the election law and will not count against the Committee's public funding entitlement threshold.

The fact that this advisory opinion permits the Fund to accept unlimited contributions from the private sector to finance its convention-related facilities and services commitments to organizations such as the Committee and to engage in promotional activities on behalf of the City obviates a Dallas civic host committee which otherwise would have been permitted to engage in certain kinds of promotional activities but contributions to which would have been severely restricted by federal regulations applicable to civic host committees. See 11 C.F.R. § 9008.7(d).

2) The Private Sector

As noted above, all members of the private sector may make unlimited contributions to the Fund, although such contributions may not be earmarked to defray expenses specifically in connection with the 1984 Republican Convention. In addition, businesses may make the following convention-related expenditures.

a.) Retail Businesses

Retail businesses (wherever located) may provide discounts or reduced rates to the Committee for their products or services so long as such reductions or discounts are in the ordinary course of business. 11 C.F.R. § 9008.7(c)(1). Thus,

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if a hotel or a car rental agency ordinarily provides reduced group rates, it may make such rates available to convention attendees on a group basis. Banks, however, are prohibited from engaging in such activity. Id.

b.) Local Businesses

Local businesses,¹ including banks, may provide samples and promotional materials to convention attendees so long as such materials are 1) of nominal value, and 2) provided solely for legitimate advertising or promotional purposes and in the ordinary course of business. 11 C.F.R. § 9008.7(c)(2). In this regard, the Commission has approved the donation by a local baseball club to a convention city host committee of 500 to 1,000 tickets to a game to be played during the life of the convention. See A.O. 1980-21 (April 20, 1980). The Commission also has approved the distribution by a nationally-known firm with offices in cities across the country to the convention city host committees in two cities of nearly 17,000 tote bags with an approximate value of \$2 apiece.² See A.O. 1980-53 (June 17, 1980).

¹ There is a rebuttable presumption that any entity located outside of the standard metropolitan statistical area of the city in question is not "local". See 11 C.F.R. § 9008.7(c)(2)(iv). As noted below, however, nationwide businesses with a local branch office should be considered to be "local".

² In this case, the main office of the donor corporation was located in the city of one of the convention host committees and several branch offices were located in the city of the

(footnote cont'd)

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III. Reporting

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Within ten days after the end of the calendar quarter in which the Committee receives its public funding entitlement, the Committee must file its first quarterly report with the Commission on FEC Form 4. 11 C.F.R. § 9008.12(b)(2)(ii). From that point on, the Committee must file reports within ten days of the end of each quarter until it ceases activity in connection with the 1934 Convention.¹ Id. If, however, a quarterly report falls due within 20 days before or after the Convention, the Committee will not file a report for that quarter but instead will file a post-convention report by the date the earlier of 60 days following the last day that the Convention officially is in session or 20 days prior to the general election. Id. Such report must reflect information as of 15 days prior to the filing date. Id. Finally, the Committee must file with the Commission a final report to be filed no later than 10 days after it has ceased activity relating to the Convention. See Instructions, FEC Form 4.

(footnote cont'd)

other convention host committee. Thus, it would appear that a nationwide company with a branch in the convention city should be considered to be a "local business".

¹ In this regard, it should be noted that, absent the grant of extension of time by the Commission, the Committee must cease activity no later than 24 months after the Convention. 11 C.F.R. § 9008.12(b)(3).

IV. Audits

As noted above, in order to receive its public funding entitlement, the Committee, in its letter of agreement, must "agree to submit to examinations and audits by the Commission." See 11 C.F.R. § 9008.8(b)(4)(vii). The Commission is required to conduct an examination and audit of the Committee no later than December 31, 1984. 11 C.F.R. § 9008.9. In addition, the Commission has the power to conduct other examinations and audits of the Committee at any time, as it deems necessary. Id.

V. Repayments

If the Committee does not spend the entire amount of its public funding entitlement, it must return the balance to the Secretary of the Treasury. See 11 C.F.R. § 9008.10(e). The Committee is required to make an interim repayment of unspent funds on the basis of its financial position six months after the Convention, although it may withhold a reasonable amount for unanticipated contingencies. 11 C.F.R. § 9008.10(e)(2). If the Committee later determines that the refunded amounts are needed to defray convention expenses, it can submit a written request to the Commission which, if it reaches a favorable determination, will certify the requested amount for payment to the Committee. Id. In any event, in the absence of the grant of an extension of time by the Commission, the Committee must repay all unspent funds within two years of the Convention. 11 C.F.R. § 9008.10(e)(3).

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In addition, the Commission will require repayment by the Committee to the extent that it determines that:

1) any portion of the public funding received by the Committee was in excess of the aggregate payments to which it was entitled; 2) convention-related expenditures by the Committee exceeded the public funding entitlement threshold; 3) the Committee received total contributions in excess of the public funding entitlement threshold; or 4) public funds were improperly used or documented by the Committee. See 11 C.F.R. §§ 9008.10(a), (b), (c), (d).

Notification that repayment is required may be made by the Commission at any time within three years after the 1984 Convention and, absent the grant of an extension of time by the Commission, repayment must be made within 90 days of such notice. 11 C.F.R. § 9008.10(g). Repayment determinations may be appealed to the Commission, and any final repayment determination by the Commission is subject to review by the United States Court of Appeals for the District of Columbia Circuit. See 11 C.F.R. § 9008.11.

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MINUTES OF THE
MEETING OF THE ARRANGEMENTS COMMITTEE
for the
1984 REPUBLICAN NATIONAL CONVENTION
The Washington Hilton Hotel - Jan.26, 1983

The 1984 Convention Arrangements Committee convened at 10:13 a.m., Jan. 26, 1983, at the Washington Hilton Hotel, with Chairman Ernest Angelo, Jr., presiding. Secretary Mary Stivers called the roll with the following members present: Don Adams, Ernie Angelo, Nancy Apgar, Jean Birch, Elinor Clapp, George Clark, John Courson, Jennifer Dunn, Frank Fahrenkopf, Dave Flaherty, Sallie Folsom, Jeanne Geraghty, Allan Levey, Noel Gross, Bill Harris, Margaret Hill, Edith Holm, John Holmes, Margie Kelly, Lynn Lowe, Trudy McDonald, Evelyn McPhail, Ginny Martinez, Kit Mehrtens, Martha Moore, Dennis Olsen, Betty Lou Pyle, Kay Riddle, Sheila Roberge, Henry Sayler, Martha Bell Schoeninger, Peter Secchia, Mary Stivers, Ken Stout, Evie Teegen, Eunice Whittlesey, Bill Stanhagan, Mike Gill, Mary Payson, Polly Logan, Joan Burgess, Carla Coray & Bob Voy.

A motion was made and seconded to dispense with the reading of the minutes of the last meeting, which were distributed. Motion passed.

George Clark, Treasurer, reported disbursements by the Site Committee of \$57,898.70 and by the Arrangements of \$89,108.71, for a total expenditure of \$147,007.41 for the period of January 1, 1982 to December 31, 1983. There were no questions.

Subcommittee reports followed. Nancy Apgar, Chairman of Housing Subcommittee, gave an interesting and enthusiastic report. She complimented the 1980 subcommittee, chaired by Eunice Whittlesey, for their excellent records which have expedited the work of the present group. Every member of the subcommittee met in Dallas in November and visited over 100 hotels. She reported the facilities are superb. Contracts will probably go out in late January or early February. There are 24,000-plus rooms committed at this time, but it is felt there will be a need for the 27,000 plus an additional 5,000 rooms for student housing. Because of the time factor with regard to the beginning of the school year, it is unlikely the students will be housed in dormitories. Nancy reported they have found a myriad of clean, very adequate motels within 20 to 25 minutes of the Convention Center which are very reasonable at probably \$8 to \$10 per night per student.

Security Subcommittee Chairman Bill Harris reported that he had met in Dallas on November 11, at the request of the Secret Service, with Ken McWhethy, who is to be the agent in charge at the convention. He met also with other people of the Secret Service and members of the Dallas Police Department, along with Ernest Angelo, Peggy Venable and Roger Moore. They toured the convention site to look at the general security

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aspects. He urged cooperation among the various committees when they are making plans, and stressed the importance of coordinating with the security personnel. Harris specifically pointed out the crowd logistics problem an hour before the start of the convention with the number of buses arriving and suggested some means of staggered arrivals. All people will be put through magnetometers. He emphasized this can be worked out with proper advance planning. His subcommittee will meet again soon to settle on various policies that concern the Secret Service and Dallas Police Department.

Chairman Angelo asked if any other subcommittees had reports or comments. Dennis Olsen asked the members of the News Media Subcommittee to meet briefly following adjournment of the Committee meeting. He also asked for information on which staff person would be working with the subcommittees, and Chairman Angelo instructed Convention Director Peggy Venable to meet with Olsen's group.

It was announced that since our last meeting, the City of Dallas has selected a chairman for the Welcoming Committee. Chairman Angelo then introduced Mr. Dave Fox, Chairman and Chief Executive Officer of Fox and Jacobs, an outstanding residential home builder and developer in the Dallas-Fort Worth area. Along with him was Levi Davis, Assistant City Manager of Dallas. Mr. Fox commented briefly on his desire to work closely with each subcommittee by having a parallel committee in his organization. He stressed that he would be personally available at any time, and that he is looking forward to the convention. Mr. Fox introduced Levi Davis who related they have appointed a committee in the city organization, headed by Jerry Barshop, to make plans for the convention. He offered his assistance in any way, and said they are getting ready for us.

The Committee ratified the appointment of Convention Manager Rick Shelby from Oklahoma. Shelby has served as a state party chairman, was executive director of the Reagan-Bush effort in Texas, and more recently directed the Campaign '82 effort. Dave Flaherty moved to ratify the appointment which was seconded by the committee, and Shelby was unanimously chosen.

Sharon Liston was introduced by Peggy Venable as a new RNC staff person who will be the point person in the delegate selection process and the certification of delegates, with Roger Allan Moore and Peggy Venable.

Chairman Angelo announced that it was necessary to appoint a replacement for chairman of the Entertainment Committee. Frank Fahrenkopf will be going to another position later during the general meeting and will create a vacancy on the Entertainment Committee. To fill that position, Chairman Angelo said he and Trudy McDonald would like to recommend to the Committee the selection of Jack Courtemanche of California, (Courtemanche had been appointed to the Arrangements Committee by RNC Chairman Richards). Evie Teegen moved the selection, it was seconded from the floor and passed unanimously.

RNC Chairman Dick Richards was recognized and asked for comments, but he declined.

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Chairman Angelo stated the next item on the agenda was the selection of or consideration of the designation of an official carrier for the 1984 Republican National Convention. He said the two airlines who have expressed an interest are American and Delta. However, American has had a great amount of negotiation with us and has expressed a great deal of interest. He asked Peggy Venable to make the presentations. American Airlines gave two proposals, each one utilizing a special 800 number for our exclusive use. They also include a 30 percent discount off regular fares (7-day restriction), free tickets, one for every 50 we purchase and one first class for every twenty-five first class tickets we purchase; 25 percent off regular freight and use of the Admirals Club. This above proposal is for the Arrangements Committee and staff. For state delegations, they are offering the 30 percent off, still one free ticket per fifty, but reservations 14 days in advance and a \$30 penalty for cancellation.

The Delta proposal was less extensive, but they also would give the 30 percent discount off normal fare and a 40 percent discount off cargo beyond 5,000 pounds. Each wants to include convention activities in their in-house publications.

She also stated we may still use our travel agents, but they will have to use the 800 number. In response to a question from Peter Secchia, Peggy said Delta made no provisions for special rates for state delegations. She had talked to them on the previous Thursday, whereas negotiations with American had been going on for several months. Chairman Richards asked about exclusive service, but Peggy assured him that making someone an official carrier does not mean exclusive service.

There were numerous questions about number of cities served by each airline, cities not served by either, special fare rates now in effect, etc. Peggy said that state delegations would probably work with an airline in their particular state. Henry Saylor had three questions. One, is there any reason the decision has to be made today; two, would further negotiations be to our advantage; and three, could decision be left to Executive Committee. Chairman Angelo said it did not have to be made today, but the sooner it is done, the sooner we can take advantage of the discounts. He did not believe the agreement with American could be improved since it had been under negotiation for several months, and a decision by the Executive Committee would necessitate another meeting. He would like the decision to be made today. He pointed out that American is the major carrier out of Dallas and Dallas is their national headquarters.

Peggy Venable explained the computer services offered by American, whereby a state could call and get a copy of who is traveling on what date, etc. Also, they will be giving out information on the convention which should be very helpful.

Roger Allan Moore pointed out that the various carriers cannot make much of a different package on published tariffs, but in the extra services they can offer.

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After a lengthy discussion and a presentation by two representatives from American Airlines, upon motion duly made and seconded, it was unanimously

VOTED: That the appropriate officers of the Arrangements Committee of the Republican National Committee be and they hereby are authorized to execute and deliver, on behalf of this Arrangements Committee, a contract with American Airlines designating American Airlines as the official carrier for the 1984 Republican National Convention.

Chairman Angelo stated the next agenda item was the election of the chairmen of the Rules and Contest Committees to the Executive Committee as ex-officio members of the Arrangements Committee. Roger Allan Moore presented the proposal. Chairman of the Committee on Rules is Bill Stanhagen, and we don't yet have a Chairman of the Committee on Contests. It was moved, seconded and passed to execute this resolution.

Next item was consideration of an official word/data processor, and the company the Committee was asked to consider was Compucorp. In exchange for that recognition, Compucorp would agree to provide up to 35 units to the Committee, along with training of the operators and the Arrangements Committee would agree to allow Compucorp to publicize the fact they had been so designated.

After discussion, upon motion duly made and seconded, it was unanimously

VOTED: That the appropriate officers of the Arrangements Committee of the Republican National Committee be and they hereby are authorized to execute and deliver, on behalf of this Arrangements Committee, a contract with Compucorp designating Compucorp as the official word/data processor for the 1984 Republican National Convention.

Chairman Angelo adjourned the meeting at 11:50 a.m.

Respectfully submitted by Mary Stivers _____

March 7, 1983

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MINUTES - ARRANGEMENTS COMMITTEE MEETING - June 9, 1983

The meeting of the Republican National Committee Arrangements Committee was called to order by Chairman Ernest Angelo and the roll call by Secretary Mary Stivers followed. When the roll call was completed, it was noted that a quorum was present. There being sufficient members present to conduct business, the Chairman proceeded.

Copies of the minutes of the previous committee had been distributed and motion was made by Nancy Apgar that they be approved. In the absence of George Clark, Treasurer, Neal Peden, Assistant Treasurer, reported total expenditures for the period January 1st to December 1st, 1982 to be \$147,007.41; period January 1st through May 15th, 1983, \$19,037.16; or a total for the entire period of \$166,044.57. Appropriate breakdown was given.

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Chairman Angelo announced that several former members of the Committee have resigned from the National Committee and consequently are no longer members of the Arrangements Committee. He expressed regrets over the loss of Bob Black of HI, Bob Voy of Oregon, and Martha Bell Schoeninger of Pennsylvania. RNC Chairman Frank Fahrenkopf has appointed new members to replace those vacancies, and the following new members were introduced: Ed Fike of Nevada; Pete Perez of Guam; George Strake of Texas; Ed Lujan of New Mexico; and Billie Boatwright of Connecticut. He recommended that George Strake, new State GOP Chairman of Texas, be elected as Vice Chairman of the Host Committee. It was moved and seconded.

Chairman Angelo noted that copies of the budget had been distributed. He emphasized that this is a "proposed" budget, and urged subcommittee chairmen to study it and make suggestions in their respective areas. A revised budget will be provided for adoption at the October meeting.

The Chairman of the Dallas Welcoming Committee, Mr. Dave Fox, was introduced and asked to report on current activities. He announced that Linda Perryman is now the Executive Director, and can be reached at (214) 954-0127. He reported on the tremendous interest in the convention there, and particularly with respect to the press, both locally and throughout the country. He solicited suggestions from us for ideas to make the convention successful, and expressed a desire to work closely with the Committee.

Chairman of the Republican Host Committee, Fred Meyer, was introduced. He is Chairman of the Dallas County Republican Party, and is an outstanding civic and community leader. He reported on the number of people who are calling to volunteer to help with the convention, and showed copy of a volunteer card. Twenty-five thousand have been printed, and he felt they would run out. He asked for guidance from the subcommittees and expressed confidence that the Dallas County Party would raise the necessary funds for the convention expenses.

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Assistant City Manager of Dallas, Levy Davis was introduced, and he welcomed the attendees to Dallas. He told us that Dallas has elected a new mayor, Stark Taylor, whom we would meet later. Mr. Davis said he is working in three areas. The first is to represent the Mayor's office. The second is in the area of funds and revenues, where Messrs. Bill Cooper and Trammell Crow are working. The final area is the police department and security aspects. He said he has been to both Detroit and Kansas City to identify problems, and is trying to avoid those same problems happening in Dallas. He noted he has met with possible protest group organizers and talked about the numbers they are expecting in Dallas.

Chairman Angelo called upon Rick Shelby, Convention Manager, for his report. He expressed appreciation for the cooperation from all city officials who are working on coordination of the Convention. He said planning has progressed in a most satisfactory manner to date. Since all conventions are different, we cannot pattern this one after previous ones. However, he has met with people who were involved in other conventions to get their opinions and suggestions. Application for federal funds has been made, and approximately \$6 million will be received in July. The Dallas Convention Fund will provide another \$3.9 million, and approximately one million of that has already been raised in cash or pledges. One of the principal goals of the Dallas Welcoming Committee is to make people aware of the international nature of the City, and the fact that Dallas is beginning to emerge as the cultural center of the southwestern United States. Special emphasis will be placed on adopting a logo or theme which will bear this out. The Republican Host Committee's principal responsibility is to make sure the delegates and their families have an enjoyable time while in Dallas.

Shelby said he has met with a number of potential local vendors and will be developing specifications for bids. The City of Dallas is doing a feasibility study to determine the cost of removing the concrete and placing glass in the rooms that could be used as sky booths for the First Family and other dignitaries at the civic center. He said the contract with CompuCorp has not been finalized, but should be in the near future. He briefly mentioned several items which will be covered later, such as hotel rooms, transportation, security and media contacts. The convention office in Dallas will probably be opened on February 1, 1984.

Nancy Apgar, Chairman of Housing Committee, reported a firm commitment for 22,619 rooms at this time from 125 hotels. Some hotels have not yet responded. She will be sending each State Chairman, Committeewoman and Committeeman a fact sheet shortly to determine their local media needs for hotel accommodations with the individual state delegations. Also, a questionnaire concerning student housing will be sent. Dormitory facilities will probably not be available because of colleges and universities starting earlier now, so hotel rooms will have to be found for students. The Housing Committee will meet August 23 and 24 to develop a packet for each state outlining details of hotel facilities. States will be asked for five choices, ranked in order of preference. Individual state housing chairmen should be appointed in November, and specific hotel assignments will be made around the first of the year.

Security Subcommittee Chairman Bill Harris, who has been working closely with the Dallas Police Department and the Secret Service, reported on the excellent cooperation. His committee had met and passed a resolution which he offered for adoption, which reads as follows: "Resolved by the Arrangements Committee of the Republican National Committee that no individual other than members of the Dallas Police Department and agents of the United States Secret Service shall be allowed to carry a firearm into the Dallas Convention Center during the Republican National Convention which is to be held in Dallas, Texas, in August of 1984". Resolution was adopted unanimously. He pointed out that one area of difficulty might be crowd control and logistics of moving a large number of people in a short period of time, but with proper organization and foresight, problems should be circumvented.

Chairman Angelo asked Dennis Olsen, News Media Subcommittee Chairman, to report. He said there had been a number of meetings already with media representatives, and that there would be a walk-through of the facilities the next day with media representatives. There will be a professional organization selected to handle details of the media activities, and he was meeting with Mike Miller of Wagner and Baroody to discuss this possibility. He anticipates a meeting of all media people involved immediately prior to the convention to present guidelines, particularly in regard to decorum on the convention floor.

Mr. Angelo introduced Ed Barth, Director of Meetings and Conventions for American Air Lines who reviewed facets of the completed contract whereby they are designated as official carrier. He discussed the thirty percent discount on regular fares, and the importance of using the 800 number for all Committee travel in connection with the convention. They will provide an arrival and departure report during the convention, punched out for every state and territory, listing airlines, arrival times, etc., regardless of airline used. This will be particularly beneficial to state transportation directors, with whom they will be meeting prior to the convention itself. Each state will receive one free ticket for every fifty passengers on American. Discount during the convention will be twenty-five percent. He assured us they can take care of all our needs, but would like to have the information as soon as possible as to the number of people who will be coming. Delegates needs will be taken care of first. Temporary Admiral's Club memberships were given to Committee members, as well as a bag tag. Mr. Barth said American is considering a mobile ticket counter close to the convention area to assist delegates with transportation needs. Questions were asked concerning reciprocal agreements with other airlines, and these were explained.

Mr. Lance Rentzel, representative from our official word/data processing company, CompuCorp, reported they have targeted thirty computer systems for our use at the convention, and will also provide adequate training to utilize them. He explained the concept of electronic mail, which would be demonstrated the next day at the convention center. Each subcommittee has a computer system allocated to them during the convention. He stated his office location would be in Washington after July 1.

Chairman Angelo asked Rick Shelby to introduce the other presentations, since he had been working closely with them. Rick introduced Mark Kramer, from CBS who is going to be the inside pool producer. The role of the pool is to coordinate and act as liaison between the broadcasters and RNC. The audio pool installs and operates the sound system in the hall to provide a feed to the broadcasters.

-page four-

Mr. Kramer explained that the outside pool deals with problems in covering the headquarters hotel, candidates hotels, airport and other locations in the city. They also provide a coordinator for the vote tabulation system. The Foreign Broadcasters Service (FBS) assists foreign broadcasters, and this will be run by Cable News Network this time. Mr. Kramer outlined their needs in regard to work space, mobile unit parking, camera positions, lighting, air conditioning, power, podium position, communications with RNC switchboard, access to the hall, credentials, housing and parking. Significant among these was the request for 2600 first class hotel rooms and 1500 convenient parking spaces.

Representing ABC for the outside pool was Mitch Davis who said his primary concern was televising hotel caucuses for various delegations by arranging lighting, numerous cameras, platforms, etc., all outside the convention hall. His phone number is (212) 887-4606, and he is available for questions.

Shelby said he has been working to develop a comprehensive integrated communication system, and to attain that goal he has been working with a local Dallas firm to determine the feasibility of such a plan. He introduced Mr Jim Blythe, president of ICOR, a newly formed company whose goal is to effectively implement a communication support system for the '84 convention. He discussed voice messages; a private electronic newspaper with 12 to 18 hour a day coverage; personal computers for each delegation on the floor, word processing, computerized security, etc. He proposes forming a consortium of lending institutions and high technology companies to put the resources together, and stated that no funding would be required from the National Committee.

Eunice Whittlesey asked how ICOR and CompuCorp would complement each other, and Mr. Blythe said they are very compatible.

Shelby reiterated that we were not making any decisions today, but he wanted us to see some of the things they are studying. A number of questions followed in regard to the difference between a computer and a word processor; thermafax transmittals; voice mailboxes, etc. We were told all these things will be worked out and explained in more detail as we go along. No decisions have been made.

Mr. Bruce McDougal, President of Electronic News Network, made a presentation. ENN would present timely UPI wire service news, as well as communications to floor delegations through the use of screens located in hotel lobbys, or placed on the top of the state stanchions on the convention floor. RNC could send messages to state delegations simultaneously or individually. All messages would be controlled by RNC. If the system were adopted, they would provide at their expense probably 30,000 color brochures explaining the network, as well as all of the message centers. The value of the service is \$174,224, and they propose to furnish it free of charge. It would be paid for through advertising and they would like to have an official designation.

Twelve resolutions were presented and adopted unanimously. Copies of these are attached.

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Chairman Angelo announced that Bob Voy, Chairman of subcommittee on tickets and badges, has resigned to take a position with the Olympics Committee. Angelo recommended Ken Stout as a replacement and asked for a motion. Stout was elected.

There was a question from the floor about all convention communications being transmitted to the states through the arrangements committee member from that state, rather than through all three National Committee members. Trudy McDonald responded that in her opinion to strengthen the Party within the state everything should go through the State Chairman, Committeewoman and Committeeman, working as a team. The Chairman stated this did not require a motion or any action.

From the floor was a suggestion that the dates of our Arrangements Committee meetings be coordinated with the RNC meetings. Chairman Angelo said every effort would be made to get the full calendar worked out as soon as possible, and sent to all members.

Following a question about headquarter hotels, Chairman Angelo said no decision has been made, but the two hotels are the Hyatt and the Anatole. One will be RNC headquarters and the other will be the President's hotel.

Meeting adjourned.

Respectfully submitted,



Mary Stivers
Secretary

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RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION

Authority of Vice Chairman of Committee

VOTED: That any authority heretofore or hereafter granted to the Chairman of the Committee may be exercised by the Vice Chairman of the Committee in the absence, disability, or disqualification of the Chairman of the Committee.

88040721854

Adopted at a Meeting of the
Committee on Arrangements
Held in Dallas, TX
June 9, 1983

RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE REPUBLICAN NATIONAL CONVENTION

Firearms

VOTED: Resolved by the Arrangements Committee of the RNC that no individual, other than the members of the Dallas Police Department and agents of the United States Secret Service, shall be allowed to carry a firearm into the Dallas Convention Center during the Republican National Convention which is to be held in the City of Dallas, Texas, in August, 1984.

88040721859

Submitted by Bill Harris
Adopted at a Meeting of the
Committee on Arrangements
Held in Dallas, Texas
June 9, 1983

RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION

Authority to Obtain Office Space, Employ
Personnel, and Purchase Supplies

VOTED: That the Convention Manager, with the advice and consent of the Chairman of the Committee, be and he hereby is authorized to obtain office space in Dallas, Texas, to employ necessary personnel, and to purchase such supplies and services as are needed for the conduct of the affairs of the Committee.

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Adopted at a Meeting of the
Committee on Arrangements
Held in Dallas, TX
June 9, 1983

RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION .

General Authority to Execute Contracts

VOTED: That the Chairman of the Committee, or any officer or agent of the Committee designated by him, be, and each of them individually hereby is, authorized and empowered, in the name and on behalf of the Committee, to execute and deliver contracts, leases, and any other documents whatsoever and to take any other actions which, in the opinion of the person so acting shall seem necessary, appropriate, or desirable to produce an efficient, effective, and successful Convention; the execution and delivery of any such document or the taking of any such action to be conclusive evidence of the authority of the person so acting in the premises.

38040721857

Adopted at a Meeting of the
Committee on Arrangements
Held in Dallas, TX
June 9, 1983

RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION

Selection of State Delegation Aides

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VOTED: That the Chairman or the Vice Chairman of the Committee or the Convention Manager be, and each of them hereby is, authorized to appoint, upon the recommendation of the member or members of the Republican National Committee serving on the Committee from each State, two State delegation aides for each State.

VOTED: That the State delegation aides shall report to the chairman of the delegation for the State represented and shall serve under the direction of that official.

VOTED: That seats on the floor of the Convention will be provided for the State delegation aides for each State: one seat in the section assigned to the delegates for the State represented and one seat in the section assigned to the alternate delegates for the State represented.

VOTED: That no compensation or allowance for expenses shall be paid to State delegation aides by the Committee.

RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION

Authority for Chairman of the Republican
National Committee to Appoint a Temporary
Resolutions Committee and Staff

VOTED: That Frank J. Fahrenkopf, Jr., Chairman of the
Republican National Committee, after consultation
with the officers of the Committee, be and he hereby
is authorized to appoint officers, members, and
staff of the Temporary Committee on Resolutions
(Platform Committee) for the Convention at such time
after the date hereof as he considers advisable.

88040721859

Adopted at a Meeting of the
Committee on Arrangements
Held in Dallas, TX
June 9, 1983

RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION.

Selection of Pages

VOTED: That the Chairman or the Vice Chairman of the Committee or the Convention Manager be, and each of them hereby is, authorized to appoint, upon the recommendation of the member or members of the Republican National Committee serving on the Committee from each State, pages on the basis of one for each 12 delegates or one-half or greater fraction thereof from each State; provided, however, that each State and the District of Columbia shall have a minimum of two pages each and Puerto Rico, the Virgin Islands, and Guam shall have one page each.

VOTED: That the Chairman and the Vice Chairman of the Committee and the Convention Manager be, and each of them hereby is, authorized to appoint such additional pages as may be necessary for the orderly conduct of the Convention; provided, however, that the total number of pages allocated to the States and so appointed shall not exceed 250.

VOTED: That all pages shall be between the ages of 16 and 21 at the time of the Convention, and shall report to the Chief Page for instructions and assignment, and that no compensation or allowance for expenses shall be paid to pages by the Committee.

Adopted at a Meeting of the
Committee on Arrangements
Held in Dallas, TX
June 9, 1983

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Convention and Meeting Office
 July 21, 1983

1984 REPUBLICAN NATIONAL CONVENTION
 ALLOCATION OF PAGES

STATE	TOTAL NO. DELEGATES	1 PAGE PER 12 DELEGATES	STATE	TOTAL NO. DELEGATES	1 PAGE PER 12 DELEGATES
Alabama	38	3	Montana	20	2
Alaska	18	2	Nebraska	24	2
Arizona	32	3	Nevada	22	2
Arkansas	29	2	New Hampshire	22	2
California	176	15	New Jersey	64	5
Colorado	35	3	New Mexico	24	2
Connecticut	35	3	New York	136	11
Delaware	19	2	North Carolina	53	4
D.C.	14	1 (2)*	North Dakota	18	2
Florida	82	7	Ohio	89	7
Georgia	37	3	Oklahoma	35	3
Hawaii	4	0 (1)*	Oregon	32	3
Idaho	21	2	Pennsylvania	98	8
Illinois	93	8	Puerto Rico	14	1
Indiana	52	4	Rhode Island	14	1 (2)*
Iowa	37	3	South Carolina	35	3
Kansas	32	3	South Dakota	19	2
Kentucky	37	3	Tennessee	46	4
Louisiana	41	3	Texas	109	9
Maine	20	2	Utah	26	2
Maryland	31	3	Vermont	19	2
Massachusetts	52	4	Virginia	50	4
Michigan	77	6	Virgin Islands	4	0 (1)*
Minnesota	32	3	Washington	43	4
Mississippi	30	3	West Virginia	19	2
Missouri	47	4	Wisconsin	46	4
			Wyoming	18	2

* Minimum

TOTALS: 2,234 187 (192)*

RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION

Congressional Media Galleries Authority

3 3 0 4 0 7 2 1 8 5 2

VOTED: That the Standing Committee of Correspondents which administers the Congressional Press Galleries, the Executive Committee of the Periodical Press Galleries, and the Executive Committee of the Radio and Television Correspondents' Galleries be and they hereby are authorized to assign and regulate seating and space at the Dallas Convention Center which have been allocated by the Committee for use by accredited representatives of the various news media; and that the Standing Committee of the Press Photographers' Gallery be and it hereby is authorized to assign and regulate space at the Dallas Convention Center which has been allocated by the Committee for use by accredited representatives of the news photo media.

Adopted at a Meeting of the
Committee on Arrangements
Held in Dallas, Texas
June 9, 1983

RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION

Expenses for Staff of Congressional Media Galleries

VOTED:

That, for the purposes of regulating use of facilities provided for accredited members of the press, periodicals, radio-TV, and press photographers, the Convention Manager be and he hereby is authorized to appoint: staff for the Standing Committee of Correspondents which administers the Congressional Press Galleries; staff for the Executive Committee of the Periodical Press Galleries; staff for the Executive Committee of the Radio and Television Correspondents' Galleries; and staff for the Standing Committee of the Press Photographers' Gallery.

VOTED:

That the transportation of the persons referred to in the preceding vote from Washington, D.C., to Dallas, Texas, and return at Y Class fare and hotel accommodations (Only room charge to be included) be provided.

VOTED:

That per day allowances for superintendents and assistants to be determined by the Convention Manager be provided.

Adopted at a Meeting of the
Committee on Arrangements
Held in Dallas, Texas
June 9, 1983

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RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION

Telephones on the Floor of the Convention

VOTED: That each candidate for President shall be permitted to install, at his own expense, direct telephone communications to the floor of the Convention Hall with any delegation that consents in a writing filed with the Convention Manager to such telephone installation, but not to exceed one telephone installation per delegation for any one candidate.

VOTED: That each delegation shall be permitted to install, at its own expense, one telephone in its delegate seating area and one telephone in its alternate delegate seating area for general communication purposes.

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Adopted at a Meeting of the
Committee on Arrangements
Held in Dallas, TX
June 9, 1983

RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION

Seating of Delegates on the Floor of the Convention

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VOTED: That the seating plans for delegates from each State in the Convention Hall be arranged by political precedence based on the result determined by averaging the four percentages applicable to each State of: (a) the total number of votes cast for the Republican candidate for President in the last election; (b) the total number of votes cast for the Republican candidate for the United States Senate in the last Senatorial election; (c) the total number of votes cast for the Republican candidate for governor in the last gubernatorial election; and (d) the total number of votes cast statewide for the Republican candidates for the United States House of Representatives in the 1982 election.

VOTED: That Texas be given preferred seating regardless of rank; that no delegates from any State shall be divided by an aisle; and that every State delegation shall have access to a microphone.

RESOLUTION OF THE
COMMITTEE ON ARRANGEMENTS
FOR THE 1984 REPUBLICAN NATIONAL CONVENTION

Distribution of Printed Materials or Advertising

VOTED: That the appropriate officers and employees of the Convention be and they hereby are directed to forbid and prevent the distribution upon the seats of delegates, alternates, officials, and members of the press of any printed materials, advertising material, or periodicals not authorized by the Chairman or the Vice Chairman of the Committee or the Convention Manager, except the Roll of the Convention, the Order of Business of the Convention, the report of the Committee on Resolutions (Platform), and the Convention Rules.

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Adopted at a Meeting of the
Committee on Arrangements
Held in Dallas, TX
June 9, 1983

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1984 Republican National Convention

Venable → FTI

JUN 7 1984

6/5/84
11:00AM

OFFICIAL CONVENTION DESIGNATIONS

The following organizations have been designated as official sponsors of the 1984 Republican National Convention:

American Airlines
Official Carrier

AT&T Communications
Official Long Distance
Official Message Center

AT&T Information System
Official Telephone System

Blythe-Nelson
Official Information Systems Consultant

Compucorp
Official Word/Data Processor

"D" Magazine
Official Convention Guide

Executive Presentation Systems/Dallas
Official Graphics

Growald Architects
Official Architect

Metier Mangement & Systems, Inc.
Official ARTEMIS/Computerized Project
Management System

Purolator Courier Corporation
Official Courier

Rapicom, Inc.
Official Facsimile Vendor

(CONT.)

Dallas, Texas—August 20—23, 1984

RNC Convention Office, 310 First Street, S.E., Washington, D.C. 20003 • (202) 863-8581
Dallas Convention Center Office, 650 South Griffin, Dallas, TX • (214) 220-1984

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1984 Republican National Convention

-2-

Savin Corporation
Official Copier

Southwestern Mobile Systems
Official Cellular Telephone

VMX. Inc.
Official Voice Messaging Services

Other requirments for the Convention in which an official designation would be effective continue to be assessed.

Official designations are approved by the Chairman, Committee on Arrangements and the Convention Manager.

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Dallas, Texas—August 20—23, 1984

RNC Convention Office, 310 First Street, S.E., Washington, D.C. 20003 • (202) 863-8581
Dallas Convention Center Office, 650 South Griffin, Dallas, TX • (214) 220-1984

38040721871

American Airlines

January 26, 1983

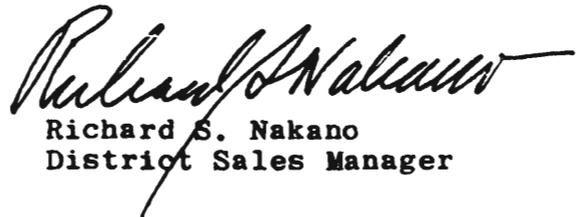
Ms. Peggy M. Venable
Director, Meetings and Convention
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

Dear Peggy:

Pursuant to our discussion -

American Airlines acknowledges that it has received and reviewed a copy of the memorandum dated January 1, 1983 entitled "Guidelines for Proposed Business Discounts in Connection With the 1984 Republican National Convention", and hereby represents that the circumstances of its undertaking under this agreement fall within one or more of the three categories of legally permissible circumstances set forth in such memorandum.

Very truly yours,


Richard S. Nakano
District Sales Manager

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American Airlines

March 24, 1983

Ms. Peggy M. Venable
Director of Convention
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

Dear Peggy:

Mr. Scott D. Gilbert of Covington & Burling asked that I again review and reaffirm that the program of discounts provided by American Airlines specifically conforms to the "Guidelines for Permissible Business Discounts in Connection with the 1984 Republican National Convention."

He also asked that my affirmation be reviewed by legal counsel in order to preclude any technicality which would make our agreement impermissible under the Federal Election Laws.

May I take this opportunity to elaborate that our undertaking qualifies under all three (3) provisos listed under the Guidelines.

- 1) Standard Corporate Practice 2) Common Industry Practice

American Airlines in the course of marketing its services to capture larger shares in the meetings and conventions market, regularly exercises volume discounting to attract and retain clients. (See attached client list)

In a competitive environment, it is a common industry practice by all carriers with a meetings and convention program to routinely offer discounted air fares and specialized reservations program to attract new customers. These programs are generally available to all; political, non-political and commercial entities. The basic qualification for most air carriers is that the meeting/convention site be one that they serve and that the demographics of the membership fit their schedule pattern.

- 3) Commercial Benefits

American Airlines fully expects to generate a commercial return by handling the transportation requirements for attendees of

Ms. Peggy M. Venable
Republican National Committee

the 1984 Convention. The value of these revenues will exceed the discounts provided to the Arrangements Committee. The return on this investment can be verified through American's Meetings and Convention Desk - which will handle the air transportation requirements for all state delegations.

I am confident that under the Guidelines as provided, American Airlines conforms under all three (3) provisos pertaining to permissible business discounts for the Republican National Convention under the Federal Election Laws.

Yours truly,

Richard S. Nakano
Richard S. Nakano
District Sales Manager

Attachment

Reviewed and Approved

Richard J. Fahy, Jr.
Counsel for American Airlines

Date: March 24, 1983

88040721875

**Partial Listing of
Companies Offered
Discounted Air Fares**

Mr. Peter McCloskey/ Mr. Mark Rosenker
Electronic Industries Association
2001 Eye Street, N.W.
Washington, D.C. 20006

Mr. Terry Peters
National Sand and Gravel Association
900 Spring Street
Silver Spring, MD 20910

Mr. Kurt Medart
Packaging Machinery Manufacturers Institute
2000 K Street, N.W.
Washington, D.C. 20006

Mr. Howard Brilley
COMSAT
950 L'enfant Plaza
Washington, D.C. 20024

Mr. Wayne Stetson
National Association of Homebuilders
15th & M Streets, N.W.
Washington, D.C. 20005

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July 25, 1984

Ms. Sally Gardner
AT&T Communications
Suite 2400
717 North Harwood st.
Dallas, Texas 75201

Dear Ms. Gardner:

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as the "official" provider of those goods or services.

We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and AT&T Communications (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Long Distance and the Official Message Center of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official Long Distance and the Official Message Center of the 1984 Republican National Convention" without the Vendor's written consent.

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AT&T
Communications

Sally Gardner
National Coordinator-
Republican National Convention

Suite 2400
717 North Harwood Street
Dallas, Texas 75201
Phone (214) 761-8309

August 17, 1984

Mr. R. Carter Sanders, Jr.
Anderson, Hibey, Nauheim & Blair
1708 New Hampshire Avenue, N. W.
Washington, D. C. 20009

Dear Mr. Sanders:

As requested in your letter of July 25, 1984 attached are two original copies of the Agreement between AT&T Communications, Inc. and the Republican National Committee to be executed by both parties.

If you are in agreement with the provisions contained therein, please execute both copies of the Agreement and return one fully - executed original to me.

If you have any questions regarding the content of this Agreement, please contact me at 220-4636.

Very Truly Yours,

Sally Gardner

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SERVICE AGREEMENT

This Agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principal offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and AT&T Communications, Inc. (hereinafter referred to as the "Vendor"), a Delaware Corporation, having offices at 295 North Maple Avenue, Basking Ridge, New Jersey 07921.

WITNESSETH:

That in consideration of the mutual covenants herein, RNC, the Committee and Vendor do hereby agree as follows:

Article 1 - Scope of Agreement

The services to be rendered by Vendor under the terms of this Agreement are as follows:

1. Vendor will provide a Message Center at the 1984 Republican National Convention from August 12, 1984 to August 23, 1984.

2. The staff provided by Vendor at the Message Center Booth will answer incoming calls, generate messages in printed form, and provide information to and for State delegates on the Convention floor. Actual delivery of the message will be performed by Compucorp, Inc. under separate contract between Vendor and Compucorp.

3. Adjacent to the Message Center, 20 Card Caller coinless public telephones will be installed for attendees to make outgoing calls and return messages.

Article 2 - Term of Agreement

This Agreement shall commence on August 12, 1984, and shall continue in effect through August 23, 1984.

Article 3 - Contract Representatives

Vendor's representative is Sally Gardner, District Sales Manager, or other persons designated in writing by Vendor.

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Article 4 - Charges and Payments

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Long Distance and the Official Message Center of the 1984 Republican National Convention." No other Vendor will be advertised as the "Official Long Distance and the Official Message Center of the 1984 Republican National Convention" without the Vendor's written consent.

The Services enumerated under Article 1 are provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount; i.e. at no charge to RNC or the Committee, such that the Vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

Article 5 - Warranty

Vendor warrants that the Services rendered under this Agreement will be performed in a careful and workmanlike manner. THE FOREGOING WARRANTY IS EXCLUSIVE OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Article 6 - Assignment

Vendor reserves the right to assign this Agreement or to assign or delegate any rights or duties under this Agreement to the American Telephone and Telegraph Company or any associated company. However, neither this Agreement nor any rights or duties hereunder may be assigned or delegated by Vendor, exclusive of the preceding sentence, except as provided in Article 1, paragraph 2, or by RNC or the Committee without the prior written consent of the other party to the terms of the assignment or delegation, such permission not to be unreasonably withheld.

Article 7 - Notice

Any notice required or permitted to be given by RNC or the Committee to the Vendor shall be by certified or registered mail at the address stated below (or such other address as may from time to time be designated in

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writing) and shall be deemed to have been given when deposited in the United States mail with postage prepaid as follows:

AT&T COMMUNICATIONS, INC.
717 North Harwood
Suite 2400
Dallas, Texas 75201
Attention: Sally Gardner

Article 8 - Effect of Cancellation or Termination

The obligations of the parties under this Agreement which by their nature would continue beyond the termination or cancellation of this Agreement shall survive such termination or cancellation.

Article 9 - Severability

In the event that any of the provisions of this Agreement shall for any reason be held to be invalid or unenforceable in any respect under the law of this State or of the United States of America, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the parties shall be construed and enforced accordingly.

Article 10 - Exclusive Remedies, Limitation of Liability, Indemnification

A. The RNC's and the Committee's sole remedies against Vendor for loss or damage caused by any product defect or failure, or arising from the performance or nonperformance of any work under this Agreement regardless of the form of action, whether in contract or tort, including negligence, strict liability or otherwise, shall be (i) the right to terminate and, (ii) the lesser of the amount of actual direct damages which are proven or \$50,000. These remedies shall be exclusive of all other remedies against Vendor or its affiliated companies except for RNC's or the Committee's right to pursue a claim for bodily injury to any person.

B. Notwithstanding any other provisions of this Agreement, neither Vendor nor its affiliated companies shall be liable for any indirect, incidental, special or consequential damages (including lost profits) sustained or incurred in connection with the performance or

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nonperformance of work under this Agreement or the use or operation of the products and services provided hereunder, or for damages due to causes beyond the reasonable control of Vendor or attributable to any service, products or actions of any person other than Vendor, or attributable to any service, products or actions of any person other than Vendor, its employees, subcontractors and agents.

C. In connection with this Contract, the Vendor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the Vendor or any breach of any obligation under this Contract.

D. The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees, and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

E. None of the parties to this Agreement shall be liable in any way for delays, failure in performance, loss or damage due to any force majeure conditions, including: fire, strike, embargo, explosion, power blackout, earthquake, volcanic action, flood, war, water, the elements, labor disputes, civil disturbances, government requirement, civil or military authority, acts of God, public enemy, inability to secure raw material inability to secure fuel, inability to secure products, transportation facilities, acts or omissions of carriers, or other causes beyond its reasonable control, whether or not similar to the foregoing.

F. Any legal action arising from or in connection with this Agreement must be brought within two (2) years after the cause of action arises.

Article 12 - Publicity

The Vendor understands that this Agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush "84 Campaign Committee" or any other group or individual, except as provided herein. The advertising shall be restricted to the statement "Official Long Distance and the Official Message Center of the 1984 Republican National Convention."

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Article 13 - Waiver

The failure of Vendor to insist upon strict performance of any covenants, terms, conditions or obligations of this Agreement shall not be construed as a waiver or relinquishment for the future of any such covenants, terms, conditions, or obligations, but the same shall be and remain in full force and effect.

Article 20 - Choice of Law

The construction, interpretation and performance of this Contract shall be governed by the domestic laws of the State of New Jersey.

Article 21 - Captions

The captions in this Agreement are for convenience only and shall not be construed to define or limit any of the terms herein.

Article 22 - Entire Agreement

This Agreement constitutes the entire Agreement between the parties and may not be modified or amended other than by a written agreement executed by both parties. This Agreement supersedes all prior oral or written agreements, representations, negotiations and understandings.

APPROVED AS TO FORM:

1984 REPUBLICAN
NATIONAL CONVENTION

1984 REPUBLICAN
NATIONAL COMMITTEE

By: *R. Carter Sanders, Jr.*
R. CARTER SANDERS, JR.
Counsel

By: *Ernest Angelo, Jr.*
ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

ATTEST:

AT&T COMMUNICATIONS, INC.

Barbara J. Smith
BARBARA J. SMITH
COMMISSION EXPIRES 1-30-88

By: *Sally Gardner*
SALLY GARDNER
District Sales Manager

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1984 Republican National Convention

Frank J. Fahrenkopf, Jr.
Chairman
Republican National Committee

**COMMITTEE ON
ARRANGEMENTS**

July 25, 1984

Ernest Angelo, Jr.
Chairman

Trudy McDonald
Vice-Chairman

George Clark, NY
Treasurer

Mary Silvers, GA
Secretary

Roger Allan Moore
General Counsel

**SUBCOMMITTEE
CHAIRMEN**

Don Adams, IL

Nancy Appgar, OK

Fran Chiles, TX

Jack Courtemanche, CA

Jennifer Dunn, WA

Noël Gross, NJ

Ginny Martinez, LA

Dennis Olson, ID

Sheila Roberge, NH

Peter Secchia, MI

Frank Spooner, LA

Ken Stout, AL

STAFF

Ronald H. Walker
Convention Manager

Douglass Blaser
Deputy Convention Manager

Daniel Denning
Deputy Convention Manager

Peggy Venable
Executive Director

Mr. Alan G. Saffron
President, American Network Services
1875 Trousdale Drive
Burlingame, CA 94010

Dear Mr. Saffron:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that American Network Services has been selected to be the official provider of "Delegate Information Services" for the 1984 Republican National Convention.

This designation is contingent upon a letter of agreement between the Committee on Arrangements and American Network Services. This letter of agreement will be forwarded to you shortly for your appropriate review and signature.

Let me take this opportunity to thank you and your company for extending this valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely,


Ernest Angelo, Jr.
Chairman

Dallas, Texas—August 20—23, 1984

Dallas Convention Center Office, 650 South Griffin, Dallas, TX 75202 • (214) 220-1984

3304072189

88040721887

July 25, 1984

Mr. Alan G. Saffron
President, American Network Services
1375 Trousdale Drive
Burlingame, CA 94010

Dear Mr. Saffron:

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as the "official" provider of those goods or services.

We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and American Network Services (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Delegate Information Services of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official Delegate Information Services of the 1984 Republican National Convention" without the Vendor's written consent.

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AGREEMENT

THIS AGREEMENT ("Agreement") entered into this ___ day of August, 1984, by and between the COMMITTEE ON ARRANGEMENTS FOR THE 1984 REPUBLICAN NATIONAL CONVENTION, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and AMERICAN NETWORK SERVICES, INC. (hereinafter referred to as "ANS"),

W I T N E S S E T H:

Whereas Committee desires to establish an information booth at the Convention Center in order to facilitate communication from and to the Convention Center and the various hotel locations where the convention delegates are scheduled to stay during the 1984 Republican National Convention commencing on August 19, 1984 and ending on August 25, 1984 (the "Convention");

Whereas ANS has developed an information booth for purposes of collecting and transmitting data to and from a personal computer communications network; and

Whereas ANS desires to be designated as the "Official Provider of Delegate Information Services for the 1984 Republican National Convention":

Now, Therefore, in consideration of the promises and of the mutual agreements, provisions and covenants herein contained, the parties hereto agree as follows:

1. Obligation of ANS. ANS hereby agrees to the following:

a. ANS will provide an information booth ("Booth") in the Republican National Convention Center at such location and according to such specifications as Committee shall deem appropriate, along with the computers, printers, data communication equipment and software necessary to provide instantaneous data transfer and electronic mail to and from the Convention Center and the hotel locations where the delegates to the Convention are scheduled to stay.

b. ANS will provide such personnel to operate Booth, at such times, in such numbers and in such manner as ANS shall deem appropriate.

63040721891

APPROVED
COST CENTER 3565-605
ACCOUNTING
\$ 000.00

3565-605
✓ 100000
JAC 80

c. ANS will not advertise, or otherwise indicate, that it has received any endorsement from the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as "RNC"), Committee, the White House, the Reagan-Bush '84 Campaign Committee, or any other group or individual; provided, however, that ANS may include statements in its advertisements, announcements and public relations notices, that it was the "Official Provider of Delegate Information Services for the 1984 Republican National Convention."

2. Obligations of Committee. Committee hereby agrees to the following:

a. Prior to the commencement of the Convention, Committee will pay \$10,000 to ANS.

b. Committee will designate ANS as the "Official Provider of Delegate Information Services for the 1984 Republican National Convention." Committee will not designate any other vendor as the official provider of "Delegate Information Services" for the 1984 Republican National Convention without the written consent of ANS.

c. Committee shall ensure that neither it, its employees nor its agents, will directly or indirectly, use or disclose to any person, firm or corporation, any trade secrets, confidential information or confidential technical data or know-how relating to the Booth without the prior written consent of ANS.

3. Discounts. The \$10,000 payment provided for in paragraph 2a above includes a 50% discount from the usual and customary amount ANS would charge for Booth. ANS hereby warrants that the 50% discount is equal to the discounts that are of common practice in the industry in which ANS is involved, and ANS would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though ANS in the past has not routinely made such discounts or reductions available to non-political, commercial entities.

4. General Provisions.

a. ANS shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of ANS.

38040741892

b. The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

c. This Agreement and the rights and obligations of the parties hereunder shall be construed under and are subject to the laws of the State of California.

d. This Agreement contains the sole and entire Agreement between ANS and Committee with respect to Information Booth. This Agreement sets forth all rights, duties and obligations of each of ANS and Committee to the other parties hereto in connection with such donation. Any prior agreements, promises, negotiations or representations with respect to the donation not expressly set forth in this Agreement are of no force or effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL
CONVENTION

1984 REPUBLICAN NATIONAL
COMMITTEE

BY:

R. Carter Sanders, Jr.
R. CARTER SANDERS, JR.
Counsel

BY:

Ernest Angelo, Jr.
ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

AMERICAN NETWORK SERVICES, INC.

BY:

Alan Saffron
ALAN SAFFRON
President

13740721895

83040721894

AMERICAN NETWORK SERVICES, INC.

8/20/84

AMERICAN NETWORK

COMMUNICATION NETWORK

3565.605

\$10,000.00

8/20



Committee on Arrangements for the
1984 Republican National Convention

310 First Street Southeast, Washington, D.C. 20003

CHECK NO. 002183

58-40E
56C

BANK OF VIRGINIA
MCLEAN VIRGINIA 22102

TEN THOUSAND DOLLARS AND 0/100

DATE	CHECK NUMBER
8/20/84	2183

PAID TO
THE
ORDER OF

AMERICAN NETWORK SERVICES, INC
1875 TROUSDALE DRIVE
BURLINGAME, CA 94010

AMOUNT
\$ 10,000.00

NON-NEGOTIABLE

AUTHORIZED SIGNATURE

38040724893

33340741896

83040721898

Baldwin Piano & Organ Company 922 Seventh Avenue at 58th Street, New York, N.Y. 10019 Telephone (212) 245-6700

15 February 1984

Mr. Dan Denning
Deputy Convention Manager
Republican National Convention
320 - 1st Street SE
Washington, D.C. 20003

Dear Mr. Denning:

I am eager to discuss with you the possibility of [REDACTED]
[REDACTED] of the Republican
Convention in Dallas.

It occurs to me that you will have some instrument re-
quirements during the course of the convention and we
would be interested in making our instruments available
for these events at no expense to the Convention Committee.

I would appreciate hearing from you on this matter. In
the meanwhile, best wishes in your efforts to achieve suc-
cess in Dallas.

Cordially,

Jack Romann, Manager
Concert & Artist Department

JR:ea

Dick Harrison
President COB
Baldwin Piano & Organ Co.
1801 Gilbert Ave.
Cincinnati, Ohio 4520

Chris Climer + Margann
(6) 353-9295
- Baldwin Family Music Center
396 Inwood Village

Dallas, TX 75209

David Scripture - Manager of Ft. Worth store
277-4987

Baldwin

83040721899

83040721900



1984 Republican National Convention

Frank J. Fahrenkopf, Jr.
Chairman
Republican National Committee

June 25, 1984

COMMITTEE ON ARRANGEMENTS

Ernest Angelo, Jr.
Chairman

Trudy McDonald
Vice-Chairman

George Clark, NY
Treasurer

Mary Stivers, GA
Secretary

Roger Allan Moore
General Counsel

SUBCOMMITTEE CHAIRMEN

Don Adams, IL

Nancy Apgar, OK

Fran Chiles, TX

Jack Courtemanche, CA

Jennifer Dunn, WA

Noël Gross, NJ

Bill Harris, AL

Ginny Martinez, LA

Dennis Olson, ID

Sheila Roberge, NH

Ken Stout, AL

Peter Secchia, MI

STAFF

Ronald H. Walker
Convention Manager

Douglass Blaser
Deputy Convention Manager

Daniel Denning
Deputy Convention Manager

Peggy Venable
Executive Director

Mr. Dick Harrison
Chairman of the Board
Baldwin Piano and
Organ Company
1801 Gilbert Avenue
Cincinnati, Ohio 45202

Dear Mr. Harrison:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that Baldwin Piano and Organ Company has been selected to be the "Official Piano" for the 1984 Republican National Convention.

This designation is contingent upon a letter of agreement between the Committee on Arrangements and Baldwin Piano and Organ Company. This letter of agreement will be forwarded to you shortly for your appropriate review and signature.

Let me take this opportunity to thank you and your company for extending this valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely,

Ernest Angelo, Jr.
Chairman

Dallas, Texas—August 20—23, 1984

1901219074083

88040721902

July 25, 1984.

3

Mr. Dick Harrison
Baldwin Piano and Organ Company
1301 Gilbert Avenue
Cincinnati, OH 45202

Dear Mr. Harrison:

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as the "official" provider of those goods or services.

We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and Baldwin Piano and Organ Company (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Piano Company of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official Piano Company of the 1984 Republican National Convention" without the Vendor's written consent.

The following signature style shall be used:

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL CONVENTION

1984 REPUBLICAN NATIONAL COMMITTEE

By: _____
R. CARTER SANDERS, JR.
Counsel

By: _____
ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

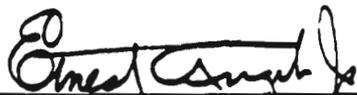
ATTEST: _____

BALDWIN PIANO & ORGAN COMPANY
By: _____

If you have questions regarding the details discussed herein, please contact R. Carter Sanders, Jr., Anderson, Hibey, Nauheim & Blair, 1708 New Hampshire Avenue, N.W., Washington, D.C. 20009 (202) 433-1900.

Upon completion, please forward the written agreement to R. Carter Sanders, Jr. at the above address.

Very truly yours,



Ernest Angelo, Jr.
Chairman
Committee on Arrangements

380407
1904

83040721905

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D. C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and Baldwin Piano & Organ Company (hereinafter referred to as the "Vendor").

The Vendor agrees to provide the following products for use during the Convention and the listed services associated with the said products:

- 83040721000
- A. One (1) Baldwin 5 foot 8 inch grand piano, Model "R" in ebony finish, delivered to the "Bandstand" area on August 16, 1984, between 8:00 and 9:00 a.m. Said product will be delivered, set up, tuned, and picked up after the "Committee's" use "free of charge."
 - B. One (1) Baldwin 5 foot 2 inch grand piano, Model "M", in ebony finish delivered to the "Podium" area on August 23, 1984. Said product will be delivered, set up, tuned, and picked up after the "Committee's" use "free of charge."
 - C. One (1) Baldwin 5 foot 8 inch grand piano, Model "R", in walnut finish, delivered to The First Ladies' Reception, East Ballroom, on August 23, 1984. Said product will be delivered, set up, tuned, and picked up after the "Committee's" use "free of charge."

The above products and services are provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, such that the Vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Piano Company of the 1984 Republican National Convention." No other Vendor will be advertised as the "Official Piano Company of the 1984 Republican National Convention" without the Vendor's written consent.

The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising should be restricted to the statement "Official Piano Company of the 1984 Republican National Convention."

33040721907

BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

December 6, 1983

Mr. Ron Walker
Korn/Ferry International
1825 K Street, N.W. Suite 301
Washington, D.C. 20006

Dear Ron:

Blythe-Nelson appreciates your continued confidence and the opportunity to assist the party in determining its alternatives for communications services for the convention next year in Dallas.

We are continuing to pursue every avenue available to the party to assure operationally sound, cost effective communications service for the convention. There is no doubt that the divestiture of the Bell System has created a more complex environment than some had originally anticipated.

Although we appreciate our present *billable relationship with the Arrangements Committee of the RNC, we propose a mutually beneficial relationship with a modified compensation structure.

Blythe-Nelson will continue to bill the RNC (as defined *below) until a communications system supplier is selected by the RNC for the convention. At that time, we will provide consulting to coordinate the telecommunications and other information systems activities of the convention that would otherwise have been provided by ICOR as the "Technologist". This consulting would be provided by Blythe-Nelson at no cost to the RNC through July 31, 1984.

As the convention assistance increase return to one hour the period of August

I think this needs to be discussed (Hatfield, Penning, Blaser - whoever) - I'm wondering if their assistance will increase & if we should pay them -

professional rate would spent during

(continued)

* Blythe-Nelson is to the RNC on the two hours spent.

ng services d for every

? *ef* 6/12/84

33040721908

Korn/Ferry International
Page 2
December 6, 1983

In return for this provision of consulting services to the RNC, Blythe-Nelson would be officially designated as "The Information Systems Consultant of the 1984 Republican National Convention".

Your acceptance of this arrangement will be appreciated. We are looking forward to a continued working relationship with you and the Party.

Very truly yours,



James L. Blythe

cc: Dan Denning
Rick Shelby

88040721909

38040721910

10/21/84 - Jim



1984 Republican National Convention

Ronald H. Walker
Convention Manager

Douglass C. Blaser
Deputy

Daniel B. Denning
Deputy

January 24, 1984

Mr. James L. Blythe
Blythe-Nelson
8700 N. Stemmons Freeway
Suite 301
Dallas, Texas 75247

33040721911

Dear Jim:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that Blythe-Nelson has been selected to be the official Information Systems Consultant for the 1984 Republican National Convention.

It is our understanding that in consideration of this official designation, Blythe-Nelson will provide its services at the favorable billing rates outlined in your letter to me of December 6, 1983, which we hereby accept.

Let me take this opportunity to thank you, Mart and your colleagues at Blythe-Nelson for your valuable assistance to us to date, and we look forward to your continued help in achieving the best possible communications systems for the Convention.

Very truly yours,

Ronald H. Walker
Convention Manager

RHW/mfg

Dallas, Texas—August 20—23, 1984

33040721912

July 25, 1984

Mr. James L. Blythe
Blythe-Nelson
8700 N. Stemmons Freeway
Suite 301
Dallas, TX 75247

Dear Jim:

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as the "official" provider of those goods or services.

We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and Blythe-Nelson (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Information Systems Consultant of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official Information Systems Consultant of the 1984 Republican National Convention" without the Vendor's written consent.

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The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising shall be restricted to the statement "Official Information Systems Consultant of the 1984 Republican National Convention".

In order to comply with the Federal Election Laws, the discount you are offering must be within the purview of one of the following general representations. Any discount offered must be either:

(1) equal to the standard discount rate normally provided by the Vendor to non-political commercial entities in the ordinary course of the Vendor's business, or;

(2) equal to the discounts that are of common practice in the industry in which the Vendor is involved, and the Vendor would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though the Vendor in the past has not routinely made such discounts or reductions available to non-political, commercial entities, or;

(3) provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, such that the Vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

Please select the provision under which your discount is offered and insert your affirmative representation at an appropriate place in the contract.

In the General Provision portions of the contract, please include the following:

In connection with this Contract, the Vendor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the Vendor or any breach of any obligation under this Contract.

The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

88040721914

The following signature style shall be used:

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL CONVENTION

1984 REPUBLICAN NATIONAL COMMITTEE

By: _____
R. CARTER SANDERS, JR.
Counsel

By: _____
ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

ATTEST:

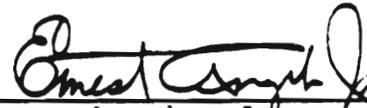
721915

BLYTHE-NELSON
By: _____

If you have questions regarding the details discussed herein, please contact R. Carter Sanders, Jr., Anderson, Hibey, Nauheim & Blair, 1733 New Hampshire Avenue, N.W., Washington, D.C. 20009 (202) 483-1900.

Upon completion, please forward the written agreement to R. Carter Sanders, Jr. at the above address.

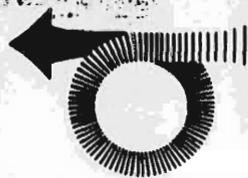
Very truly yours,



Ernest Angelo, Jr.
Chairman
Committee on Arrangements

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BLYTHE-NELSON REPORT

A publication of Blythe-Nelson • Information Systems Consulting • Dallas, Texas

PERSPECTIVE

The Breakup of the Bell System, Was It Necessary?

by Mart D. Nelson

The net effect of the divestiture of the Bell System is to break up the best run communications network in the world and place it in an environment where it cannot effectively function.

Original Intent: Affordable Universal Service

The Justice Department settlement with AT&T resulting in the breakup of the Bell System into several separate companies ended a fifty-year-long monopoly originally established by the congress to "provide universal telephone service at a reasonable cost."

The philosophy behind the original legislation (the Communications Act of 1934) was to exempt the Bell System from anti-trust regulations as a way to provide for a uniform and consistent public communications network. This allowed all telecommunications users in the United States reasonably equal access to telephone service at prices that were affordable to all.

The concept of "universal service" has indeed been ac-

complished by the Bell System in cooperation with approximately 2000 independent telephone companies in the United States. The public communications network in the United States today is a standard by which the rest of the world measures the quality of telephone service. It is provided at a reasonable cost in an environment where the primary objective is service, rather than high profit.

The System Now

As a result of the Justice Department settlement, the effect of the Communications Act of 1934 is nullified. The Bell System has become a number of separate companies, including seven regional holding companies which among them now own the existing 22 Bell operating companies, and AT&T company with its several holding companies. AT&T company now has as its subsidiaries:

(1) **AT&T Technologies**, including **AT&T Information Systems**, which manufactures and sells telephone equipment, switching systems, computers, and office automation equipment;

(2) **AT&T communications**, which provides long distance services; and

(3) **Bell Telephone Laboratories**, which is a research organization; plus a number of other smaller subsidiaries.

Continued on page 6

Republican National Committee Taps Blythe-Nelson

Blythe-Nelson has been designated the official Information Systems Consultant for the 1984 Republican National Convention in Dallas, an important role for the growing Dallas based consulting firm.

Since the summer of 1983, Blythe-Nelson has assisted the Republican National Committee with the selection and evaluation of a communications system for the 1984 convention. The result is that AT&T's System 85 has been selected the communications system for the convention.

Other systems and services being utilized or under consideration are:

- Computerized color graphics presentations systems;
- Voice messaging services;
- Cellular mobile phone services; and
- An automated message center.



State Of The Art Tools

Through the use of sophisticated computers and communications technology, the committee will realize greater flexibility planning for the convention.

With these tools, convention coordinators and convention attendees will experience a more enhanced, more sophisticated convention than ever before. ■



Southwestern Bell
Telephone



AT&T
Information Systems

"High Tech" Convention A Success

by James L. Blythe

In the initial issue of the Blythe-Nelson Report, we wrote of our designation as the official Information Systems Consultant for the 1984 Republican National Convention held in Dallas this past August. Now that the dust has settled, we can proclaim the 1984 Republican National Convention a "High Tech" success.

Most certainly, history will record a popular President and Vice President as being re-nominated by their party. What history may not record is that this convention was the most technologically advanced political convention ever. Even more unique was the transparency of this technology.

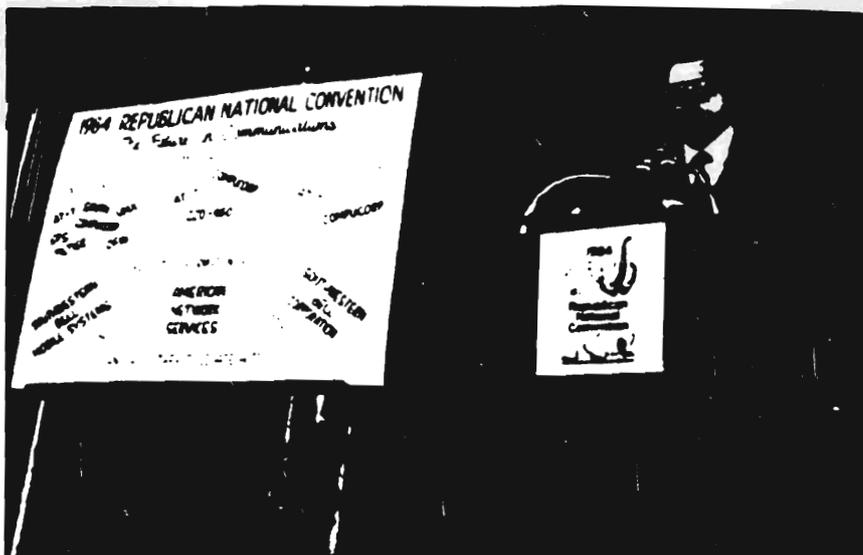
Function Not Flash

In planning for over a year and a half prior to the convention, we recommended to our client, The Republican National Committee, that high technology products and services be integrated into the very infrastructure of both the planning processes and functional physical processes of the convention. In this way the technology would be functional, not flashy.

Beginning in February 1984, convention planners living and working in Dallas utilized various technologies in planning the convention (many for the first time in a political convention).

Some of these firsts include:

- An automated message center was provided through the cooperative efforts of **AT&T Communications**, a regulated subsidiary of AT&T, and **Compucorp**, a California based computer company. The heart of the system was an electronic mail network on the convention floor where delegates received messages electronically while the con-



Mart D. Nelson explains technology used during the convention.

vention was in progress.

- Cellular mobile phone service used during July and August by approximately 50 convention planners. **Southwestern Bell Mobile Systems**, a de-regulated subsidiary of Southwestern Bell Corporation, provided this state-of-the-art service.
- Voice messaging (electronic "voice" mail) from **VMX, Inc.** of Dallas for communicating messages in a fast-paced, hectic environment.

Other services provided were:

- Computerized (high resolution) graphics from **Executive Presentation Systems** of Dallas for producing transparencies, door signs, directional signs, etc.
- Automated delegate information services were provided by a California based firm, **American Network Services (ANS)**, a provider of high speed data communications networks. ANS provided each delegation (at their hotel) a CRT based workstation for document creation and editing, as well as for electronic distribution of information to the other delegations.

Other providers of quality services were:

- **AT&T Information Systems**

for Digital PBX services

- **Savin Corporation** for copiers
- **Rapicom** for facsimile equipment
- **Southwestern Bell Telephone Co.** for local access to the public network.

Whether or not history actually records, or even acknowledges, the successful use of these products and services in a complex, highly volatile environment, such as a national political convention, is of little or no concern.

"High Tech" Success

What we at Blythe-Nelson are proud of is our "success" in accelerating the Republican Party into the world of "High Tech." ■



James L. Blythe at RNC Press Conference.

83040721919

Compucorp

August 18, 1982

Mr. Scott Gilbert
c/o Covington and Burling
1201 Pennsylvania Avenue NW
Box 7566
Washington, D.C. 20044

Dear Scott:

Since our phone conversation, I have been checking up on Compucorp's history of providing free equipment in return for publicity and related considerations. I haven't been able to get a complete list of such agreements, because some of the people involved are in Europe working on a similar deal with Voice of America. We have also provided computers for the following:

- 1) '72 Olympics
- 2) Twentieth Century Fox Studios
- 3) Paramount Pictures
- 4) West German Ministry of Finance
- 5) Federation Aeronautical Internationale
- 6) various U.S. Senators and Congressmen (from both parties)
- 7) '82 World's Fair (Knoxville, Tennessee)
- 8) Library of Congress

The proposed agreement between Compucorp and the Republican National Committee is basically the result of my friendship with Morgan Mason, Special Assistant to the President for Political Affairs, who has been appointed (along with Ed Rollins) to oversee the White House's involvement with the '84 Convention. Although I have no plans for a similar arrangement with the Democratic Committee, my company would certainly consider such a deal if it was proposed to them.

As far as other computer manufacturers providing free equipment to various entities, it is a fairly widespread practice that can easily be verified.

I hope I have given you sufficient information to allow us to proceed to the next step. If not, please let me know what else I need to do.

Sincerely,



Lance Rentzel

38040721921

38040721923

RENTAL AGREEMENT

AGREEMENT made this 11th day of June, 1983, in Washington, D.C., by and between COMPUCORP, a corporation with offices at 12233 West Olympic Boulevard, Suite 258, Los Angeles, California, (hereinafter referred to as "Lessor") and the COMMITTEE ON ARRANGEMENTS FOR THE 1984 REPUBLICAN NATIONAL CONVENTION (hereinafter referred to as "Lessee"), a committee of the Republican National Committee (hereinafter referred to as the "RNC"), with offices at 310 First Street, S.E., Washington, D.C.

W I T N E S S E T H:

WHEREAS Lessee, as the duly constituted committee of the RNC charged with arranging for and conducting the 1984 Republican National Convention, desires to rent word processing facilities to assist it in carrying out its functions; and

WHEREAS Lessor is engaged in the business of selling and leasing word processing equipment and software and desires to secure the promotional benefits that would accrue to its business as a result of its designation as the official supplier of word processing equipment for the 1984 Republican National Convention;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

83040741924

1. Equipment

A. Hardware. Subject to the terms and conditions hereof, Lessor agrees to lease to Lessee and Lessee agrees to hire from Lessor no fewer than eleven (11) and no more than thirty (30) word processing systems plus adequate back-up systems (hereinafter sometimes referred to as the "equipment") at the monthly rental charge set forth in Section 2 hereinbelow and for the additional consideration set forth in Section 3 hereinbelow. Each such system shall include one Model 685 keyboard, one Model 685 display screen and one Model 685 printer; provided that Lessor shall, upon Lessee's request, replace all such Model 685 systems with newer state-of-the-art model systems, as such successor series systems become available.

This Agreement shall govern the six (6) Model 685 systems currently installed by Lessor at locations designated by Lessee. Hereafter, additional systems shall be installed by Lessor at such locations and times as shall be designated by Lessee, provided, however, that Lessee shall designate at least five (5) additional systems for installation prior to August 1, 1984, and may not designate any additional systems for installation after August 25, 1984.

B. Software. Lessor agrees to provide Lessee with appropriate software programs so as to enable Lessee to utilize the equipment in an optimal manner in connection with its preparations for and conduct of the 1984 Republican National Convention.

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2. Monthly Rental Charge

The monthly rental charge for each word processing system and the accompanying software shall be one hundred dollars (\$100), and shall commence on the day following the day on which the Lessor certifies to the Lessee that such system is installed and ready for use. The monthly rental charge for any period of less than one full calendar month shall be computed at the rate of one-thirtieth (1/30) of the monthly rental charge for each day of such period. All monthly rental charges shall be paid by Lessee to Lessor within 15 days following the last day of each calendar month.

The monthly rental charge for each word processing system is based upon unlimited time usage by Lessee. The use of such equipment is restricted solely and exclusively to Lessee and its employees, agents and affiliates. If any such employee, agent or affiliate shall use the equipment, then such employee, agent or affiliate shall use the equipment on the same terms and conditions as Lessee.

3. Additional Consideration

In consideration of the lease of the equipment and software as described above:

A. Lessee shall designate Lessor as the official word/data processor for the 1984 Republican National Convention. Such endorsement shall be exclusive as to Lessor, and Lessee shall refrain from making, and shall take reasonable steps to prevent the making of, similar endorsements with

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respect to other individuals, firms, corporations or organizations. Lessor may, at its expense, make unlimited use of such endorsement in various promotional activities and literature, provided, however, that each such usage must be specifically approved in writing by Lessee prior to use;

B. Lessee shall permit Lessor to maintain and operate a booth within the confines of the 1984 Republican National Convention for the duration of such Convention, for the purpose of demonstrating and promoting Lessor's products. Lessee shall, at its expense, make available to Lessor suitable space within, and Lessee shall grant to Lessor and its designated employees reasonable access to, the confines of the Convention for the purpose of maintaining and operating such booth; provided, however, that the manner of operation and maintenance of such booth must first be specifically approved in writing by Lessee; and

C. Lessee shall, at no expense to Lessor, provide a statement in the official program for the 1984 Republican National Convention that Lessor is the official word/data processor for such Convention.

4. Installation And Site Preparation

Lessee shall, at its expense and prior to delivery of the equipment, prepare the site(s) for installation of such equipment in accordance with specifications that Lessor will furnish to Lessee in a timely manner. Lessee shall provide at such site(s) adequate and suitable working facilities and space for maintenance personnel.

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Lessor shall, at its expense, install the equipment ready for use at such site(s) and shall certify readiness to Lessee. The equipment shall not be moved or transferred to a new location or locations without prior written permission from Lessor.

5. Transportation

All transportation, rigging, and drayage charges in transporting the equipment shall be paid by Lessor. When an item of equipment is installed as a mechanical replacement for an item leased hereunder, Lessor shall pay all transportation expenses with respect to the installation of the item being installed as a mechanical replacement and with respect to the removal of the item being replaced. Necessary packing cases for the return of the equipment and a representative to supervise the packing will be furnished by Lessor without charge. The cost of labor for crating and uncrating machines, if any, shall be at Lessor's expense.

6. Maintenance And Instruction

Lessor shall, at its expense, keep all equipment in satisfactory working order and repair, except that, if replacement or service charges are necessitated by Lessee's improper use of the equipment or negligence in its use, Lessee shall bear the expense of such replacements or repairs.

Lessor shall furnish, without expense to Lessee, Lessor's qualified service engineers, who will superintend the installation and train Lessee's employees in the care, operation, and adjustment of the equipment.

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9. Limitation of Liability

The RNC and members, officers, employees and agents of the RNC and Lessee shall not be personally liable for any debt, liability or obligation of Lessee. All persons, corporations or other entities extending credit to, contracting with, or having any claim against, Lessee, may look only to the funds and property of Lessee for payment of any such contract or claim or for the payment of any debt, damages, judgment or decree or any money that may otherwise become due or payable to them from Lessee.

10. Warranty

Lessor warrants that each item of equipment leased hereunder will be in good working order on the effective date for such item. Lessor shall, in accordance with the terms of this Agreement, cause to be made all necessary adjustments, repairs, and replacements necessary to maintain the equipment in good working order. All equipment is supplied and maintained subject to this warranty. This warranty is in lieu of all other warranties, express or implied, and is further in lieu of any obligation or liability of Lessor to pay damages, including consequential damages, arising out of or in connection with use of the equipment.

11. Contract Administration

For purposes of administering this Agreement, Lessor shall be represented by Mr. Lance Rentzel and Lessee shall be represented by Ms. Peggy Venable.

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Compucorp

May 18, 1983

Ms. Peggy M. Venable
Director, Meetings and Convention
Republican National Convention
318 First Street, S. E.
Washington, D. C. 20003

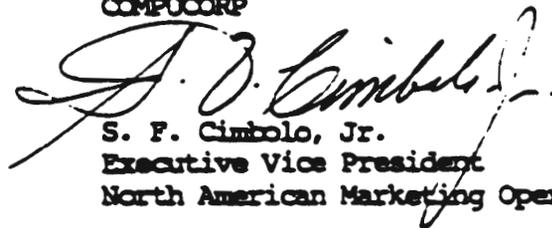
Dear Ms. Venable:

We are enclosing a copy of a memorandum prepared by Compucorp's legal counsel relating to the proposed transaction between Compucorp and the Committee on Arrangements for the 1984 Republican National Convention. We have also received and reviewed a copy of the memorandum dated January 1, 1983, entitled "Guidelines for Proposed Business Discounts in Connection With the 1984 Republican National Convention."

On the basis of the facts set forth in the enclosed memorandum and such other factual investigation as we have deemed necessary under the circumstances, Compucorp hereby represents that the circumstances relating to the proposed transaction fall within one or more of the three categories of legally permissible circumstances set forth in the "Guidelines" memorandum.

Very truly yours,

COMPUCORP


S. F. Cimbolo, Jr.
Executive Vice President
North American Marketing Operations

/md

Enclosure

cc: ✓ Scott Gilbert, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N. W.
P. O. Box 7566
Washington, D. C. 20044

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LAW OFFICES
IRELL & MANELLA

A Partnership Including Professional Corporations

MEMORANDUM

FILE

Compucorp - Republican National
Convention

Date: April 21, 1983

To: Compucorp

From: Thomas W.
Johnson, Jr.

We have been asked to assist Compucorp, a California corporation ("Compucorp"), to document that its proposal to provide word processing systems to the Arrangements Committee for use in connection with the Republican National Convention contemplates a transaction in the ordinary course of Compucorp's business.

FACTS

Compucorp has proposed to furnish no fewer than eleven (11) and no more than thirty (30) word processing systems to the Committee On Arrangements For The 1984 Republic National Convention (the "Arrangements Committee") for use in connection with the Republican National Convention. The Arrangements Committee will pay Compucorp the sum of \$100 per month for the use of each such system. We are informed that six Model 685 word processing systems have already been installed at Republican National Committee Headquarters. A number of additional systems will be provided to the Arrangements Committee over the next seventeen months. After the Convention, the systems will be returned to Compucorp unless a mutually agreeable rental arrangement or a purchase of the systems can be negotiated between Compucorp, on the one hand, and the Arrangements Committee or the Republican National Committee, on the other hand.

We are informed that the \$100 per month rental fee should be adequate to cover all expenses incurred by Compucorp in installing and servicing the word processing systems and training the personnel who will use them. The systems are not subject to material deterioration or wear and tear over the relatively brief period they will be used. Although technical obsolescence has occurred with earlier generations of word processing systems, Compucorp does not anticipate that the market value of its current products will diminish appreciably over the next seventeen months. Consequently, the only cost to Compucorp should be the loss of use of the word processing systems which are provided to the Arrangements Committee.

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Memo to Scott Gilbert
April 21, 1983
Page Two

We are informed that the proposed arrangement may involve a variety of word processing systems. Compucorp does have a rental program available for major national accounts, including several federal, state and local governmental agencies. Compucorp's standard rental rates to such end-users for a single, stand-alone word processor range from \$192 to \$708, depending upon the particular model which is involved. Since the precise model mix for the word processing systems to be supplied to the Arrangements Committee has not been finalized, it is not possible at this time to determine precisely the amount of the discount or reduction which is involved in the proposal. However, it would appear that the aggregate discount or reduction will be substantially below \$75,000.

We are also informed that Compucorp is offering these systems to the Arrangements Committee at a discount for three separate reasons:

1. The volume of the systems to be rented to the Arrangements Committee would in and of itself justify a discount as compared to the rental of a single system. A rental transaction has certain fixed costs which do not increase in direct proportion to the number of systems to be rented. Moreover, it is anticipated that Compucorp will provide the Arrangements Committee with its Network System which consists of one or more work stations which share certain resources and are able to communicate directly with one another. The individual work stations in Network System are less expensive than stand-alone word processors. Compucorp has entered into a number of GSA contracts which prohibit it from providing a discount to other entities (under similar terms and conditions) unless the transaction involves more than ten systems; the proposed transaction with the Arrangements Committee involves a volume which avoids a GSA problem.

2. The publicity and public relations which Compucorp will receive from this transaction, and which should generate additional sales and rentals of its products, would justify a discount to the Arrangements Committee. Compucorp will be allowed the use of a booth (at a cost) during the Convention to promote and demonstrate its products. Its name will be included in a publication to be distributed at the Convention.

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Memo to Scott Gilbert
April 21, 1983
Page Three

Compucorp will be able to refer to the fact in its own advertising that it provided word processing to the Convention. Its products will be used and _____ on display to the delegates, the news media, and other significant potential contracts. Compucorp has agreed on a number of occasions to allow business entities to use its word processing systems when it is apparent that the attendant exposure of its products is significant. Five of these transactions are discussed in detail in the next section of this memorandum.

3. In an independent transaction, Compucorp has recently entered into an agreement to sell several word processors to the Republican National Committee ("RNC"). Although Compucorp's willingness to rent word processing systems to the Arrangements Committee was never formally tied to the purchase of systems by the RNC, Compucorp believes that the rental arrangement may have been a positive factor in its selection by the RNC, particularly since six of its rental systems were utilized and thus on display in the RNC's headquarters in Washington, D.C. for several weeks during the selection process. The gross profit to Compucorp from this one transaction will more than offset the discount in the rental proposal to the Arrangements Committee. Compucorp anticipates that the use of its word processors by the Arrangements Committee and its personnel might enhance the likelihood that it would be selected to provide additional systems to the RNC.

PRIOR PROMOTIONAL TRANSACTIONS

We have collected information and documentation pertaining to several transactions which have been entered into by Compucorp which, though smaller in scale, appear analogous to the rental proposal extended to the Arrangements Committee. It does appear to be a standard policy, if not a "standard practice", over the past two years to provide word processing systems to non-political organizations in consideration of advertising or the anticipated exposure of these systems to potential customers.

1. Gordon Publications, Inc.

On March 13, 1981, Compucorp agreed to provide Gordon Productions, Inc. with a Model 675-2 word processing system

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Memo to Scott Gilbert
April 21, 1983
Page Four

in consideration for advertising to appear in two trade publications: Computer Dealer and Computer Products. The value of the word processing system was fixed at \$14,448. Gordon Publications, Inc. was allowed the rent-free use of the system until Compucorp had used \$14,448 worth of advertising in these two publications at which time title to the system was transferred by Compucorp to Gordon Publications, Inc. All advertising used by Compucorp prior to its transfer of title of the system to Gordon Publications, Inc. was considered as a "rental charge" for the system. No monetary amount was received by Compucorp for the rental of this system. A copy of the letter agreement dated March 13, 1981, between Compucorp and Gordon Publications, Inc. is attached hereto as Exhibit "A" hereof.

2. Hill/Mandelker Films

On June 15, 1982, Compucorp agreed to provide three Model 675 word processing systems to Hill/Mandelker Films for a one-year period. The only consideration which Compucorp received from this transaction was product promotion, including a testimonial describing the benefits of the systems to other film makers and a best efforts commitment for a screen credit and a display of the systems in a television broadcast. A fourth system has since been made available to this same entity in consideration of this same product promotion. A copy of the Agreement dated June 15, 1982, between Compucorp and Hill/Mandelker Films is attached hereto as Exhibit "B" hereof. A copy of Compucorp's Invoice No. 06-422 dated June 21, 1982, reflecting the shipment of these word processing systems on "LOAN" to Hill/Mandelker Films is attached hereto as Exhibit "C" hereof. A copy of Compucorp's Sales Order No. D-15267, dated August 10, 1982, reflecting the shipment of the fourth system to Hill/Mandelker Films is attached hereto as Exhibit "D" hereof. A copy of an advertisement which appeared in The Hollywood Reporter containing an endorsement which resulted from this particular promotion is attached hereto as Exhibit "E" hereof.

3. Modern Office Procedures.

On October 19, 1982, Compucorp shipped a Model 685 word processing system to Modern Office Procedures in exchange for advertising which appeared in DataPro. The value of the

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Memo to Scott Gilbert
April 21, 1983
Page Five

products transferred to Modern Office Procedure in this transaction was fixed at \$24,995. A copy of an internal memorandum dated October 22, 1982, pertaining to this transaction is attached as Exhibit "F" hereof. A copy of Sales Order No. D 12888 dated October 19, 1982, reflecting the shipment of this system and is attached hereto as Exhibit "G" hereof.

4. World Speed Skating Championships.

On February 12th and 13, 1983, Compucorp provided a Model 655 computer to the World Speed Skating Championship in Oslo, Norway. Compucorp did not receive any monetary consideration for the use of this system. In fact, in addition to providing the equipment, Compucorp paid an additional \$10,000 in travel and transportation expenses which were incurred in providing this system for the World Speed Skating Championship. The consideration to Compucorp in this transaction was the widespread exposure which was given to its name and its products. A copy of the internal memoranda pertaining to this event is attached hereto as Exhibit "H" hereof. A copy of the check for \$10,000 to cover the expenses of this promotion is attached hereto as Exhibit "I" hereof.

5. World Soaring Championship.

During January, 1983, Compucorp provided two Model 675 word processing systems to the World Soaring Championship held in Sweden. Compucorp again received promotional consideration for the use of this equipment. David Peltz, the Compucorp representative who negotiated this transaction, is in Europe at the present time; we have not had the opportunity to discuss the transaction with Mr. Peltz in detail or to obtain supporting documentation. We will supplement this document with additional information and documentation on this transaction as it is made available to us.

DEALER TRANSACTIONS.

Compucorp regularly makes word processing systems available to dealers and significant customers as a sales tool. The specific details regarding transactions involving demonstrators vary significantly depending on the nature of

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Memo to Scott Gilbert
April 21, 1983
Page Six

the potential sale and the identity of the dealer or customer which will receive the system.

INDUSTRY PRACTICES.

We are advised, but have no reasonable means to document that Compucorp's policy of allowing the use of its equipment for promotional consideration is a widespread practice in the word processing and data processing industry. For example, we are informed that IBM will provide all of the word processing and data processing services for the 1984 Olympics and that for the right to do so, it will pay the Olympic Organizing Committee approximately \$4,000,000. While Compucorp does not have the resources to finance such a promotion, it recognizes the necessity to promote the sales of its products by exposing them to potential customers as frequently as possible. It is expected that the Republican National Convention will provide an opportunity for such exposure.

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Compucorp

March 13, 1981

*3/19 Request to Dave for SOR -
need to send HCC, to
cust.*

Mr. Douglas C. Edgell
Associate Publisher
Gordon Publications, Inc.
1101 San Antonio Road
Suite 308
Mountain View, CA 94043

Dear Doug,

The following are the terms that we mutually agreed upon during our meeting last week.

- (1) Compucorp will supply a Compucorp Omega word processing system to Gordon Publications, Inc.
- (2) In return, Gordon Publications, Inc. will supply to Compucorp, advertising space of equal value in both Computer Dealer and Computer Products magazines. The mechanics of the transaction are to be as follows:

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A. WORD PROCESSING SYSTEM DESCRIPTION:

The Omega word processing system that Compucorp will supply to Gordon Publications, Inc. under this agreement consists of the following items, at the indicated values:

I. HARDWARE:

- a. Compucorp 675-2 Information Processor with 20 line Video Display and Video Display Tilt Mechanism..... \$9,265
- b. Compucorp Model 32/40 Printer with cable..... 3,663
- c. Compucorp Model 32/40TF Tractor Feed..... 350
- d. Single Bin Sheet Feeder..... 1,170

Total: \$14,448

II. SUPPORT:

- a. Compucorp Level A Omega Software
- b. Omega User Training Session (at our Los Angeles facility)
- c. Telephone support and assistance

III. MAINTENANCE:

Maintenance on the system will be performed by a qualified field service group which also provides maintenance services for other Compucorp equipment installations in the northern California area. The maintenance agreement for this system configuration, which includes all parts and labor has a present value of \$100 per month, or \$1,200 for a full year. Compucorp will pay the maintenance charges directly to the service organization in return for advertising of equal value.

Under this agreement, maintenance calls are made during the hours of 8:30am to 5:00pm, Monday through Friday.

Maintenance shall be continued after the first year under the same type of arrangement. However, the payment of maintenance charges after the first year shall be at the then current maintenance rates, and at the then cur-

(2)

B. ADVERTISING:

In return for the above equipment, software, training, maintenance and support services, Gordon Publications, Inc. will provide Compucorp with advertising space in the Computer Dealer and Computer Products magazines. The value of this advertising is:

COMPUTER DEALER:

Full Page	\$895
2/3 Page	615
1/2 Page	435
1/3 Page	325
1/4 Page	260
1/6 Page	225

Color, Bleed, Covers/Special Positions, etc. per "Computer Dealer Advertising Rates" dated January 1, 1981.

COMPUTER PRODUCTS:

Full Tabloid Page	\$4235
2/3 Tabloid Page	3450
1/2 Tabloid Page	3135
1/3 Tabloid Page	2195
Full Standard Page	3135
2/3 Standard Page	2135
1/2 Standard Page	1630
1/3 Standard Page	1130
1/4 Standard Page	895
1/6 Standard Page	690

Color, Bleed, Covers/Special Positions, etc. per "Computer Products Advertising Rates" dated January 1, 1981.

C. DESCRIPTION OF THE TRANSACTION:

Compucorp will initially utilize a full page ad in 12 successive issues of Computer Dealer. If these are black and white, the total value of these advertisements will be \$895 x 12 = \$10,740. This will leave a balance of \$4,908 in advertising credit for use in Computer Products, or for use in adding color, or other charges to the advertisements listed above.

\$14,448 (for equipment, etc.)
1,200 (for 12 mo. maintenance)

15,248 (Total system value for 12 months)
-10,740 (value of advertising, 12 full pages in Computer Dealer)

\$4,908 (Balance)

D. FREIGHT CHARGES AND TAXES:

Gordon Publications, Inc. will pay all freight charges and any applicable taxes which may result from its involvement in this agreement.

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E. TERMINATION:

If Gordon Publications, Inc. decides not to continue the use of the Compucorp word processor at any time during this program, it shall so notify Compucorp in writing. The system may then be returned, freight prepaid, to Compucorp.

Should this occur, the value of advertising already used by Compucorp, and any additional advertising scheduled for publication in any issue(s) which close during the month that the written notice was sent will be considered as rental charges paid for the use of the equipment.

F. TITLE TO EQUIPMENT:

Title to the equipment shall remain with Compucorp until such time as \$14,448 worth of advertising has been used by Compucorp.

Prior to shipment, a routine UCC-1 filing will be made.

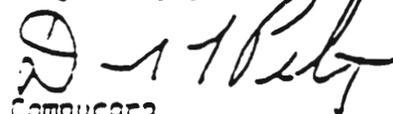
At such time as \$14,448 worth of advertising is used by Compucorp, title to the equipment shall pass to Gordon Publications, Inc.

G. SUPPLIES:

It is assumed that Gordon Publications, Inc. will obtain all expendable supplies locally.

We hope that you find the above satisfactory. Please contact me directly if you have any questions, or if you require any additional information.

Very truly yours,



Compucorp
David L. Peltz

cc: Mr. Kenneth M. Nelson
President,
Gordon Publications, Inc.
20 Community Place
Morristown, NJ 07960

E. Easton
H. Everett
K. Terhorst
J. Ochinero
L. Knudsen

63040721943

Exhibit B

AGREEMENT

HILL/MANDELKER FILMS / LANCE RENTZEL / COMPUCORP

AGREEMENT made this 15th day of JUNE, 1982, by and between Hill/Mandelker Films, a California partnership, having its principal offices at 10201 West Pico Boulevard, Los Angeles, California 90064 and any and all of its subsidiaries and affiliates [hereinafter, "H/MF"]; Lance Rentzel, residing at 22485 Pacific Coast Highway, Malibu, California 90255; and CompuCorp, a California corporation, having its Executive Offices at 2211 Michigan Avenue, Santa Monica, California 90404 [hereinafter, "CompuCorp"].

In consideration of the mutual covenants and agreements herein contained, the parties hereto do agree as follows:

1. COMPUCORP WORD PROCESSING SYSTEMS.

CompuCorp does hereby agree to provide to H/MF three CompuCorp Word Processing Systems, Model 675, with two printers [hereinafter, the "Systems"] according to the following provisions:

(a) Availability of Systems.

The Systems will be delivered and installed by CompuCorp at the principal offices of H/MF located at 10201 West Pico Boulevard, Los Angeles, California 90064. The Systems shall remain at the principal offices of H/MF for a one-year term [hereinafter, the "Term"]. At the end of the Term, the Systems shall either be purchased from CompuCorp by H/MF at a then negotiated price or shall be returned to CompuCorp by H/MF at H/MF's expense.

Notwithstanding the foregoing, H/MF shall have the option at any time to rent, lease, purchase or otherwise acquire from CompuCorp any other word processing systems upon terms mutually agreeable to the parties. ~~AT TERM~~ *all*

(b) Maintenance of Systems.

Maintenance on the Systems shall be provided to H/MF by CompuCorp at CompuCorp's sole expense for the initial one-year Term.

2. PRODUCT PROMOTION.

H/MF agrees to make available the following promotional materials:

(a) Testimonial.

H/MF shall provide a testimonial by Mr. Len Hill describing the benefits to film makers and the entertainment industry in utilizing the Systems during the production of films if in the sole judgment of H/MF the Systems are

found to be satisfactory. This testimonial shall be made available to
 CompuCorp for inclusion in any ~~advertisements or promotional materials~~ ^{publications} ~~or in any publication or advertising media of any kind.~~ Such tes-
 timonial shall clearly identify the CompuCorp Product as the System referred to
 and Len Hill as the author thereof. CompuCorp's use of said testimonial shall
 be limited to the Term of this Agreement. ~~and subject to the written~~
~~approval and consent of H/MF~~

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(b) Screen Credit.

H/MF shall make best efforts to provide screen credit to CompuCorp
 for the Systems in any movie produced or partially produced during the Term of
 this Agreement. Any on screen credit to CompuCorp shall be subject to the
 rules and regulations and policies of the applicable network and the Federal
 Communications Commission and any other state or federal authority having ju-
 risdiction over such matters and, if given, all characteristics of such credit
 shall lie within the sole discretion of H/MF.

(c) System Display.

In each film or series produced or partially produced during the
 Term, H/MF shall make best efforts to include a display of the Systems,
 clearly identified as CompuCorp products. Such screen display shall be subject
 to the rules and regulations and policies of the applicable network and the
 Federal Communications Commission and any other state or federal authority
 having jurisdiction over such matters and, if given, all characteristics of
 such credit shall lie within the sole discretion of H/MF.

3. CREATION OF SOFTWARE.

Lance Rentzel hereby agrees to use his best efforts toward procuring
 the development of an entertainment industry software package which is intended
 to include such items as Entertainment Budgeting, Payroll, and related account-
 ing functions. Lance Rentzel shall work together with Len Hill of H/MF,
 CompuCorp personnel, and/or any other outside vendor chosen for the design and
 creation of such a package. Any such software developed as result of this
 mutual effort shall be the exclusive property of CompuCorp and Lance Rentzel,
 subject only to the right of use which shall be granted to H/MF.

4. CONSULTING SERVICES.

H/MF agrees to supply the consulting services of Len Hill for the de-
 sign of an entertainment industry software package to be developed through the
 efforts of Lance Rentzel, CompuCorp, and/or any other entity supplied by Lance
 Rentzel for users of CompuCorp Systems. Such software is intended to include
 Entertainment Budgets, Payroll, and related accounting functions.

The consulting services provided by Len Hill shall be non-exclusive and expressly subject to Len Hill's availability. It is the intent of the parties that the time required for such consulting services shall not exceed the equivalent of two (2) working days.

5. RELATIONSHIP OF THE PARTIES.

Each party to this Agreement is an independent contractor. Nothing in this Agreement will be deemed or construed to create an agency, partnership, joint venture or employment relationship between Compucorp, H/MF or Lance Rentzel or any combination of the same. No party will, under any circumstances, hold itself out, directly or by implication, as the other's agent or employee. Nor will any party purport or attempt to bind any other to any liability or obligation whatsoever. Nothing contained herein will impose any liability on any party in connection with the operation of the other's business, or for any expenditure, obligation or liability incurred by the other in performing, or preparing to perform, any of its obligations under this Agreement, except as expressly stated herein.

6. SOFTWARE LICENSE.

All parties hereto understand and acknowledge that any and all software provided by Compucorp shall be in object code only and is either the sole property of Compucorp, or the joint property of Compucorp and a third party with the sole right of distribution vested in Compucorp. Such software is always licensed and never sold. Compucorp grants H/MF and Lance Rentzel a non-exclusive, nontransferable and revokable license to utilize any and all software provided by it without fee or charge so long as the Systems are installed at the premises of H/MF during the Term of this Agreement. Any license revocation must be in writing, must be for cause specifically stated, and must provide the Licensee a ten (10) business day cure period for the stated cause.

7. CONFIDENTIAL INFORMATION.

The parties herein agree to accept and hold confidential all information relating to Compucorp, its business, its software system, its hardware system, its customer lists and its customer base. In no event shall any such information be communicated in any manner whatsoever, either directly or indirectly, either verbally or in written form to any other person, firm, or corporation. Employees or agents of either H/MF or Lance Rentzel will be allowed access to this information only on a need to know basis. H/MF & Lance Rentzel agree to notify Compucorp promptly and in writing of the circumstances surrounding any unauthorized possession, use or knowledge of such information of which either has knowledge and to take, at its own expense, and at Compucorp's

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option and control, any legal action, including a plea for injunctive relief, to prevent unauthorized use of this information by a party or entity which has gained access thereto due, at least in part, to the fault of H/MF or Lance Rantzel.

8. USE OF SYSTEMS.

The following terms shall apply regarding the use and possession of the Systems during the initial one-year term:

(a) Alterations and Attachments.

Alterations in or attachments to the Systems may NOT be made except with prior written approval of Compucorp. If, in Compucorp's opinion, an alteration or attachment interferes with the normal and satisfactory operation or maintenance of the Systems in a way that creates a safety hazard or substantially increases the cost of maintaining it, H/MF upon notice to that effect from Compucorp, will promptly remove the alteration or attachment and restore the unit to its normal condition.

(b) Supplies.

All typewriter ribbons, paper, magnetic media and other supplies used to operate the equipment are to meet Compucorp specifications and will be furnished at H/MF's own expense.

(c) Risk of Loss & Damage.

ATTENTION: READ INSTRUCTIONS OF INSTALLATION AND

During the period the Systems are installed on the premises of H/MF, H/MF and its insurers, if any, relieve Compucorp of responsibility for all risk of loss or damage to the Systems including responsibility for loss or damage caused by the negligent or willful misconduct of H/MF or its agents, or use of the Systems other than in accordance with normal operations and the instructions and manuals provided therewith.

Handwritten initials

(d) Warranty.

Compucorp warrants that the above Systems when installed, will be in normal operating order. All equipment is supplied subject to this warranty and Compucorp will make any equipment adjustments, repairs, or parts replacements to any equipment when it determines that the equipment does not conform to this warranty.

IN NO EVENT WILL COMPUCORP HAS ANY OBLIGATIONS OR LIABILITY FOR DAMAGES, INCLUDING BUT NOT LIMITED TO DIRECT, INDIRECT, AND CONSEQUENTIAL DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF EQUIPMENT. NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WILL APPLY TO EQUIPMENT, COMPUCORP SOFTWARE, OR THE USE THEREOF.

(e) Installation Location.

H/MF agrees not to remove the the Systems from the in-
stalled location without the prior written consent of Compucorp. Any System
may be removed by Compucorp at any time after the Term has expired.

(f) Default.

If H/MF defaults hereunder (1) Compucorp, in addition to other reme-
dies, may repossess the Systems upon first providing H/MF with written notice
at least five (5) business days prior to repossession.

9. NOTICE.

All notices to be given to any party hereunder shall be in writing and
shall be hand delivered, sent by telegraph or by registered or certified U.A.
Mail, return receipt requested, to the following address:

If to H/MF: Hill/Mandelker Films
C/O 20th Century Fox
10201 West Pico Boulevard
Los Angeles, California 90064
Attention: Mr. Len Hill

If to Compucorp: Compucorp
2211 Michigan Avenue
Santa Monica, California 90404
Attention: Legal Department

If to Lance Rentzel: Mr. Lance Rentzel
22466 Pacific Coast Highway
Malibu, California 90265

The party to whom notice is to be given may change the address of the
giving of notices set forth above by delivering notice of such change to the
other party.

10. MISCELLANEOUS.

This Agreement is not assignable. None of the Compucorp Systems may be
sublet, assigned or transferred by H/MF or Lance Rentzel without the prior
written consent of Compucorp. Any attempt by H/MF or Lance Rentzel to sublet,
assign or transfer any rights, duties or obligations under this Agreement is
void. All Compucorp Systems remain the property of Compucorp.

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This Agreement shall be interpreted, construed and enforced by the laws of the State of California which are applicable to contracts wholly executed or wholly to be performed in the State of California.

The foregoing contains the entire agreement of the parties hereto, and no modification hereof shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

Neither H/MF or Lance Rentzel shall incur any expenses that may be or may be intended to be a charge against Compucorp without the written authority of Compucorp.

3 3 1 4 0 7 2 1 9 4 9
Neither H/MF or Lance Rentzel shall at any time enter into any contract with any person, firm, or corporation that shall purport to bind Compucorp in any manner whatsoever without written authority from Compucorp, and any such contract entered into by either Hill/Mandelker or Lance Rentzel shall not be binding upon Compucorp.

In carrying out its obligations and exercising its rights under this contract, Compucorp shall be represented by its Vice President - North America Marketing Operations who shall act for and in behalf of Compucorp in all matters relating to this Agreement.

Compucorp shall not be in default by reason of any failure to its performance of this Agreement, if such failure results from fire, explosion, strike, freight embargo, war, civil insurrection, flood, earthquake, weather, or any other Act of God, or for any other reason including failure of its vendors to supply parts on a timely basis outside its reasonable control.

If any provision of this Agreement is declared to be unenforceable or void by a court of competent jurisdiction, the provision in question shall be deemed severed and shall not effect the validity or enforceability of any other provision hereof.

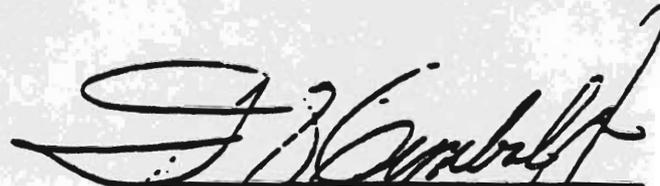
This Agreement constitutes the entire Agreement of the parties and supersedes and cancels all prior written or verbal agreements, communications or understanding.

The paragraph headings in this Agreement are included for convenience only, and shall not be taken into consideration into the construction hereof.

The undersigned parties do hereby acknowledge that they have read the foregoing Agreement, understand it, find it fair and reasonable, and accept all the terms and conditions contained herein.

Executed and Effective On:

Date


S.P. Casolo, Jr.
Vice President - North America
Marketing Operations

for

Compucorp
2211 Michigan Avenue
Santa Monica, California 90404


Len Hill

for

Hill/Mandelker Films
10201 West Pico Boulevard
Los Angeles, California 90064


Lance Rentzel

Date

June 15, 1982
Date

88040721950

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Exhibit C

38040721952

Exhibit D

CompuCorp

2211 Mangan Avenue
Santa Monica, CA 90404

Telephone (213) 829-7400
TWX: 910-342-7578
TELEX: 181868

SALES ORDER

ORDER REF. NO. **822** DATE **8-10-82** SCR. NO. **D 3772** DATE **8-10-82** SO NO. **D15267** DATE **8-10-82**

OLD TO: **L.A. BRANCH**

SHIP TO: **MILL/HADELKER FILMS
10201 WEST PICO BLYD.
LOS ANGELES, CA.**

ATTENTION:

SHIPPED VIA **COMPUCORP TRUCK** WAYBILL NO. DATE SHIPPED **8-10-82**

ITEM	QTY.	PART NO.	DESCRIPTION	QUANTITY		UNIT PRICE	BILLING	
				SHIP	S.O.		TOTAL	
1	1	875-2	COMPUTER S/N: 751861	1	0	7,320.00	LOAN	
2	1	CC-32/40	PRINTER S/N: 106303	1	0	2,550.00	LOAN	

880407-21953

GR LOAN 12-1-82

- SALES
- LOAN
- WARRANTY REPAIR
- NO CHARGE
- WARRANTY EXCHANGE
- REPAIR CHARGE

INVOICE NO. 8-159
INVOICE DATE 8-10-82

[Handwritten Signature]

EXHIBIT "D"

CUSTOMER ACKNOWLEDGMENT

SUB-TOTAL	LOAN
SALES TAX	
COO/INS	
FREIGHT	
TOTAL	LOAN

33040721954

Exhibit E

MOVIE REVIEW

I Love You

NEW YORK — In Arnaldo Jabor's off-the-wall erotic comedy "I Love You" (*Eu Te Amo*), Brazilian bombshell Sonia Braga vividly demonstrates why she has long been one of her country's top movie and TV stars. Her double-edged appeal is her blazing sensuality and her ability to act up a storm.

I LOVE YOU
In Te Amo
 Director.....Walter Clark
 Producer.....Arnaldo Jabor
 Screenplay.....Arnaldo Jabor
 Editor.....Mauricio Siqueira
 Art Director.....Mauricio Siqueira
 Music.....Antonio Carlos Jobim,
 Chico Buarque de Hollanda,
 Cesar Camargo Mariano
 Camera.....Gervasio Vazquez, Francisco Sato
 Assistant Camera.....Gilberto Loureiro,
 Paulo Sergio Almeida
 Color
 Cast: Sonia Braga, Paulo Cesar Pereira, Vera Fischer, Zuzete Soares, Maria Luiza Dahl,
 Running time — 105 minutes
 No MPAA Rating

Paulo (Paulo Cesar Pereira), a bra manufacturer, finds that his business has become deflated. To cap his misery, Paulo's sexy girl friend, Barbara Bergman (Vera Fischer), has left him. Paulinho smudges the emotional and economic wreckage in his trendy apartment high above Rio sorrowfully playing over and over on his four TV monitors the tapes of Barbara's departure.

Lonely, he calls up Maria (Sonia Braga), a woman whom he had tried to pick up in the street believing she is a prostitute. She arrives like a queen respondent in a peekaboo silver lame dress. Simmering over her resentment of *gwen* (her lover is an airline pilot who is ending her affair), she plays the role of the knowledgeable whore expected of her by Paulo. Thus starts a roundelay of lovemaking, quarrels and kinky games that eventually gives the two lovers a realization that they are truly involved emotionally.

Jabor's direction has style and along with Murilo Salles' exquisite photography, art director Marcos Weinstein's svelte sets and the Brazilian best supplied by Antonio Carlos Jobim, Chico Buarque de Hollanda and Cesar Camargo Mariano, the production is certainly given a saucy patina. Braga has the equipment, both physically and historically, to become a major star. Pereira is a robust actor who keeps pace with Braga in "I Love You." Walter Clark produced. In Portuguese with English subtitles. Some audiences may flinch at the film's unabashed eroticism. The film should find its audience, however, in the young, trendy crowd that likes to see something exotic and erotic. Besides, they may get an extra dividend of seeing an international star in the making.

— Charles Rywick

'Misbehavin' ' goes for nightclub atmosphere on NBC broadcast

By ALAN L. GANSBERG

When "Ain't Misbehavin'" tapes for NBC the second week in May, it will be an attempt to re-create the Broadway musical in the environment of a nightclub, where the music of Fats Waller would have been performed, according to Alvin Cooperman, executive producer of the two-hour special, which is supplied by Columbia Pictures TV.

An audience will be on the set, dressed in black tie, to help with the ambience of a Harlem nightspot in the 1930s. The "patrons" will be invited guests, but not necessarily network executives. Cooperman is looking for friends who will react openly to the show.

Don Mischer is directing and Buddy Bregman is producer. "Misbehavin'" closed on Broadway last February after 1,300 performances.

The original cast has been reassembled, including Andre De Shields, Arnelia McQueen, Ken Page, Charlene Woodard and Nell Carter. Because of Carter's more recent TV success and her name value, she will be given billing above the title, but this is an ensemble piece. Luther Henderson conducts the band and plays piano "on stage."

"They haven't been together for a few years," Cooperman said of the

cast. "But everything's coming to them. Remember, this is the show from top to bottom."

Capturing the ensemble quality, be Mischer's challenge, Cooper indicated. Shots will have to be indicated. Shots will have to be include foreground activity, which would be visually available to theatre audience.

To retain continuity, commercial breaks will be natural breaks. The advertisements will air every 15 minutes.

Cooperman added that NBC tentatively discussed a June airdate for the special, but nothing is firm.

Col TV ups Montanus

Gary Montanus has been named director of advertiser sales for Columbia Pictures TV, announced Joseph Ladelli, senior vp domestic syndication. Montanus comes to his new post from CBS-TV, where he was director of Eastern sales for the CBS-owned TV stations since May 1981.

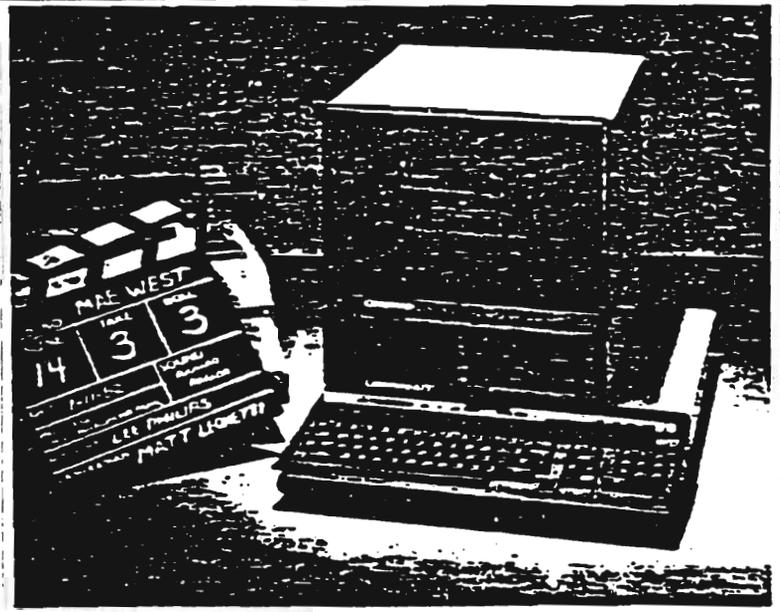
Kraus to Telepicture:

Jim Kraus has been named as account executive, domestic television division of Telepictures Corp., announced Dick Robertson, senior sales.

Jerry Crews set for "General Hospital."

CompuCorp®

It's not the computer in your life,
 it's the life in your computer...



As a word processor, CompuCorp is ideal for writers and directors, because it can type, edit, store and recall in seconds. As a data processor, CompuCorp is ideal for producers and all financial planners because it can do everything from budget calculations to keeping inventories.

"We have completed two television movies and a series pilot in the span of just four months. The CompuCorp 67 has been an important part of our production team. Its word and data processing capabilities are terrific. The simplicity and adaptability of the unit makes the independent producer truly independent."

EXHIBIT "E"

—Len Hill, NBC/Executive Pro

33040721956

MEMORANDUM

①

TO Sherry Northridge
FROM Stuart McCroskey
SUBJECT Advertising Agreement

DATE October 22, 1982

On the attached invoice, we have shipped Modern Office Procedure/Penton/IPC \$24,995.00 worth of equipment in exchange for advertising. This shipment was authorized by Sal Cimbolo.

It is my understanding that you will be responsible for monitoring this agreement. When advertising has been provided, it will be necessary for you to coordinate with finance and credit so that adjustments can be made against this invoice to accurately reflect advertising due and advertising received under this agreement.

Regards,

Stuart

cc: S. Cimbolo
H. Hastings
D. Markoff
D. Venn

File with Adv

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38040741958

Exhibit G

IPUCORP

2211 Michigan Avenue
Santa Monica, CA 90404

Telephone (213) 228-7453
TWX: 910-343-7578
TELEX: 781868

SALES ORDER

ORDER NO. DATE SO NO. DATE
1-28-82 P 4147 10-04-82 SO NO. D12888 10-19-82

OLD TO: MODERN OFFICE PROC./PENTON/IPC
1111 CENTER BVL.
CLEVELAND, OH 44114

SHIP TO:

ATTENTION:

SHIPPED VIA AIRFREIGHT COLLECT. WAYBILL NO. DATE SHIPPED 10-19-82

ITEM	CITY	PART NO.	DESCRIPTION	QUANTITY		UNIT PRICE	BILLING TOTAL
				SHIP	S.O.		
675			COMPUTER, CRT, TILT, OVER LEVEL 3 850839	1	0	10,495.00	10,495.00
1240			40 TPS PRINTER	1	0	1,995.00	1,995.00
602-115			ICE BOARD	1	0	845.00	845.00
575-3			COMPUTER, CRT, TILT, OVER LEVEL 3 S/N 751432	1	0	7,320.00	7,320.00
C 12/40			12/40 PRINTER S/N 76396	1	0	2,550.00	2,550.00
602-128			12K 3 MAX BOARDS	1	0	1,790.00	1,790.00
*ITEMS 4,5,6 ARE BILLING ONLY - DO NOT SHIP. *ITEMS 4,5 TO BE CREDITED TO CUSTOMER BY S.O.R. 4246. *ITEM 6 SUPPLIED BY IBM - LEASE TO VARIOUS DEPT. CREDIT ON S.O.R. 4247. ALL ITEMS ON INVOICE IN EXCHANGE FOR ADVERTISING. CONTRA FOR ADVERTISING COST: _____ CHG: _____ ELIG: 182							

SUB-TOTAL 24,995.00

SALES TAX

COONS

FREIGHT

TOT. 24,995.00

SALES WARRANTY REPAIR WARRANTY DEDUCTIBLE
LEAS NO CHARGE REPAIR CHARGE

INVOICE NO. 18-404

INVOICE DATE 10-19-82

ORGANIZATION *Elena Balde*

EXHIBIT TO

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Exhibit H

MEMORANDUM

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TO: Elmer Easton and Sal Cimbo

DATE: December 1, 1982

FROM: Kas Terhorst

SUBJECT: World Championship Speed Skating - Oslo, Norway

At the forthcoming World Championship Speed Skating competition to be held in Oslo, Norway on February 12 and 13, Compucorp will handle all timing and scoring tasks on a Compucorp 600 Series unit. Since Speed Skating is rather popular throughout Europe, it is expected that all events will be broadcast over national television facilities throughout Europe, resulting in substantial publicity for Compucorp.

The system works approximately as follows:

Electronic timing equipment is attached to the Compucorp system where a real time clock starts at the gun and stops at an optical sensor at the end. The Compucorp system contains the name and number of all participants and a schedule of the races. The Compucorp system provides ranking and timing of all racers. This data is directly piped into the video mixers used for television broadcasting resulting in a composite video picture of the physical skating event with names, times and ranking of participants. Periodically a message appears at the bottom of the screen crediting Compucorp.

It is anticipated that upwards of 100 million people will be watching these events. There is also a good possibility that at least portions of the events will be picked up by U.S. networks, although no guarantee can be given that the taped sections will contain Compucorp credited lines.

Additionally, Compucorp will have the right to place a large sign underneath the scoreboard installed at the stadium.

Compucorp's total cost for this event will be \$10,000 plus the cost of the sign.

Background:

For the last several years, Applidata (Simac) has provided similar services in Holland in conjunction with the Dutch television network, and has established all the working routines, interfacing and timing equipment through a Mr. Marten Barel, a Dutch national very much involved in the skating world.

Compucorp's cost of \$10,000 will be primarily used for the reimbursement of travel expenses of the people involved in operating the equipment. Mr. Jan Brandt Jensen of Metric A/S, Compucorp's Norwegian distributor, has agreed to assist the Compucorp team in Oslo with emergency service and spares equipment if so required.

Altogether I believe this to be an excellent publicity item utilizing a unique capability of Compucorp's product.

KT/cc

cc: Slough Support Office
Jan Eliens (Applidata)
Jan Brandt Jensen (Metric A/S)
Accounting

EXHIBIT "H"

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C

**'COMPUCORP SCORES'
WORLD CHAMPIONSHIP
SPEED SKATING**

The 1983 World Championship Speed Skating for Men competition was held at Bislett Arena in Oslo, Norway the weekend of February 12-13, with a CompuCorp 655 handling all scheduling and timing. The system was provided by Simac Electronics, parent company of Applidata, CompuCorp distributor in the Netherlands, with backup facilities supplied by Metric Norway, distributor in the host country.

All of Europe looks forward to this event, and Bislett Arena was filled to its 30,000 capacity, with an estimated one million viewers watching as computer generated results were transmitted live via television throughout Europe and the rest of the world.

H.M. King Olav V, Patron of all Norwegian Sports, presided over the two exciting days during which 40 well trained speed skaters fought for the honor of being named World Champion. Eric Heiden of the U.S.A. won the title in 1977, 1978, and 1979, and the times he established still stand as world records in several of the events.

The timing/scoring system consists of a CompuCorp 655 with input from the starting gun and light sensors on the speed tracks of the ice, a very accurate digital clock, a large scoreboard placed at the stadium, a video generator connected directly to the portable television studios at Bislett, and a CompuCorp 32/40 printer. The whole system is completely portable, and has double backup facilities for all critical elements.

The origin of CompuCorp's participation goes back about five years. Marten Barel, a Hollander with a tremendous background in speed skating himself, and originally the official starter for the Dutch Skating organization, wanted to find a better way of timing and scoring these events. Barel and Simac Electronics proposed to the Dutch Television Authority that they would provide computerized and automated facilities for television coverage of speed events in Holland.

Since that beginning, over a hundred events have been managed by this team using the CompuCorp 600 Series, including speed skating, automobile racing, track, and other speed events.

The system has undergone five years of constant improvement and development, and is undoubtedly the most sophisticated and accurate timekeeping system in the world for speed events. Barel, now of Electronische Tjdwarneming, provided the starting guns, track sensors and control mechanisms. The super-accurate digital clock was constructed by Wil Struun from the Philips Natuurkundig Laboratorium, and Andre Ruys of Anatec Eersel in Eindhoven, Holland, provided the scoreboard. The TV sync generator was constructed by Jos Mooy of Simac, and the software was all developed by Paul Hendrix of Applidata B.V.

The programs Paul developed are very intricate. The system reports and stores the timing for each lap, as well as the final results; provides the ranking of each participant for both television and the officials; and holds the accumulated standings for all events which includes the 500, 1,500, 5,000, and 10,000 meter race. In addition, all the rules of speed skating are imbedded in the system.

Paul operated the CompuCorp system, which was located in the press announcer's booth overlooking the ice arena. The television announcers were totally dependent on the output of the system for the racer's lap time, position, and comparison to

best performance. These results appeared on the Compucorp CRT, and the television director could superimpose these scores and standings on the live television screen at any time called for by their sportscasters. The pressures of operating in this real-time environment were tremendous and required Paul's total concentration for the two days.

With all the information imbedded in the system, Paul occasionally had unique requests for non-standard reports from the television reporters. This required changing his program in real-time between race events and precarious timing on his part, since the races couldn't resume until he was back on his real-time program.

Compucorp sponsored this activity, which resulted in excellent exposure of the Compucorp name. After each of the 40 races, a ranking of the participants was shown on television with the legend "Compucorp Computers" appearing across the bottom of the screen for well over 60 seconds. A sign mounted at the arena scoreboard told the live audience "Compucorp Scores!"

The entire two days ran smoothly with no delays, with accurate times and immediate results, and a number of national skating organization officials requested information for the use of this system at their own national events.

Kas Terhorst, Senior Vice-President of Marketing, congratulates everyone involved in providing this service to the speed event and the television networks for their outstanding, professional performance. "It was exciting to see the utilization of Compucorp's products in this most unusual application, showing the broad range of versatility in which Compucorp's products can be used, limited only by the imagination and knowledge of the user."

1967-7-19

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Exhibit I

CHECK DATE	CHECK NUMBER	CONTROL NUMBER	AMOUNT	DISCOUNT	AMOUNT	REMARKS
12-28-83	5389	40	10,000.00		10,000.00	METRIC MONY BAPEL

TOTAL AMOUNT ON CHECK IS LAST FIGURE IN COLUMN ABOVE	VENDOR NO 5426	CHECK NO 5389	PAGE 1
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Compucorp

FOLIO NUMBER **005359**

12-31-120 CHECK NUMBER **3869**

11 Michigan Avenue • Santa Monica, California 90404
314-879-7475

Lloyds Bank California
100 California Street, Suite 1000
San Francisco, California 94111

CHECK DATE
12 28 83

THE SUM OF **10,000** DOLLARS AND **00** CENTS

PAY THE AMOUNT
10,000.00

BY *[Signature]*
LLOYDS BANK CALIFORNIA

EXCEPT

NON-NEGOTIABLE
(SEE REVERSE)

Lloyds Bank California

MULTINATIONAL DIVISION
LOS ANGELES, CALIFORNIA U.S.A.

No **55888**

DATE **JANUARY 20, 1984**

If this draft is drawn in United States Dollars it is payable at Drawee Bank. Banking rates for domestic drafts on Los Angeles or San Francisco.

IT IS UNDERSTOOD THAT THIS TRANSACTION IS SUBJECT TO THE CONDITIONS STATED ON THE REVERSE HEREOF

DRAFT DRAWN TO THE ORDER OF

COMPUCORP AMOUNT OF DRAFT **10,000.00 (100)**

BANK ON WHICH DRAWN

NEW YORK CREDIT BANK

FIELD BRANCH

LLOYDS BANK CALIFORNIA

WE SUGGEST THAT THIS CHECK BE FORWARDED BY REGISTERED MAIL.

AUTHORIZED SIGNATURE

PAID TO: **COMPUCORP**

AMOUNT COLLECTED FROM CUSTOMER	AMOUNT OF CHECKS	RATE	DOLLAR EQUIVALENT
	\$10,000.00	7.50	\$10,000.00
	COMMISSION		TOTAL
	7.50	.60	\$10,007.90

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10-803 (03-'81)

EXHIBIT "I"

88040721966

SUPPLEMENTAL RENTAL AGREEMENT

THIS SUPPLEMENTAL RENTAL AGREEMENT entered into as of the _____ day of _____, 19__, between the 1984 Republican National Committee, an unincorporated political Committee organized in the District of Columbia with its principal offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee") (collectively referred to as "Lessee"), and COMPUCORP (hereinafter referred to as "Lessor"), a corporation with offices at 2211 Michigan Avenue, Santa Monica, California.

W I T N E S S E T H

WHEREAS Lessor and Lessee have formerly entered into a Agreement dated June 11, 1983 for the rental of certain COMPUCORP word processing equipment to be used during the 1984 Republican National Convention (the "Convention"); and

WHEREAS Lessor presently has available for marketing an electronic mail system for a single network and desires a testing facility in which it may test and demonstrate a modified system for a multi-network installation; and

WHEREAS Lessor and Lessee now desire to enter into a Supplemental Agreement for the rental of additional equipment to be installed on the Convention floor as a testing facility for a

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multi-network system which will process electronic mail during the period of the Convention;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Equipment

A. Hardware. Subject to the terms and conditions hereof, Lessor agrees to lease to Lessee and Lessee agrees to hire from Lessor the Compucorp product described in Schedule A hereto (hereinafter referred to as the "equipment") at the monthly rental charge set forth in Section 2 herein below and for the additional consideration set forth in Section 3 hereinbelow.

B. Software. Lessor agrees to provide Lessee with appropriate software programs so as to enable Lessee to utilize the equipment to provide an electronic mail service for the delivery of telephone messages during the Convention.

2. Rental Charge

The rental charge for each major system component of the equipment and the accompanying software shall be One-Hundred Dollars (\$100) per major system component (as identified in Schedule A hereto). One-half of the rental charges shall be paid by Lessee to Lessor immediately upon installation of the equipment at the Convention and the remaining one-half of the rental charges shall be paid within fifteen 15 days following the close of the Convention.

The rental charge for each word processing system is based upon unlimited time usage by Lessee and the effort required

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is the official provider of electronic mail network for the Convention.

D. Lessor may request assistance from Lessee in the dissemination of information regarding the usefulness of its electronic mail processing service to the Republican National Convention during the Convention and its fitness for intended use. Any such request must be in writing and, at Lessee's sole option, may or may not be granted.

E. If Lessor submits a proposed press release to the RNC with Lessor-supplied copy, the RNC will give strong consideration to the issuance of said release. If the RNC gives a general press briefing regarding official designations, it will include a description of Lessor's name and product in the discussions which take place during said briefing.

F. Lessee shall pay to Lessor the full prices of consumables such as paper, diskettes and printer ribbons which are utilized during the Convention in conjunction with the installation.

4. Installation And Site Preparation

Lessee shall, at its expense and prior to delivery of the equipment, prepare the site(s) for installation of such equipment in accordance with specifications that Lessor will furnish to Lessee in a timely manner. Lessee shall provide at such site(s) adequate and suitable working facilities and space for maintenance personnel.

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by Lessor to transport and properly install the equipment for a short period of time. The use of such equipment is restricted solely and exclusively to Lessee, its employees, agents and affiliates and to Lessor, its employees, agents and affiliates. If any such employee, agent or affiliate of Lessee shall use the equipment, then such employee, agent or affiliate shall use the equipment on the same terms and conditions as Lessee.

3. Additional Consideration

In consideration of the lease of the equipment and software as described above:

A. Lessee shall provide Lessor with an opportunity to thoroughly test its electronic mail processing system in a five (5) network installation during the Convention and to further test its Omegamite and gateway technology in a field installation.

B. Lessee shall designate Lessor as the official "provider of electronic mail network" for the 1984 Republican National Convention. Such designation shall be exclusive as to Lessor, and Lessee shall refrain from making, and shall take reasonable steps to prevent the making of, similar designations with respect to other individuals, firms, corporations or organizations. Lessor may, at its expense, make unlimited use of such designation in various promotional activities and literature.

C. Lessee shall, at no expense to Lessor, provide a statement in the official program for the Convention that Lessor

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Lessor shall, at its expense, install the equipment ready for use at such site(s) and shall certify readiness to Lessee. The equipment shall not be moved or transferred to a new location or locations without prior written permission from Lessor.

5. Transportation

All transportation, rigging, and drayage charges in transporting the equipment shall be paid by Lessor. When an item of equipment is installed as a mechanical replacement for an item leased hereunder, Lessor shall pay all transportation expenses with respect to the installation of the item being installed as a mechanical replacement and with respect to the removal of the item being replaced. Necessary packing cases for the return of the equipment and a representative to supervise the packing will be furnished by Lessor without charge. The cost of labor for crating and uncrating machines, if any, shall be Lessor's expense.

6. Maintenance And Instruction

Lessor shall, at its expense, keep all equipment in satisfactory working order and repair, except that, if replacement or service charges are necessitated by Lessee's improper use of the equipment or negligence in its use, Lessee shall bear the expense of such replacements or repairs.

Lessor shall furnish, without expense to Lessee, Lessor's qualified service engineers, who will superintend the

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installation and train operators in the care, operation, and adjustment of the equipment.

7. Ownership and Confidential Nature of Information

All drawings, diagrams, specifications, and other material furnished by Lessor relating to use and the service of the equipment, including the information contained therein, shall remain the property of Lessor and may not be reproduced or distributed in any way except with the written permission of Lessor.

All information relative to the design details, operating characteristics and/or coding systems of the equipment supplied directly or indirectly by Lessor (except such information as may be established to be in the public domain or which is disclosed pursuant to judicial or governmental action) shall be received by Lessee in confidence. Lessee shall exercise reasonable care to hold such information in confidence.

8. Title, Insurance and Risk of Loss

Title to the equipment furnished under this Agreement shall remain with Lessor. The equipment shall be returned to Lessor upon termination of this Agreement, unless termination results from purchase of the equipment by Lessee.

Lessee shall, at its own expense, maintain liability and fire insurance and such other insurance as is necessary for its protection and the protection of the equipment. Failure to carry such insurance shall not, however, relieve Lessee of liability as provided for in this Agreement.

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9. Limitation of Liability

In connection with this Agreement, Lessor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the Republic National Committee, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, including employees of Lessor which may arise from any alleged negligent act, omission or error on the part of Lessor, its officers, employees, agents, consultants, or subcontractors, or any breach of any obligation under this Agreement.

The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee. All persons, corporations or other entities extending credit to, contracting with, or having any claim against the RNC or the Committee, may look only to the funds and property of the RNC for payment of any such contract or claim or for the payment of any debt, damages, judgment or decree or any money that may otherwise become due or payable to them from the RNC or from the Committee.

10. Warranty

Lessor warrants that it will use its best efforts to ensure that each item of equipment leased hereunder will be in good working order during the period the Convention is in process

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and that it will provide an on-site support team for this purpose. All equipment is supplied and maintained subject to this warranty. This warranty is in lieu of all other warranties, express or implied, and is further in lieu of any obligation or liability of Lessor to pay damages, including consequential damages, arising out of or in connection with use of the equipment.

11. Contract Administration

For purposes of administering this Agreement, Lessor shall be represented by Mr. Lance Rentzel and Lessee shall be represented by Mr. R. Carter Sanders, Jr.

12. Assignment

Except as expressly provided herein, no portion of this Agreement or any right or obligation hereunder may be assigned, in whole or in part, whether by operation of the law or otherwise, by any party hereto without the prior written consent of the other party.

13. Term of Agreement

This Agreement shall become effective upon the date set forth hereinabove, and shall remain in force until August 24, 1984, except for Lessee's obligations described in Section 2 and 7 hereof which shall survive termination of this Agreement.

14. Governing Law

This Agreement shall be governed by the laws of the District of Columbia, and constitutes the entire agreement

83040721974

between Lessor and Lessee with respect to the furnishing of equipment and service by Lessor.

15. Waiver, Amendment, or Modification

No provision of this Agreement shall be deemed waived, amended, or modified by either party unless such waiver, amendment, or modification is in writing, and signed by the party against whom it is sought to enforce such waiver, amendment, or modification.

IN WITNESS WHEREOF, the parties hereto have set their respective hand and seal as of the day and year first written above.

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL COMMITTEE

1984 REPUBLICAN NATIONAL CONVENTION


R. CARTER SANDERS, JR.
Counsel

By: _____
ERNEST ANGELO, JR.
Chairman
Committee On Arrangements

LESSOR:

ATTEST:

COMPUCORP

_____ By: _____

8319721975

83040721976

DFW COMMUNICATIONS, INC.

9845 CHARTWELL - DALLAS, TEXAS 75243
(214) 340-0911

Republican National Convention
Ernest Angelo, Jr.
Chairman
Committee on Arrangements

August 9, 1984
page 1

We are honored to be designated as the official 2-Way Radio Supplier for the 1984 Republican National Convention.

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principal offices located at 310 First Street, S.E., Washington, D.C. 20002 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and DFW Communications, Inc. (hereinafter referred to as the "Vendor").

In exchange for the Vendor's goods and/or services provided for the RNC, the Vendor, the RNC and the Committee agree that good and valuable consideration arising hereunder is the authorization to the Vendor to advertise that it is the "Official 2-Way Radio Supplier of the 1984 Republican National Convention" without the Vendor's written consent. The Vendor understands this agreement does not authorize it to advertise its services through the RNC, the Committee, the White House, the Reagan Library, or through Congress or any other group or individual. The Vendor's advertising shall be restricted to the statement "Official 2-Way Radio Supplier of the 1984 Republican National Convention".

The Vendor shall be paid at a rate equal to the standard discount rate for advertising by the Vendor to non-political commercial entities in the Dallas area of the Vendor's business.

WITNESSED BY ME FOR :

1984 REPUBLICAN NATIONAL CONVENTION

1984 REPUBLICAN NATIONAL CONVENTION

By: R. Curtis Savelly
R. CURTIS SAVELLY, JR.
Chairman

By: Ernest Angelo, Jr.
ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

WITNESSED BY :

DFW COMMUNICATIONS, INC.

By: _____
TOM C. BREWER

By: Tom C. Brewer
TOM C. BREWER

83040721978



**Executive Presentation[™]
Systems/Dallas**
AUTHORIZED INTELLIGENT SYSTEMS DEALER

FEB 14 1984

February 14, 1984

Mr. Ron Walker
Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

Dear Mr. Walker:

Executive Presentation System of Dallas is pleased to learn that we have been recommended by Blythe Nelson to be the official Graphics Presentation System for the Republican National Convention.

We feel this is a real honor and look forward to providing the RNC with high quality meeting materials such as 35mm slides, transparencies, and hardcopy (for handouts).

Our plans are initially to provide the RNC via our service bureau, meeting materials for the months of March, April and May. This service, which averages \$2,000 per month (60 graphics x industry standard of \$35.00 per graphic) will be made available to the RNC for the cost of a supply kit at \$506.00.

During the months of June, July and August, if the volume warrants, we will provide you with a system at the convention center and train a volunteer to operate it. This service, valued at approximately \$9,000 (\$3,000 per month) will be provided for the cost of another supply kit, \$506.00. If the volume of meeting materials is such that EPS can handle it in-house via the service bureau, we will provide that service for the months of June, July and August at the same supply cost, \$506.00.

We look forward to working with the RNC in helping to make your meetings more effective with good, high quality, color graphics.

Sincerely,

Jim M. Madden
Sales Manager
Executive Presentation System/Dallas

88040721979

88040721980



1984 Republican National Convention

Ronald H. Walker
Convention Manager

COMMITTEE ON ARRANGEMENTS

Ernest Angelo, Jr., TX
Chairman

Trudy McDonald, CA
Vice Chairman

George Clark, NY
Treasurer

Mary Stivers, GA
Secretary

Roger Allan Moore
General Counsel

SUBCOMMITTEE CHAIRMEN:

Noël Gross, NJ
Decorations

Jack Courtemanche, CA
Entertainment

Fran Chiles, TX
Host Committee

Nancy Apgar, OK
Housing

Dennis Olsen, ID
News Media

Jennifer Dunn, WA
Program Planning

Bill Harris, AL
Security

Don Adams, IL
Special Events

Robert Voy, OR
Tickets & Badges

Peter Secchia, MI
Transportation

Ginny Martinez, LA
VIP's

Sheila Roberge, NH
Youth Activities

February 24, 1984

Mr. Jim M. Madden
Sales Manager

[REDACTED]
5400 LBJ Freeway, Suite 200
Dallas, TX 75240

Dear Mr. Madden:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that Executive Presentation Systems/Dallas has been selected to be the [REDACTED] of the Graphics Presentation System for the 1984 Republican National Convention.

It is our understanding that in consideration of this official designation, Executive Presentation Systems/Dallas will provide a graphics system that will provide high quality meeting materials as outlined in your letter dated February 14, 1984.

Let me take this opportunity to thank you and your Company for extending a valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely yours,

Ronald H. Walker
Convention Manager

RHW/gh

Dallas, Texas—August 20—23, 1984

1984-02-24

83040721982

July 25, 1984

Mr. Jim M. Madden
Executive Presentation Systems/Dallas
5400 LBJ Freeway, Suite 200
Dallas, TX 75240

Dear Mr. Madden:

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as the "official" provider of those goods or services.

We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and Executive Presentation Systems/Dallas (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Graphics Presentation Systems of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official Graphics Presentation Systems of the 1984 Republican National Convention" without the Vendor's written consent.

88040721985

The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising shall be restricted to the statement "Official Graphics Presentation Systems of the 1984 Republican National Convention".

In order to comply with the Federal Election Laws, the discount you are offering must be within the purview of one of the following general representations. Any discount offered must be either:

(1) equal to the standard discount rate normally provided by the Vendor to non-political commercial entities in the ordinary course of the Vendor's business, or;

(2) equal to the discounts that are of common practice in the industry in which the Vendor is involved, and the Vendor would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though the Vendor in the past has not routinely made such discounts or reductions available to non-political, commercial entities, or;

(3) provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, such that the Vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

Please select the provision under which your discount is offered and insert your affirmative representation at an appropriate place in the contract.

In the General Provision portions of the contract, please include the following:

In connection with this Contract, the Vendor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the Vendor or any breach of any obligation under this Contract.

The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

33140721934

The following signature style shall be used:

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL CONVENTION

1984 REPUBLICAN NATIONAL COMMITTEE

By: _____
R. CARTER SANDERS, JR.
Counsel

By: _____
ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

ATTEST:

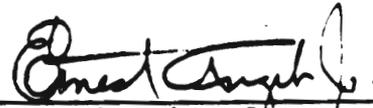
EXECUTIVE PRESENTATION SYSTEMS
OF DALLAS

By: _____

If you have questions regarding the details discussed herein, please contact R. Carter Sanders, Jr., Anderson, Hibey, Nauheim & Blair, 1708 New Hampshire Avenue, N.W., Washington, D.C. 20009 (202) 483-1903.

Upon completion, please forward the written agreement to R. Carter Sanders, Jr. at the above address.

Very truly yours,



Ernest Angelo, Jr.
Chairman
Committee on Arrangements

0 3 1 4 0 7 2 6 1 9 9 0

48040721986



1984 Republican National Convention

Frank J. Fahrenkopf, Jr.
Chairman
Republican National Committee

June 5, 1984

COMMITTEE ON ARRANGEMENTS

Ernest Angelo, Jr.
Chairman

Trudy McDonald
Vice-Chairman

George Clark, NY
Treasurer

Mary Silvers, GA
Secretary

Roger Allan Moore
General Counsel

SUBCOMMITTEE CHAIRMEN

Don Adams, IL

Nancy Apgar, OK

Fran Chiles, TX

Jack Courtemanche, CA

Annifer Dunn, WA

Joel Gross, NJ

Bill Harris, AL

Ginny Martinez, LA

Dennis Olson, ID

Sheila Roberge, NH

Ken Stout, AL

Peter Secchia, MI

STAFF

Ronald H. Walker
Convention Manager

Douglass Blaser
Deputy Convention Manager

Daniel Denning
Deputy Convention Manager

Peggy Venable
Executive Director

Patrick L. Durbin
President
Metier Management & Systems, Inc.
5884 Point West Drive
Houston, Texas 77036

Dear Mr. Durbin:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that Metier Management & Systems, Inc. had been selected to be the official provider of the "ARTEMIS/Computerized Project Management System" for the 1984 Republican National Convention.

This designation is contingent upon a letter of agreement between the Committee on Arrangements and the Metier Management & Systems, Inc. This letter of agreement will be forwarded to you shortly for your appropriate review and signature.

Let me take this opportunity to thank you and your company for extending this valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely,

Ernest Angelo, Jr.
Chairman

88040721988

METIER

August 15, 1984

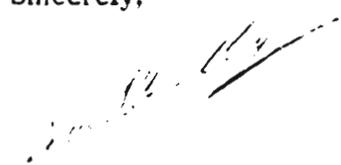
R. Carter Sanders, Jr.
Anderson, Hibey, Nauheim & Blair
1700 New Hampshire Ave. N.W.
Washington D.C. 20009

Dear Mr. Sanders:

I am writing in follow-up to correspondence between Ernest Angelo, Jr. of the Republican National Convention, and Patrick Durbin of Metier. A basic agreement has been reached by which Metier will permit access to its project management system in Alexandria by the planning committee for the Republican National Convention. In exchange for this service we would achieve "official supplier" status and subsequent publicity benefits.

In support of that understanding, I offer the attached formal agreement for your review and ratification. The text of this agreement is in adherence to that suggested by Mr. Angelo in his July 25 correspondence. I trust you will find everything to be in order.

Sincerely,


Bruce Allen Meyer
Marketing Director

/deh

Attachment

6861270811

METIER

AGREEMENT

This agreement made this _____ day of _____ 19 __, by and between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Committee (hereinafter referred to as the "Committee"), and Metier Management Systems, Inc., a Delaware corporation with principle offices located at 5884 Point West Dr., Houston, Texas, (hereinafter referred to as the "Vendor").

Under the terms of this agreement the Vendor is providing the RNC Committee the use of its proprietary computer system for the planning and scheduling of the Republican National Convention in exchange for the commercial benefit of being designated the "Official ARTEMIS/Computerized Project Management System of the 1984 Republican National Convention". We view this exchange as being one of equal value given and received. The Vendor would offer similar exchanges to non-political, commercial entities under similar circumstances.

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official ARTEMIS/Computerized Project Management System of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official ARTEMIS/Computerized Project Management System of the 1984 Republican National Convention" without the Vendor's written consent.

The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising shall be restricted to the statement "Official ARTEMIS/Computerized Project Management System of the 1984 Republican National Convention".

The RNC and Committee further agree that the Vendor has the right to issue a press release announcing this agreement and the use of ARTEMIS in the planning of the Republican National Convention subject to their review. Additionally, the Vendor may prepare a written account of the use of ARTEMIS in the planning of the Republican National Convention for use in promotional materials subject to the final review and approval of the RNC.

Under provisions of this government the RNC and Committee shall indemnify, hold harmless and defend the Vendor and its officers from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the RNC or its Committee or any breach of any obligation under this Contract.

In connection with this Contract, the Vendor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the Vendor or any breach

METIER

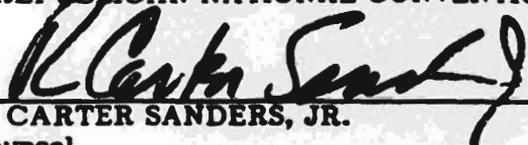
of any obligation under this Contract.

The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

APPROVED AS TO FORM:

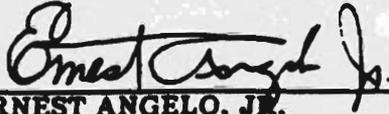
1984 REPUBLICAN NATIONAL CONVENTION

By:


R. CARTER SANDERS, JR.
Counsel

1984 REPUBLICAN NATIONAL COMMITTEE

By:


ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

ATTEST:

METIER MANAGEMENT SYSTEMS, INC.

By: _____

88040721992

METIER

AGREEMENT

This agreement made this 11 day of October 1984, by and between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Committee (hereinafter referred to as the "Committee"), and Metier Management Systems, Inc., a Delaware corporation with principle offices located at 5884 Point West Dr., Houston, Texas, (hereinafter referred to as the "Vendor").

Under the terms of this agreement the Vendor is providing the RNC Committee the use of its proprietary computer system for the planning and scheduling of the Republican National Convention in exchange for the commercial benefit of being designated the "Official ARTEMIS/Computerized Project Management System of the 1984 Republican National Convention". We view this exchange as being one of equal value given and received. The Vendor would offer similar exchanges to non-political, commercial entities under similar circumstances.

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official ARTEMIS/Computerized Project Management System of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official ARTEMIS/Computerized Project Management System of the 1984 Republican National Convention" without the Vendor's written consent.

The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising shall be restricted to the statement "Official ARTEMIS/Computerized Project Management System of the 1984 Republican National Convention".

The RNC and Committee further agree that the Vendor has the right to issue a press release announcing this agreement and the use of ARTEMIS in the planning of the Republican National Convention subject to their review. Additionally, the Vendor may prepare a written account of the use of ARTEMIS in the planning of the Republican National Convention for use in promotional materials subject to the final review and approval of the RNC.

Under provisions of this government the RNC and Committee shall indemnify, hold harmless and defend the Vendor and its officers from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the RNC or its Committee or any breach of any obligation under this Contract.

In connection with this Contract, the Vendor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the Vendor or any breach

METIER

of any obligation under this Contract.

The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL CONVENTION

By: *R. Carter Sanders, Jr.*

R. CARTER SANDERS, JR.
Counsel

1984 REPUBLICAN NATIONAL COMMITTEE

By: *Ernest Angelo, Jr.*

ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

ATTEST:

Jerry J. Swanson

METIER MANAGEMENT SYSTEMS, INC.

By: *Bruce A. Meyer*

BRUCE A. MEYER
Director, Marketing

88040721995



A Ricoh Company. We respond.

RAPICOM, Inc.
7878 Grow Lane, Suite 124
Houston, TX 77040
Phone: (713) 462-7553
Fax: (713) 462-0393

February 7, 1984

Mr. Jim Blythe
8700 N. Stemmons
Suite 301
Dallas, TX 75247

Dear Mr. Blythe:

Pursuant to our discussions with you and Marlene English, Rapicom is pleased to be considered as a potential supplier of facsimile equipment for use during the Republican National Convention.

Rapicom proposes the placement of three (3) R-6100 facsimile units. Two (2) of these units would be installed in Dallas and the third in Washington D.C.

A summary of charges that would accrue to the Republican National Committee follow:

Shipping	3 @ \$165.00
Installation	3 @ \$150.00
Removal	3 @ \$150.00
Paper* 10-49 carton level	\$104.00 per carton
Dry Toner 5-14 carton level	\$ 88.00 per carton

*6-328 ft. rolls per carton.

Note: Toner consumption is usually 1 carton of toner to 1 carton of paper.

Rental charges for the equipment would be waived as a contribution from Rapicom, Inc.

03040741906

88040721997



1984 Republican National Convention

Frank J. Fahrenkopf, Jr.
Chairman
Republican National Committee

June 5, 1984

COMMITTEE ON ARRANGEMENTS

Ernest Angelo, Jr.
Chairman

Trudy McDonald
Vice-Chairman

George Clark, NY
Treasurer

Mary Silvers, GA
Secretary

Roger Allan Moore
General Counsel

SUBCOMMITTEE CHAIRMEN

Don Adams, IL

Nancy Apgar, OK

Fran Chiles, TX

Jack Courtemanche, CA

Kennifer Dunn, WA

Joel Gross, NJ

Bill Harris, AL

Ginny Martinez, LA

Dennis Olson, ID

Sheila Roberge, NH

Ken Stout, AL

Peter Secchia, MI

STAFF

Ronald H. Walker
Convention Manager

Douglass Blaser
Deputy Convention Manager

Daniel Denning
Deputy Convention Manager

Peggy Venable
Executive Director

Mr. William R. Manzon
Southwest Regional Manager
Rapicom, Inc.
7878 Grow Lane, Suite 124
Houston, Texas 77040

Dear Mr. Manzon:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that Rapicom, Inc. has been selected to be the official "Facsimile Vendor" for the 1984 Republican National Convention.

This designation is contingent upon a letter of agreement between the Committee on Arrangements and Rapicom, Inc. This letter of agreement will be forwarded to you shortly for your appropriate review and signature.

Let me take this opportunity to thank you and your company for extending this valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely,

Ernest Angelo, Jr.
Chairman

Dallas, Texas—August 20—23, 1984

88040721999

July 25, 1984

Mr. William R. Manzon
Rapicom, Inc.
7978 Grow Lane, Suite 124
Houston, TX 77040

Dear Mr. Manzon:

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as the "official" provider of those goods or services.

We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and Rapicom, Inc. (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Facsimile Vendor of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official Facsimile Vendor of the 1984 Republican National Convention" without the Vendor's written consent.

88040722000

The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising shall be restricted to the statement "Official Facsimile Vendor of the 1984 Republican National Convention".

In order to comply with the Federal Election Laws, the discount you are offering must be within the purview of one of the following general representations. Any discount offered must be either:

(1) equal to the standard discount rate normally provided by the Vendor to non-political commercial entities in the ordinary course of the Vendor's business, or;

(2) equal to the discounts that are of common practice in the industry in which the Vendor is involved, and the Vendor would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though the Vendor in the past has not routinely made such discounts or reductions available to non-political, commercial entities, or;

(3) provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, such that the Vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

Please select the provision under which your discount is offered and insert your affirmative representation at an appropriate place in the contract.

In the General Provision portions of the contract, please include the following:

In connection with this Contract, the Vendor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the Vendor or any breach of any obligation under this Contract.

The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

8804072001

The following signature style shall be used:

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL CONVENTION

1984 REPUBLICAN NATIONAL COMMITTEE

By: _____
R. CARTER SANDERS, JR.
Counsel

By: _____
ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

ATTEST:

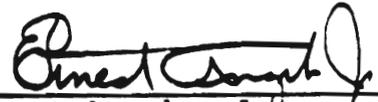
RAPICOM, INC.
By: _____

88040722002

If you have questions regarding the details discussed herein, please contact R. Carter Sanders, Jr., Anderson, Hibey, Nauheim & Blair, 1708 New Hampshire Avenue, N.W., Washington, D.C. 20009 (202) 483-1900.

Upon completion, please forward the written agreement to R. Carter Sanders, Jr. at the above address.

Very truly yours,



Ernest Angelo, Jr.
Chairman
Committee on Arrangements

83040722005



1984 Republican National Convention

May 9, 1984

NOTE FOR: ERNIE ANGELO

FROM: EMILY FORD

T

Attached, please find backup material and an official designation letter to Savin Corp. for your review and signature. Please note the last page of the material which provides a breakdown of costs from three vendors. As you can see, Savin has offered the most cost effective package. (FYI - The Savin price is \$10,000 less than was expended for the '80 Convention.)

Can you please review this material and sign this letter if you approve. If you need further information, please have your office let me know.

Thank you.

cc: Ron Walker
Dan Denning

Dallas, Texas—August 20-23, 1984



Savin Corporation

2389 Midway Road
Carrollton, TX 75006
214/931 1700

April 25, 1984

Mr. Mark Osborn
Blythe Nelson
8700 Stemmons Freeway Suite 301
Dallas, Texas 75247

Dear Mr. Osborn,

We appreciate the opportunity to be considered to provide equipment and services for The Republican National Convention in 1984. Hosting The Republican Convention affords the City of Dallas a unique opportunity to showcase its many attributes to The Republican Party as well as the rest of the country. Being an American Corporation, Savin values this forum in which to highlight our expertise in the office products industry.

We propose to provide a level of service to The Republican Party unmatched in our industry. Attached we have outlined an extremely economical plan to obtain these services. Based upon your estimated volumes, this plan will save the Republican National Committee in excess of \$9000 over our lowest special events pricing. In addition, we plan to provide dedicated service and customer service support during the duration of the Republicans' stay in Dallas.

A strong community pride can be felt by all residents of Dallas involved in hosting the Republican National Convention. As a member of the Republican Party, The Dallas County Young Republicans and The President's Committee to Keep the Senate Republican, I have a personal interest in seeing that Dallas hosts the most professionally run, well-organized convention in history.

We thank you for your consideration and look forward to serving the Republicans in August.

Sincerely,

SAVIN CORPORATION

Richard K. Taylor
Branch General Manager
Savin Corporation

88040726005

SAVIN 5030/SAFD

- o \$250/Month Service Charge
- o \$105.60 Installation and Removal Charge

SAVIN 5040/ADF/20 Bin Sorter

- o \$325/Month Service Charge
- o \$105.60 Installation and Removal Charge

SUPPLIES

- o 5030/5040 TD Pak
\$52.45 + Freight
- o Paper
 - 8 1/2 X 11 \$32.14 + Freight
 - 8 1/2 X 14 42.89
 - 11 X 17 28.38

- 0 Savin will provide a Copy Center during the duration of the Convention consisting of the appropriate number of 5040 Duplicators required to handle the volume level. Savin also will provide a full time Customer Service Representative on-site at the Copy Center.
- 0 Savin will assign a dedicated Service Technician during the Convention equipped with a direct dispatch system to bypass normal dispatching operations.
- 0 No additional charges relating to copy volume etc. will be incurred.

88040722006

BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

April 27, 1984

Mr. Guy Hatfield
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

Dear Guy:

Thanks for your assistance these last few weeks in "sorting" out the copier and facsimile provider questions. I look forward to meeting you soon.

Attached is a financial comparison of three quality copier vendors: Xerox, Savin and Pitney Bowes. As you review the costs for each, you will notice Savin is the most cost effective and seemingly the most anxious to please our Party. Therefore, Blythe-Nelson recommends the RNC utilize the copier package from Savin Corporation.

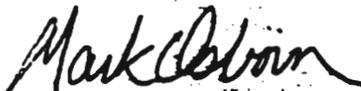
In our investigation we talked with six local copier companies about providing services for the convention. Out of the six three responded (Xerox, Savin and Pitney Bowes).

Utilization of Savin equipment and services will save the RNC approximately \$10,000 over the 1980 convention copier expenditures, \$70,000 over Xerox and \$7,131 over Pitney Bowes. Savin has committed to provide a dedicated service technician during the convention, full time customer service representative on-site at the copy center and as many copiers as is needed and installed in an expeditious time frame.

Finally, Jim is finalizing both Rapicom's and Savin's suggested letters of designation for Mr. Angelo's signature. A contract between the Party and these providers should be consummated as soon as possible. Please let me know when you will be in town and we can arrange a meeting with both Rapicom and Savin.

Again, I look forward to meeting you.

Very truly yours,



Mark Osborn

Attachment

Barton Park/5700 N. Stemmons Freeway/Suite 301/Dallas, Texas 75247/(214) 634-3800

83040722007

8 3 0 4 0 7 2 2 0 0 8

1984 REPUBLICAN NATIONAL CONVENTION COPIER REQUIREMENTS

FINANCIAL COMPARISON OF COPIER VENDORS

Attachment dated April 30, 1984
Re: Letter

- Assumptions: 1. 25 semi-auto document feed copiers with sorter
2. 792,000 total copies projected from May through August
3. Duplicating center equipped for August

† Xerox

Savin

Pitney Bowes

25 - 1045 copiers with semi-auto document feed and sorter

25 - 5030 copiers with semi-auto document feed and sorter

** 25 - 9800 semi-auto document feed 10 bin sorter

1 - 8200 Duplicator for copy center in August

3 - 5040 High speed copiers for copy center in August

NA - duplicator/high speed copier

\$ 8,850 installation and removal
0 paper and supplies

\$ 5,914 installation and removal
7,920 paper and supplies (.01/copy)

\$ 0 installation and removal
1,800 paper(supplies included)

11,400 6 for May
5,780 6 for June
36,100 19 for July
5,780 6 for July
24,000 25 for August
10,590 1 8200

1,500 6 copiers in May
1,500 6 copiers in June
6,250 25 for July

6,250 25 for August
875 3 5040's

2,160 May (48,000 copies)
2,160 June (48,000 copies)
9,000 July (200,000 copies)

22,320 Aug (496,000 copies)
NA 0 Duplicator

*\$120,460 Total

\$30,309 Total

\$37,440 Total

† Information and prices provided by Martha Gilbert, Xerox Sales Rep.

** Pitney Bowes pricing based on .045/copy regardless of number of machines

* Prices include all paper and supplies

88040722009



1984 Republican National Convention

Ernest Angelo
EF

Frank J. Fahrenkopf, Jr.
Chairman
Republican National Committee

**COMMITTEE ON
ARRANGEMENTS**

May 10, 1984

Ernest Angelo, Jr.
Chairman

Trudy McDonald
Vice-Chairman

George Clark, NY
Treasurer

Mary Silvers, GA
Secretary

Roger Allan Moore
General Counsel

**SUBCOMMITTEE
CHAIRMEN**

Don Adams, IL

Nancy Apgar, OK

Fran Chiles, TX

Jack Courtemanche, CA

Jennifer Dunn, WA

Noel Gross, NJ

Bill Harris, AL

Ginny Martinez, LA

Dennis Olson, ID

Sheila Roberge, NH

Ken Stout, AL

Peter Secchia, MI

STAFF

Ronald H. Walker
Convention Manager

Douglass Blaser
Deputy Convention Manager

Daniel Denning
Deputy Convention Manager

Peggy Venable
Executive Director

Dear Mr. Taylor:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that Savin Corporation has been selected to be the official provider of "Copier Equipment and Services" for the 1984 Republican National Convention.

It is our understanding that in consideration of this official designation, Savin Corporation will provide dedicated customer service and a minimum of 25 copiers at the favorable rates outlined in your letter of April 25, 1984.

Let me take this opportunity to thank you and your company for extending this valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely yours,

Ernest Angelo, Jr.
Chairman

Mr. Richard K. Taylor
Branch Manager
Savin Corporation
2389 Midway Road
Carrollton, Texas 75006

Dallas, Texas—August 20—23, 1984

83040722011



1984 Republican National Convention

Handwritten initials and marks at the top right of the page.

Frank J. Fahrenkopf, Jr.
Chairman
Republican National Committee

COMMITTEE ON ARRANGEMENTS

May 10, 1984

Ernest Angelo, Jr.
Chairman

Trudy McDonald
Vice-Chairman

George Clark, NY
Treasurer

Mary Silvers, GA
Secretary

Roger Allan Moore
General Counsel

SUBCOMMITTEE CHAIRMEN

Don Adams, IL

Nancy Apgar, OK

Fran Chiles, TX

Jack Courtemanche, CA

Jennifer Dunn, WA

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Executive Director

Dear Mr. Taylor:

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It is our understanding that in consideration of this official designation, Savin Corporation will provide dedicated customer service and a minimum of 25 copiers at the favorable rates outlined in your letter of April 25, 1984.

Let me take this opportunity to thank you and your company for extending this valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely yours,

Ernest Angelo, Jr.
Chairman

Mr. Richard K. Taylor
Branch Manager
Savin Corporation
2389 Midway Road
Carrollton, Texas 75006

Vertical handwritten number: 133407-2012

Dallas, Texas—August 20—23, 1984

July 25, 1984

Mr. Richard K. Taylor
Savin Corporation
2389 Midway Rd.
Carrollton, TX 75006

Dear Mr. Taylor:

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as the "official" provider of those goods or services.

We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and Savin Corporation (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Copier of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official Copier of the 1984 Republican National Convention" without the Vendor's written consent.

3319722010

The following signature style shall be used:

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL CONVENTION

1984 REPUBLICAN NATIONAL COMMITTEE

By: _____
R. CARTER SANDERS, JR.
Counsel

By: _____
ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

ATTEST:

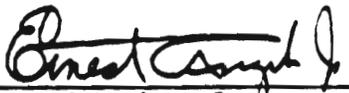
3 3 0 4 0 7 2 4 0 1 4

SAVIN CORPORATION
By: _____

If you have questions regarding the details discussed herein, please contact R. Carter Sanders, Jr., Anderson, Hibey, Nauheim & Blair, 1708 New Hampshire Avenue, N.W., Washington, D.C. 20009 (202) 433-1900.

Upon completion, please forward the written agreement to R. Carter Sanders, Jr. at the above address.

Very truly yours,



Ernest Angelo, Jr.
Chairman
Committee on Arrangements

83040722015

SAVIN CORPORATION

08 23

2299

\$48,943.73

002299

0815.89

\$48,943.73



83040722016



Committee on Arrangements for the
1984 Republican National Convention
310 First Street Southeast, Washington, D.C. 20003

CHECK NO. 002299
68-408
- 560

BANK OF VIRGINIA
McLEAN VIRGINIA 22102

DATE	CHECK NUMBER
8/23/84	2299

***FORTY EIGHT THOUSAND NINE HUNDRED FORTY THREE
DOLLARS AND 73/100***

AMOUNT
\$ 48,943.73

PAY TO THE ORDER OF: SAVIN CORPORATION
PB BOX 910100
DALLAS, TX 75391

NON-NEGOTIABLE

AUTHORIZED SIGNATURE

88040722017

Savin

Savin Corporation

2389 MIDWAY ROAD
CARROLLTON, TX 75006

INVOICE DATE
08/22/84

INVOICE NUMBER
DJAMSR

PLEASE REPLY WITH BOTTOM
PORTION OF INVOICE
NO STATEMENT WILL BE SENT

PAGE NO. 1

PAYMENT TERMS
NET 10 DAYS

CUSTOMER ORDER NUMBER

PLEASE DIRECT ALL INQUIRIES TO	MODEL	DESCRIPTION	AMOUNT
14)931-1700		Trailer dock	
		4340610819 (Sargent at Arms)	752 27
	#350	4340610816 (VIP, Special Events, Entertainment)	752 27
	#360	4340610833 (Chairman)	752 27
	#380	4340610841 (General Counsel)	752 27
	#400/410	4340610803 (Doublewide)	752 27
	#430	4340610810 (Official Proceeding)	752 27
	#450	4240302529 (Program Planning)	752 27
	#370	4340610831	752 27
	#420	Removed	752 27
		North - 200 Offices	
		4340610824 (N236 Communications)	1,077 27
		4240403078 (N230)	1,077 27
		4240301959 (N219 P. Venable)	1,077 27
		4240403752 (N207 Entertainment)	752 27
	4340610718 (N213 Facilities)	1,402 27	
	E404		
	4340610728	1,077 27	
	Auxiliary 4340610868	752 27	
	East Ballroom C (Credentials) 4340610857	752 27	

ALL CLAIMS MUST BE PLACED
WITHIN 6 DAYS

NO GOODS MAY BE RETURNED
FOR CREDIT WITHOUT OUR
WRITTEN AUTHORITY.
ALL AMOUNTS PAYABLE
TO THE ORDER OF SAVIN
CORPORATION.

BILL TO 31-52773-2 REPUBLICAN NATIONAL CONVENTION 650 SOUTH GRIFFIN DALLAS, TX 75202	TOTAL THIS PAGE	
	TAX AMOUNT	
	SHIPPING & HANDLING	
	PAY THIS AMOUNT	▶

DUE TO 31-52773-2
REPUBLICAN NAT'L CONVENTION
650 SOUTH GRIFFIN
DALLAS, TX 75202

SC SENT TO
SAVIN CORPORATION
P. O. BOX 910100
DALLAS, TX 75391

INVOICE
DETACH AND RETURN THIS PORTION

Savin

Savin Corporation

INVOICE DATE 8-22-84	INVOICE NUMBER DJAMSR	BILL TO ACCOUNT NUMBER 31-52773-2	PAY THIS AMOUNT ▶
-------------------------	--------------------------	--------------------------------------	-------------------

BILL TO ADDRESS
REPUBLICAN NATIONAL CONVENTION
650 SOUTH GRIFFIN
DALLAS, TX 75202

PLEASE REPLY TO
SAVIN CORPORATION
P. O. BOX 910100
DALLAS, TX 75391

Savin Savin Corporation
 2389 MIDWAY ROAD
 CARROLLTON, TX 75006

INVOICE DATE
 08/22/84

INVOICE NUMBER
 DJAMSR

PLEASE PRINT WITH BOLD
 PORTION OF INVOICE
 NO STATEMENT WILL BE SENT

PAGE NO. 2

PAYMENT TERMS
 NET 10 DAYS

CUSTOMER ORDER NUMBER

PLEASE DIRECT ALL INQUIRIES TO	MODEL	DESCRIPTION	AMOUNT
		East Ballroom D (Rules I) 4340610869	752.20
		Under Rostrum (2 Machines) 4340610805	752.20
		4340610820	752.20
	AP 4330600451		752.20
		Copy Center (7 Machines) 4440508369	752.20
		4240302189 (Moved to Finance)	752.20
		4440508371	752.20
		4240302244	752.20
		4440206055	752.20
		4431004097	752.20
		5020	752.20
		Platform Committee	
		4340610848 (S308)	752.20
		4340610854 (S413)	752.20
		4340610892 (S413)	752.20
		434061086 (S413)	752.20
		4340610796 (Rear of Theatre)	752.20
		4340610795 (Rear of Theatre)	752.20
		Youth Office	
		4440206086	1.077.20

ALL CLAIMS MUST BE PLACED
 WITHIN 90 DAYS

NO GOODS MAY BE RETURNED
 FOR CREDIT WITHOUT OUR
 PRIOR WRITTEN AUTHORITY.
 MAKE ALL CHECKS PAYABLE
 TO THE ORDER OF SAVIN
 CORPORATION.

BILL TO 31-52773-2
 REPUBLICAN NATIONAL CONVENTION
 650 SOUTH GRIFFIN
 DALLAS, TX 75202

TOTAL THIS PAGE	
TAX AMOUNT	
SHIPPING & HANDLING	
PAY THIS AMOUNT	▶

SHIP TO 31-52773-2
 REPUBLICAN NAT'L CONVENTION
 550 SOUTH GRIFFIN
 DALLAS, TX 75202

SC SENT TO
 SAVIN CORPORATION
 P. O. BOX 910100
 DALLAS, TX 75391

INVOICE
 DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE
 3-22-84

INVOICE NUMBER
 DJAMSR

BILL TO ACCOUNT NUMBER
 31-52773-2

PAY THIS AMOUNT ▶

BILL TO ADDRESS
 REPUBLICAN NATIONAL CONVENTION
 650 SOUTH GRIFFIN
 DALLAS, TX 75202

PLEASE PRINT TO
 SAVIN CORPORATION
 P. O. BOX 910100
 DALLAS, TX 75391

SAVIN Savin Corporation
 2389 MIDWAY ROAD
 CARROLLTON, TX 75006

INVOICE DATE: 06/22/84
 INVOICE NUMBER: DJAMSP
 PLEASE READ THE BOTTOM PORTION OF INVOICE NO STATEMENT WILL BE SENT

PAYMENT TERMS: NET 10 DAYS
 CUSTOMER ORDER NUMBER

MODEL	DESCRIPTION	AMOUNT
	Republican Women Information Services 4240403705 (Lower Level West Wing)	752.27
	Media Operations 4340610822 (West Ballroom A)	752.27
	General Press 4340610852 (West Ballroom D) 4240403703 (West Ballroom D)	752.27 752.27
	Hyatt Hotel 4240403708 (Cascade B) 4240301966 (Brisbane A & B) 4240302158 (Bryan B) 4240403697 (Latinier B)	752.27 752.27 752.27 752.27
TOTAL MACHINES, INSTALLATION, & INITIAL SUPPLIES		34,226.10
EXCESS SUPPLIES		11,947.23

ALL CLAIMS MUST BE PLACED WITHIN 90 DAYS
 NO GOODS MAY BE RETURNED FOR CREDIT WITHOUT OUR WRITTEN AUTHORITY. MAKE ALL CHECKS PAYABLE TO THE ORDER OF SAVIN CORPORATION.

BILL TO: 31-52773-2 REPUBLICAN NATIONAL CONVENTION 650 SOUTH GRIFFIN DALLAS, TX 75202	TOTAL THIS PAGE: 46,173.30 TAX AMOUNT: 2,770.40 SHIPPING & HANDLING: 0.00 PAY THIS AMOUNT: 48,943.70
--	---

DUE TO: 31-52773-2 REPUBLICAN NAT'L CONVENTION 650 SOUTH GRIFFIN DALLAS, TX 75202	SC REMIT TO: SAVIN CORPORATION P. O. BOX 910100 DALLAS, TX 75391
--	---

INVOICE
 DETACH AND RETURN THIS PORTION

SAVIN Savin Corporation

INVOICE DATE: 8-22-84	INVOICE NUMBER: DJAMSR	BILL TO ACCOUNT NUMBER: 31-52773-2	PAY THIS AMOUNT: 48,943.70
-----------------------	------------------------	------------------------------------	----------------------------

BILL TO ADDRESS:
 REPUBLICAN NATIONAL CONVENTION
 650 SOUTH GRIFFIN
 DALLAS, TX 75202

PLEASE REMIT TO:
 SAVIN CORPORATION
 P. O. BOX 910100
 DALLAS, TX 75391

RECEIVED
 COST CENTER
 ACCOUNTING
 FINANCE

33140742021



LTD.

Southwestern Bell
Mobile Systems, Inc.

17330 Preston Rd Suite 100A
Dallas, TX 75252
Phone (214) 733-2001

March 8, 1984

J.W. Callaway
President

OK →
3/30
2/16
Call me
at recommended
of

Mr. Ron Walker
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

You approved Southwestern Bell's
Eric signed the letter pending
Sandy approval. It was sent
about a week ago.

Dear Mr. Walker:

On January 24, 1984, Mr. Phil Howard, our Vice President-Marketing outlined our desire to participate in this year's convention. Since that letter we have been able to more fully understand your mobile communication needs for this year's convention. This understanding or increased knowledge is the result of our close participation with Mr. Jim Blythe.

On February 29, 1984, Dallas SMSA Limited Partnership, an entity of which Southwestern Bell Mobile Systems is a principal, filed a request for a covering license with the Federal Communications Commission. The covering license is the final regulatory process necessary to bring cellular service to the Dallas-Fort Worth area.

We anticipate having final regulatory approval no later than July, 1984. In addition, we have discussed with the commission's staff providing service in advance of July, 1984, to certain government officials. At this time, we are hopeful the staff will approve our request and allow us to provide service to a select group of federal law enforcement agencies and other officials engaged in preparatory activities.

We propose providing a mixture of pre-installed and briefcase portable telephones (if available) to the committee. I propose that we allocate these units to the committee in a phased-in approach, whereby, an increasing number of units are made available as the committee's presence and needs in Dallas grows.

I am in a position to make available for the committee's use up to fifty units. The associated usage of airtime with these mobile telephones for May through August is up to \$50,000. The mobile and portable briefcase telephones are worth considerably more than \$50,000 and we will require that all units be returned at the conclusion of the convention. In exchange of values we would request to be designated as the cellular provider to the 1984 Republican National Committee.

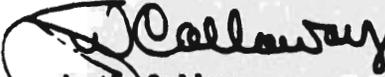
?

830407-22022

In addition, we will continue to work with local businesses supporting this year's convention to insure that their support capabilities are enhanced through the use of our service.

At your convenience, I would like to arrange a meeting with you and Messrs. Howard and Blythe to work out any unresolved issues.

Sincerely,


J. W. Callaway
President

PH/kk

cc: Mr. Jim Blythe
Mr. Phil Howard

88040722025

38040722024



1984 Republican National Convention

Frank J. Fahrenkopf, Jr.
Chairman
Republican National Committee

copies: Official Designation File
Telephone File - SW Mobile Phon.
Peggy Venable - 2 copies
Jim Blythe

COMMITTEE ON
ARRANGEMENTS

March 23, 1984

Ernest Angelo, Jr.
Chairman

Trudy McDonald
Vice-Chairman

George Clark, NY
Treasurer

Mary Silvers, GA
Secretary

Roger Allan Moore
General Counsel

SUBCOMMITTEE
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Fran Chiles, TX

Jack Courtemanche, CA

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Bill Harris, AL

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Ken Stout, AL

Peter Secchia, MI

STAFF

Ronald H. Walker
Convention Manager

Douglass Blaser
Deputy Convention Manager

Daniel Denning
Deputy Convention Manager

Peggy Venable
Executive Director

Mr. J. W. Callaway
President
Southwestern Bell
Mobile Systems, Inc.
17330 Preston Road
Suite 100A
Dallas, TX 75252

Dear Mr. Callaway:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that Southwestern Bell Mobile Systems, Inc. has been selected to be the official cellular provider of portable telephones for the 1984 Republican National Convention.

It is our understanding that in consideration of this official designation, Southwestern Bell Mobile Systems, Inc. will provide a mixture of 50 units either of pre-installed or briefcase portable telephones, with up to \$50,000 usage of airtime, as outlined in your letter of March 8, 1984. Please provide Ron Walker, the Convention Manager, with your proposed contract so that our attorney may review and approve.

Let me take this opportunity to thank you and your company for extending this valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely yours,

Ernest Angelo, Jr.
Chairman, Arrangements Committee

EAA/mfg

Dallas, Texas—August 20—23, 1984

08040722025

88040724026

ACCESS AND LEASE AGREEMENT

THIS Agreement entered into as of the 23 day of July, 1984, between the 1984 Republican National Committee, an unincorporated political Committee organized in the District of Columbia with its principal offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), (collectively referred to as "Client"), and Southwestern Bell Mobile System, Inc., a Delaware corporation (hereinafter "Contractor"), having a principal place of business and the persons and entities listed in Exhibit A hereto (collectively the "Agents" and individually an "Agent");

W I T N E S S E T H:

WHEREAS, the Contractor is in the business of providing cellular radio telecommunications services ("Cellular Service);

WHEREAS, each Agent is in the business of selling and leasing cellular mobile radio units and related equipment used in connection with Cellular Service provided by the Company; and

WHEREAS, the 1984 Republican National Convention (hereinafter "Convention") has been advertised as "high tech" in connection with the sophisticated technology to be utilized at said Convention; and

88040722027

WHEREAS, the Contractor is desirous of obtaining the benefit of being associated with the Convention and the attendant good will, advertising and public relations; and

WHEREAS, the Client desires to enter into this Agreement with the Contractor and the Agents in order to obtain the same before and during the 1984 Republican National Convention to be held in Dallas, Texas; and

WHEREAS, as consideration for the Cellular Service to be provided and the Equipment to be leased hereunder, the Client, among other things, has agreed to grant to the Contractor and the Agents the right to advertise the Contractor as the "Official Provider of Cellular Telephone Service to the Convention" and the equipment to be leased hereunder as the equipment used in connection therewith;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

Section 1. Cellular Service. The Contractor hereby agrees to provide Cellular Service to the Client (including up to fifty (50) access numbers to be used in connection therewith) for the period commencing July 1, 1984 and ending August 31, 1984. The Contractor's obligation to provide Cellular Service shall be subject to the terms, conditions and limitations set forth in Section 4 hereof, and shall be for the consideration, rates and charges specified in Section 3 hereof.

Section 2. Lease of Equipment. Each Agent hereby leases to the Client, and the Client hereby leases from each Agent, the

83040722028

cellular mobile radio units and related equipment specified for each such Agent set forth in Exhibit A annexed hereto (such equipment, together with all replacement parts, repairs, additions and accessories incorporated therein and/or affixed thereto, is herein called the "Equipment"), for the period commencing July 1, 1984 and ending August 31, 1984. The lease of the Equipment by each Agent shall be subject to the terms, conditions and limitations set forth in Section 5 hereof, and shall be for the consideration, rates and charges specified in Section 3 hereof.*

John [unclear] [unclear] [unclear] [unclear] [unclear] [unclear]

00040722029

Section 3(a). Consideration, Rates and Charges. As consideration for (a) the first Fifty Thousand and 00/100th Dollars (\$50,000.00) worth of Cellular Service provided hereunder by the Contractor (which shall include, at the Contractor's standard rates, all monthly per unit charges and all per minute access charges incurred by the Client and (b) the lease of the Equipment by the Agents to the Client hereunder, the Client hereby grants to the Contractor and the Agents the right to advertise and represent the Contractor as the "Official Provider of Cellular Telephone Service to the Convention" and the Equipment as the equipment used in connection therewith. In addition, the Client agrees to pay (i) to the Contractor, at the Contractor's standard rates, all amounts charged for Cellular Service during the term hereof in excess of the initial Fifty Thousand and 00/100th Dollars (\$50,000.00) of Cellular Service provided and (ii) to the Agents all other amounts that become payable under Section 5 hereof.

[Handwritten initials and notes]

The Client understands and agrees that the provision of the briefcase units is subject to availability from the Manufacturer and may not be available on July 1, 1984. As soon as the units are received, the unit will be furnished to the Client.

Section 4. Terms, Conditions and Limitations of Cellular Service. The Contractor's obligation to provide the Cellular Service to the Client is subject to the following terms, conditions and limitations:

(a) Service Limitations.

(i) Cellular Service is available to cellular mobile radio units equipped for Cellular Service when within the range of cell sites located in the Greater Dallas Metropolitan Area Cellular Geographic Service Area (the "Cellular Geographic Service Area"). Cellular Service is subject to transmission limitations caused by atmospheric and like conditions.

(ii) Cellular Service may be temporarily refused or limited because of the cellular carrier's system capacity limitations.

(iii) Cellular Service to any or all customers may be temporarily interrupted or curtailed due to equipment modifications, upgrades, relocations, repairs and similar activities necessary for the proper or improved operation of the Cellular Service.

(b) Liability Limitations. The Contractor's sole liability to the Client and authorized users for interruptions in Cellular Service furnished by the Contractor is as follows:

(i) A credit allowance will be made, at the Client's request, in the form of a pro rata adjustment of the fixed monthly charges billed by the Contractor and rendered inoperative by the interruption as its full and complete

(v) Cellular Service shall not be used in such a manner as to interfere unreasonably with the use of the service by one or more other customers of the Contractor.

(d) Termination of Service.

(i) The Contractor shall not be obligated to provide Cellular Service unless and until the cellular carrier Dallas SMSA Limited Partnership shall have received the necessary approvals and licenses from the Federal Communications Commission on or before, July 1, 1984. In the event the Contractor shall not have obtained such approvals and licenses, the Contractor shall have the option, by written notice to the other parties hereto, to immediately terminate this Agreement, in which event none of the parties hereto shall have any liabilities or obligations to the other parties hereto.

(ii) The Client may terminate Cellular Service by notifying the Contractor. The Client is responsible for payment of outstanding charges for the period service was rendered. If termination occurs prior to expiration of the term hereof, charges apply for the full contract period.

(iii) Upon non-payment of any sum due the Contractor, or upon a violation of any of the terms and conditions of this Agreement, the Contractor may, by notice in writing to the other parties to this Agreement, without incurring any liability, either temporarily discontinue Cellular Service, or terminate this Agreement.

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(iv) Cellular Service may be refused or discontinued without notice in the event that service is used in such a manner that will adversely affect the Contractor's service to others.

(v) The Contractor may terminate this Agreement if cellular services are not available to the Contractor from or cease to be furnished by, the Dallas SMSA Limited Partnership, the party furnishing cellular services to the Contractor.

(e) Operator Assistance and Toll Charges. Operator assistance and toll calls are not provided by the Contractor. Said services are obtained from long distance carriers not affiliated with Contractor and the Client shall be responsible for charges incurred in connection therewith.

(f) Equipment. The contractor is not responsible for the installation, operation, quality of transmission or maintenance of any Equipment. The Client or authorized users must provide and maintain all mobile radio unit equipment and ensure that it is technically and operationally compatible with the cellular system and in compliance with applicable federal communications rules and regulations. The operating characteristics of the Equipment used shall be such as not to interfere with Cellular Service offered by the Contractor.

(g) Access Numbers. The Client has no property right in the access numbers. The Contractor reserves the right to assign, designate, or change any such numbers, when, in its sole opinion,

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such assignment, designation or change is reasonably necessary in the conduct of its business.

(h) Rates and Charges, and Payment.

(i) The Client is responsible to pay the Contractor for all toll charges resulting from the origination of mobile calls to points outside the Cellular Geographic Service Area, collect calls, and other charges or calls billed to the customer's access number. These charges are in addition to the charges for usage set forth in Section 3.

(ii) The Contractor's current monthly charge per unit is \$35.00. The Contractor's current rates for Cellular Service are \$.38 per "peak" minute usage and \$.22 per "off-peak" minute. The Contractor reserves the right to increase any and all rates and charges contained herein upon thirty (30) days notice to the Client.

(iii) The client will be billed for Cellular Service on a monthly basis. All payments due hereunder shall be due and payable to the Contractor immediately upon receipt of all billings.

Section 5. Terms, Conditions and Limitations of Leased Equipment. The Agents' obligations to lease equipment to the Client is subject to the following terms, conditions and limitations.

(a) No Warranties by the Agents.

(i) The Client acknowledges that the Agents may purchase the Equipment from a seller (the "Seller") and

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arrange for delivery to the Client at the Client's expense. The Agents shall have no responsibility for delay or failure of Seller to fill the order for the Equipment.

(ii) THE CLIENT AGREES THAT THE AGENTS HAVE MADE AND MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING THE SUITABILITY OF THE EQUIPMENT, ITS DURABILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, ITS MERCHANTABILITY, ITS CONDITION, AND/OR ITS QUALITY, AND AS BETWEEN THE CLIENT AND THE AGENTS OR THE AGENT'S ASSIGNEE, THE CLIENT LEASES THE EQUIPMENT "AS IS". THE AGENTS AND THE AGENTS' ASSIGNEE(S) SHALL NOT BE LIABLE TO THE CLIENT FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY BY ANY EQUIPMENT LEASED HEREUNDER OR INSTALLATION, USE OR MAINTENANCE THEREOF OR DELAYS IN INSTALLATION, OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIRS, SERVICE OR ADJUSTMENT THERETO, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY THEREOF OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED. NO REPRESENTATION OR WARRANTY AS TO THE EQUIPMENT OR ANY OTHER MATTER BY THE SELLER SHALL BE BINDING ON THE AGENTS NOR SHALL THE BREACH OF SUCH RELIEVE THE CLIENT OF, OR IN ANY WAY AFFECT, ANY OF THE CLIENT'S OBLIGATIONS TO THE AGENTS AS SET FORTH HEREIN.

(iii) If the Equipment is not properly installed, does not operate as represented or warranted by the Seller

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or is unsatisfactory for any reason, the Client shall make any claim on account thereof solely against the Seller and shall nevertheless pay the Agents all rent payable under this Agreement. The Agents agree to assign to the Client, solely for the purpose of making and prosecuting any such claim, any rights they may have against the Seller for breach of warranty or representation respecting the Equipment.

(iv) Notwithstanding any fees that may be paid to Seller or any agent of Seller, the Client understands and agrees that neither the Seller nor any agent of the Seller is an agent of the Agents nor are the Agents of the Seller. Neither the Seller nor his agent is authorized to waive or alter any term or condition of this Agreement. The Agents make no representation as to the treatment of this Agreement for tax or accounting purposes. The Client waives, insofar as permitted by law, trial by jury in any action between the parties.

(b) Title: Personal Property. No ownership to the Equipment or proprietary interest in software shall be deemed to be transferred from the Agents to the Client by virtue of this Agreement. All documents of title and evidence of delivery shall be delivered to the Agents. The Agents are hereby authorized by the Client, at the Client's expense, to cause this Agreement, or any statement or other instrument in respect of this Agreement showing the interest of the Agents in the Equipment, including Uniform Commercial Code Financing Statements, to be filed or

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recorded and refiled and re-recorded, and the Client authorizes each Agent, if each so elects, to file financing statements signed only by each Agent with respect to specific Equipment leased by such Agent. The Client agrees to execute and deliver any statement or instrument requested by each Agent for such purpose, and agrees to pay or reimburse the Agents for any filing, recording or stamp fees or taxes arising from the filing or recording any such instrument or statement, and the Client authorizes each Agent to execute such financing statements as the Client's agent in fact. The Client shall at its expense protect and defend the Agents' title against all persons claiming against or through the Client, at all times keeping the Equipment free from any legal process or encumbrance whatsoever, including, but not limited to, liens, attachments, levies and executions, and shall give the Agents immediate written notice thereof and shall indemnify the Agents from any loss caused thereby. The Client shall execute and deliver to the Agents, upon the Agent's request, such further instruments and assurances as the Agents deem necessary or advisable for the confirmation or perfection of the Agents' rights hereunder. The Client shall have no right to purchase or otherwise acquire title or ownership of any of the Equipment or any parts thereof may now be, or hereafter become, in any manner affixed or attached to real property or any improvements thereon.

(c) Care and Use of Equipment. The Client (i) shall maintain the Equipment in good operating condition, repair and appearance, and protect the same from deterioration, other than

normal wear and tear, shall use the Equipment in the regular course of business only, within the normal capacity, without abuse, and in a manner contemplated by the Seller; (ii) shall comply with all laws, ordinances, regulations, requirements and rules with respect to the use, maintenance and operations of the Equipment, shall not make any modification, alternation or addition to the Equipment (other than normal operating accessories or controls which shall, when added to the Equipment, become the property of the Agents) without the prior written consent of the Agents, which shall not be unreasonably withheld; (ii) shall not so affix the Equipment to realty as to change its nature to real property or fixture; (iv) shall keep the Equipment within the Cellular Geographic Service Area, and shall not remove the Equipment without the consent of the Agents, which shall not be unreasonably withheld. The Agents shall have the right during normal hours, upon reasonable prior notice to the Client and subject to applicable laws and regulations, to enter upon the premises where the Equipment is located in order to inspect, observe or remove the Equipment, or otherwise protect the Agents' interests. For the purpose of assuring the Agents that the Equipment will be properly serviced, the Client agrees, in the event that the Agents so request, to cause the Equipment to be maintained by the Seller pursuant to the Seller's standard preventative maintenance contract or a comparable maintenance contract satisfactory to the lessor. All replacement and repair parts shall be of type and quality approved by the Agents.

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(d) Net Lease: Taxes and Transportation. The Client intends the rental payments hereunder, if any, to be net to the Agents, and the Client (i) shall pay all transportation costs of the Equipment, sales, use, excise, personal property, stamp, documentary and ad valorem taxes, license and registration fees, assessments, fines, penalties and all other charges imposed on the ownership, possession or use of the Equipment during the term of this Agreement; (ii) shall pay all taxes (except Federal or State net income taxes) imposed on the Agents or the Client with respect to the rental payments hereunder; and (iii) shall reimburse the Agents. The Client shall file all returns required therefore and furnish copies to the Agents. If any event shall occur which results in the loss or recapture of federal income tax benefits claimed by the Agents with respect to the Equipment, the Client shall pay to the Agents in addition to all other payments required by this Agreement an amount equal to the value of such lost benefits.

(e) Indemnity. The Client shall and does hereby agree to indemnify and save the Agents and their agents, servants, successors and assigns harmless from any and all claims, liability, damages, or loss, including reasonable counsel fees, arising out of the ownership, selection, possession, leasing, renting operation (regardless of where, how and by whom operated) control, use, condition (including but not limited to latent and other defects, whether or not discoverable by the Client), maintenance, delivery and return of the Equipment, or in the event that the

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Client shall be in default hereunder, arising out of the condition of any item of Equipment sold or disposed or after use by the Client. The indemnities and obligations herein provided shall continue in full force and effect notwithstanding the termination of this Agreement.

(f) Insurance. The Client shall keep the Equipment insured against all risks of loss or damage from every cause whatsoever for not less than the replacement cost of the Equipment without consideration for depreciation. The amount of such insurance shall be sufficient so that neither the Agents nor the Client will be considered a co-insurer. The Client also shall carry public liability insurance, both personal injury and property damages, covering the Equipment. All such insurance shall provide that losses, if any, shall be payable to the Agents as a named insured. The Client shall pay the premiums for such insurance and deliver to the Agents satisfactory evidence of the insurance coverage required hereunder with long form Lender's Loss Payable endorsement upon the policies or by separate instrument that gives the Agents the right to thirty (30) days' written notice before the policy can be cancelled and the right to payment of premium without obligation. The proceeds of such insurance payable as a result of loss damage to any Equipment shall be applied to satisfy the Client's obligations as set forth in the immediately following paragraph (g). The Client hereby irrevocably appoints the Agents as the Client's attorney-in-fact to make claim for, receive payment of and execute and endorse all

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documents, checks or drafts received in payment for loss or damage under any such insurance policy.

(g) Risk of Loss. The Client hereby assumes the entire risk of loss, damage or destruction of the Equipment from any and every cause whatsoever during the term of this lease and thereafter until redelivery to the Agents. In the event of loss, damage or destruction of any item of Equipment, the Client at its expense (except to the extent of any proceeds of insurance provided by the Client which shall have been received by the Agents as a result of such loss, damage or destruction), and at the Agents' option, shall either (i) repair such item, returning it to its previous condition, unless damaged beyond repair, or (ii) pay the Agents all unpaid rental as may be allocated to such item, or (iii) replace such item with a like item acceptable to the Agents in good condition and of equivalent value, which shall become property of the Agents, included within the terms "Equipment" as used herein, and leased from the Agents herewith for the balance of the full term of this Agreement. Upon payment or replacement as provided for in clauses (ii) or (iii) hereof, this agreement shall terminate with respect to the items of Equipment so paid for or replaced, and the Equipment so paid for or replaced shall be transferred to the Client on an "as-is" basis. In any event where the Client fails to provide adequate insurance coverage the Agents may secure insurance coverage and the Client shall reimburse the Agents for all insurance premiums.

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(h) Performance by the Agents of the Client's Obligations. In the event the Client fails to comply with any provision of this Agreement, the Agents shall have the right, but shall not be obligated, to effect such compliance on behalf of the Client upon twenty (20) days' prior written notice to the Client. In such event all moneys expended by, and all expenses of, the Agents in effecting such compliance shall be deemed to be additional rental due hereunder, and shall be paid by the Client to the Agents within five (5) days after the date on which the Client receives such written notice.

(i) Lease Irrevocability and Other Covenants and Warranties of the Client. The Client agrees that this Agreement is irrevocable for the full term hereof; that the Client's obligations under this Agreement are absolute and shall continue without abatement and regardless of any disability of the Client to use the Equipment or any part thereof because of any reason including, but not limited to war, acts of God, governmental regulations, strike, loss, damage, destruction, obsolescence, failure or delay in delivery, failure of the Equipment properly to operate, termination by operation of law, or any other cause. The Client warrants that this Agreement has been duly authorized, and that no provision of this Agreement is inconsistent with the Client's charter, by-laws, or any agreement or other instrument to which the Client is a party or by which the Client or its property may be bound or affected.

(j) Default. If any one of the following events (each an "Event of Default") shall occur, then to the extent permitted by

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applicable law, each Agent shall have the right to exercise any one or more of the remedies set forth in the immediately following paragraph (k);

(i) If the Client fails to pay any rental or any other payment hereunder when due, and such failure continues for ten (10) days

(ii) If the Client breaches any other covenant, warranty or agreement hereunder, and such breach continues for twenty (20) days after written notice thereof.

(k) Remedies. If an Event of Default shall occur, each Agent, at its option, shall have the following rights and remedies, which shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law:

(i) To declare the entire balance of all amounts payable hereunder to such Agent immediately due and payable whereupon the Client shall become obligated to pay to such Agent such amounts.

(ii) Without demand or notice and without any court order or legal process to enter into the premises where the Equipment is located and take possession of any or all of the Equipment.

(iii) To terminate this Agreement.

(l) Assignment: Notice of Intended Assignment. Each Agent may, without the Client's consent, assign or transfer its interest in this Agreement or in any Equipment, any rent, or any other sums due or to become due hereunder, and in such event the Agent's assignee or transferee shall have all the rights, powers,

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privileges, and remedies of such Agent hereunder. In the event of such assignment the Client agrees not to assert, as against the Agent's assignee, any defense, setoff, recoupment, claim or counterclaim, whether arising under this Agreement or otherwise. The Client shall not assign this Agreement or any interests hereunder and shall not enter into any sublease with respect to the Equipment covered hereby without the Agent's prior written consent.

(m) Return of Property. Upon the termination or expiration of this Agreement the Client shall forthwith, deliver, freight prepaid, the Equipment to the Agents, at an address designated by the agents, complete and in good order and condition, reasonable wear and tear alone excepted. The Client shall also pay to the Agents such amounts as may be necessary to cover replacement for all damages, broken or missing parts of the Equipment. If upon such expiration or termination the Client does not immediately return the Equipment to the Agents, the Equipment shall continue to be held and leased hereunder (provided, however, that the Client shall then become liable for monthly rental payments for the Equipment then held at the Agents' customary monthly rental charges), subject to the right of either the Client or the Agents to terminate this Agreement upon thirty (30) days' notice, whereupon the Client shall forthwith deliver the Equipment to the Agents as set forth in this paragraph (m).

Section 6. Entire Agreement; Changes. This Agreement contains the entire agreement between the parties and may not be altered, amended, modified, terminated or otherwise changed

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except by a writing signed by each party hereto. This Agreement wholly cancels, voids and supersedes any agreement heretofore entered into between the parties hereto with respect to the subject hereof.

Section 7. This Agreement will be construed and enforced in accordance with, and the rights of the parties will be governed by, the laws of the State of Texas.

Section 8. In connection with this Agreement, the Contractor and Agents shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any ~~alleged~~ negligent act, omission or error on the part of the Contractor or any breach of any obligation under this Contract.

Section 9. Notices. All notices required to be given with regard to this Agreement shall be given in writing and addressed as follows:

If to the Client, to:

Committee on Arrangements
Republican National Committee
Dallas Convention Center
650 South Griffin
Dallas, Texas 75202

If to the Contractor, to:

Southwestern Bell Mobile Systems, Inc.
17330 Preston Road
Suite 100A
Dallas, Texas 75252

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If to the Agents, to:

c/o Southwestern Bell Mobile Systems, Inc.
17330 Preston Road
Suite 100A
Dallas, Texas 75252

Every notice or demand to be sent to any party shall be sent to such party at its address or telex number hereinbefore described or at such changed address or telex number as it may from time to time specify in a notice to the other party. Every notice or demand shall be deemed to have been received, in the case of a telex, at the time of dispatch thereof to the proper party, and in the case of a letter, at the time of certified receipt thereof.

Section 10. Waiver. The failure of a party to insist in any one or more instances upon strict compliance with any of the provisions of this Agreement, or to exercise any options or remedies provided for herein, shall not be construed to be a waiver or relinquishment of such party's right to thereafter require the compliance with any such party to thereafter exercise such option or remedy, but such provision or option or remedy shall remain in full force and effect.

Section 11. The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

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IN WITNESS WHEREOF, the parties hereto have set their respective hand and seal as of the day and year first written above.

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL CONVENTION

By: *R. Carter Sanders, Jr.*
R. CARTER SANDERS, JR.
Counsel

1984 REPUBLICAN NATIONAL COMMITTEE

By: *Ernest Angelo, Jr.*
ERNEST ANGELO, JR.
Chairman
Committee On Arrangements

ATTEST:

Stan A. Rish

CONTRACTOR:

SOUTHWESTERN BELL MOBILE SYSTEMS, INC.

By: *John H. Otterberg*

ATTEST:

Stan A. Rish

AGENTS:

AMERICAN COMMUNICATION CORP.

By: *James H. Kelly*

ATTEST:

Stan A. Rish

COMMUNICATION ENGINEERING CO.

By: *John Walsh President*

ATTEST:

Stan A. Rish

NATIONAL COMMUNICATION SALES

By: *H. D. [Signature] PRESIDENT*

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ATTEST:

Donald H. West

CAR-PONE, INC.

By: [Signature]

Get it
verified

ATTEST:

[Signature]

SPECTRUM CELLULAR
CORP.

By: Patricia A. Mayben

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June 16, 1983

Limit schedule w/ Gordon afternoon of 7/13 if possible
Keller Crescent Co.
TOTAL MANUFACTURING COMMUNICATIONS

Rick Shelby
Republican National Committee
310 First Street, N.E.
Washington, D.C. 20003

Dear Rick:

It was a pleasure meeting you in person at the barbecue for the members of the Republican National Committee last week.

Gordon Matthews, the other executives of VMX, Inc. and I are very excited about the prospect of introducing Voice Message™ technology to the members of the RNC, the arrangements committee and perhaps even the delegates in conjunction with the planning and execution of the 1984 Republican National Convention.

We would like to be able to schedule an appointment with you during one of your next trips to Dallas to explain this innovative communications system to you on a more in-depth basis and to let you know how our business customers throughout the U.S. and abroad are using Voice Mailboxes™ to ease their problems of communication.

Voice Message communication has such a high degree of quick executive acceptance. It's literally changing the way many of us do business. We think it would be a great convenience to all of you — and we look forward to helping you learn more about the benefits.

At Keller-Crescent, we use the system internally as well as with all of our clients. We couldn't get along without it.

I know that you are extremely busy and that you probably have many priorities to handle during your Texas trips. I hope that you will be able to put us on your priority list sometime soon.

I would be happy to work with Becky McMahon and the VMX executives in coordinating this appointment. We look forward to meeting with you.

Sincerely,

Nancy Keene

Nancy Keene
Vice President, Public Relations

argued Wed 11:00

NK/cas

In Rick's hotel room ->

P.S. Gordon Matthews has asked me to ask you to check your Voice Mailbox. He's sent you a message.

cc: Gordon Matthews, Dal Berry, A. Hardcastle

795-3400

An American-Standard Company

PO Box 61028, Dallas, Texas 75261 • (214) 659-9220

7-21 33

can 7-27-83

7:24

214-659-9220

11:00

10/20/83
11:00

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1984 Republican National Convention

Frank J. Fahrenkopf, Jr.
Chairman
Republican National Committee

June 5, 1984

COMMITTEE ON ARRANGEMENTS

Ernest Angelo, Jr.
Chairman

Trudy McDonald
Vice-Chairman

George Clark, NY
Treasurer

Mary Silvers, GA
Secretary

Roger Allan Moore
General Counsel

SUBCOMMITTEE CHAIRMEN

Don Adams, IL

Nancy Apper, OK

Fran Chiles, TX

Jack Courtemanche, CA

Jennifer Dunn, WA

Noel Gross, NJ

Bill Harris, AL

Ginny Martinez, LA

Dennis Olson, ID

Sheila Roberge, NH

Ken Stout, AL

Peter Secchia, MI

STAFF

Ronald H. Walker
Convention Manager

Douglass Blaser
Deputy Convention Manager

Daniel Denning
Deputy Convention Manager

Peggy Venable
Executive Director

Mr. Gordon H. Matthews
Chairman of the Board
VMX, Inc.
1241 Columbia Drive
Richardson, Texas 75081

Dear Mr. Matthews:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that VMX, Inc. has been selected to be the official provider of "Voice Messaging Services" for the 1984 Republican National Convention.

This designation is contingent upon a letter of agreement between the Committee on Arrangements and VMX, Inc. This letter of agreement will be forwarded to you shortly for your appropriate review and signature.

Let me take this opportunity to thank you and your company for extending this valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely,

Ernest Angelo, Jr.
Chairman

cc: Dal Berry
President
VMX, Inc.

Dallas, Texas—August 20—23, 1984

Dallas Convention Center Office, 650 South Griffin, Dallas, TX 75202 • (214) 220-1984

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July 25, 1984

Mr. Gordon H. Matthews
VMX, Inc.
1241 Columbia Dr.
Richardson, TX 75081

Dear Mr. Matthews:

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as the "official" provider of those goods or services.

We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and VMX, Inc. (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Voice Messaging Service of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official Voice Messaging Service of the 1984 Republican National Convention" without the Vendor's written consent.

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The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising shall be restricted to the statement "Official Voice Messaging Service of the 1984 Republican National Convention".

In order to comply with the Federal Election Laws, the discount you are offering must be within the purview of one of the following general representations. Any discount offered must be either:

(1) equal to the standard discount rate normally provided by the Vendor to non-political commercial entities in the ordinary course of the Vendor's business, or;

(2) equal to the discounts that are of common practice in the industry in which the Vendor is involved, and the Vendor would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though the Vendor in the past has not routinely made such discounts or reductions available to non-political, commercial entities, or;

(3) provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, such that the Vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

Please select the provision under which your discount is offered and insert your affirmative representation at an appropriate place in the contract.

In the General Provision portions of the contract, please include the following:

In connection with this Contract, the Vendor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the Vendor or any breach of any obligation under this Contract.

The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

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The following signature style shall be used:

APPROVED AS TO FORM:

1984 REPUBLICAN NATIONAL CONVENTION

1984 REPUBLICAN NATIONAL COMMITTEE

By: R. CARTER SANDERS, JR.
Counsel

By: ERNEST ANGELO, JR.
Chairman
Committee on Arrangements

ATTEST:

VMX, INC.

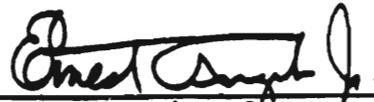
By: _____

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If you have questions regarding the details discussed herein, please contact R. Carter Sanders, Jr., Anderson, Hibey, Nauheim & Blair, 1708 New Hampshire Avenue, N.W., Washington, D.C. 20009 (202) 493-1900.

Upon completion, please forward the written agreement to R. Carter Sanders, Jr. at the above address.

Very truly yours,



Ernest Angelo, Jr.
Chairman
Committee on Arrangements

Savin

QCC#2625

Savin Corporation

9 West Broad Street
P. O. Box 10270
Stamford, CT 06904-2270
203/967-5025

February 2, 1987

Federal Election Commission
999 "E" Street N.W.
Washington, DC 20463

William T. Smith
V.P. Operations

Re: MUR - 2171
Savin Corporation

RECEIVED
GENERAL COUNSEL
FEB 3 PM 4:00

Dear Ladies and Gentlemen:

Enclosed is Savin Corporation's response to the communication sent by you to Savin on November 5, 1987, referencing a determination by the Federal Election Commission that there was reason to believe that Savin had violated the Federal Election Campaign Act of 1971.

We have done a thorough review of our files and submit a sworn statement from Richard K. Taylor, the Savin employee who negotiated with and was responsible for the Republican National Convention account. A number of the Exhibits to our submission contain sensitive business information. They have been marked "CONFIDENTIAL" and we request that they be treated accordingly.

Prior to reviewing the matters discussed in the sworn statement, I was fairly certain that no improprieties had taken place on Savin's part. Having seen the final statement and its supporting documents, I am now convinced that there is no issue here. The discounts provided to the customer were consistent with Savin's pricing to other, similar customers and the advertising and sales promotional benefits we derived were significant.

We believe that once you have reviewed Savin's submission you will agree that there is no issue and proceed to dismiss the matter. If, however, you have any questions, please contact Savin's Assistant General Counsel, Mari-Jo Scopac, at this address.

Sincerely,



cc: Mari-Jo Scopac, Esq.

9502770400

RECEIVED
HAND DELIVERED
87 FEB 3 AM 11:22

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2171

NAME OF COUNSEL: Mari-Jo Scopac

ADDRESS: Savin Corporation

9 West Broad Street

Stamford, CT 06904

TELEPHONE: (203) 967-5168

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

2/2/87
Date

William T. Smith
Signature
William T. Smith
V. P. Operations

RESPONDENT'S NAME: Savin Corporation

ADDRESS: 9 West Broad Street

Stamford, CT 06904

HOME PHONE: _____

BUSINESS PHONE: (203) 967-5000

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AFFIDAVIT

I, RICHARD K. TAYLOR, being duly sworn, hereby dispose and say:

1. Savin Corporation is a Stamford, Connecticut based marketer of plain paper office copiers and related supplies and accessories. Savin was established in 1959. Currently, Savin has sales in North America of approximately \$400 million. For the most part, Savin markets copiers designed for low and mid-volume users, which are manufactured for Savin by Ricoh, a Japanese company; Ricoh also supplies copiers for the North American market to its own U.S. branch and to Pitney Bowes.

2. In 1984, I was the General Manager of Savin's Dallas, Texas, branch office. Presently, I am Director of Dealer Operations for the Western Region of the United States.

3. Savin's branch offices are essentially company-owned and operated retail outlets where Savin salespeople call directly on end-users of Savin equipment, selling and renting Savin copiers and supplies and selling maintenance on a contract and "per-call" basis. Each branch is operated as a separate profit (or loss) center and branch managers and sales people are compensated on the basis of performance of their branch.

4. From 1979-80 through 1984, Savin was struggling against strong competition. Indeed, the market for Savin copiers in the capacity/performance ranges at issue here, was and continues to be, very competitive, and dominated by Xerox and Canon. Approximately twenty other corporations, including IBM, Kodak, Ricoh, Minolta, Toshiba, Sharp, Mita, and Panasonic, many of which had greater financial resources than Savin, also offered plain paper copiers.

5. In this highly competitive environment, Savin management directed our field and branch operations to pursue vigorously all potential business. Accordingly, with the Republican National Convention ("RNC") slated for Dallas, I identified it as a potential large volume customer and targeted it for my personal attention.

6. The importance of securing the RNC as a customer was two-fold: (a) we needed the business; every sale (or rental) brought us closer to our budget requirements; and (b) I knew there would be a tremendous amount of prestige gained if Savin got the RNC account, along with free product publicity and public relations,

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all of which Savin sorely needed. In the copier industry this was especially important because copy equipment users switched brands frequently and a major user often influenced other users who sought out recommendations based on practical, hands-on experience.

7. In late spring, 1984, I corresponded with Mr. Mark Osborne of the consulting firm Blythe Nelson, concerning the consideration of Savin Corporation as a supplier of copy equipment, supplies and services for the RNC.

8. My strategy in bidding on the RNC business was to structure Savin's pricing in relation to what I believed our main competitors, Xerox and Pitney Bowes, were going to bid. I chose to bid the Savin model 5040, a liquid toner machine which incorporated new technology. Savin's experience had been that this machine had not been readily accepted in the marketplace because of its new technology. As a result of that lack of acceptance, Savin was deeply discounting the retail and rental pricing for this machine, as well as many others.

9. In my capacity as Branch General Manager, I was authorized to deviate from list prices to secure business. In fact, our personal sales commission schedule was structured in relation to the discounts offered to our customers. See Exhibit A for an explanation of the commission ranges. Because of the softness of the market, pricing for copier sales and rentals, we were deeply discounting from list prices to make the sales.

10. In 1984, Savin's list price for the model 5040 rental was \$379 for a one month period with a copy allowance of 8,000. However, in the Dallas region, I was approving sales and rentals for much lower prices and my Savin counterparts throughout the country were doing so as well. I have searched my files and located an August 23, 1984, document entitled "Major Account Pricing Compensation Plan: An Integrated Strategy", published internally by Savin. It includes reports of historic market pricing, proposed rental and lease pricing and pricing for competitive copy machines and shows rentals of the 5040 at prices between \$243.00 and \$312.00 per month with an 8,000 copy allowance. A copy of the pages from that document which refer to the model 5040 are attached as Exhibit B.

11. Given the fact that then current list prices were so deeply discounted, and estimating what we believed Xerox and Pitney Bowes would bid, I came up with a price which I believed would be attractive to the RNC and would provide an opportunity for Savin to make a nice profit on the overall machine rental and supply sale package.

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12. My pricing analysis considered the approximate number of copies run in the previous convention. I then chose a competitive monthly rental price and priced chemicals in the middle ranges. I felt that we would make a good deal of profit on supplies and, because of the low estimated usage of the copy machines, resell them at the end of the term, at very favorable prices. When I added to this pricing strategy the very real promotional value I knew we would get and the product exposure of over ten thousand volunteers who would be using Savin machines, I knew it would be a good deal for us and I heartily recommended to my management that we go for it.

13. In mid-April, 1984, Savin proposed to the RNC a Multiple Machine Rental Agreement covering the rental of Savin copiers at a monthly base charge of \$325.00 and an installation charge of \$105.60 per unit. The Multiple Machine Rental Agreement further quoted the following prices for supplies: T/D Paks, \$52.45 plus freight; 8 1/2 x 11 paper, \$32.45; 18 1/2 x 14 paper, \$42.89; 11 x 17 paper \$28.38.

14. Savin management and I were delighted when on May 10, 1984, I received a letter from Ernest Angelo, Jr., advising me that Savin Corporation had been selected as the "Official Provider of Copier Equipment and Services" for the 1984 RNC.

15. Subsequently, Savin and the RNC reached a final agreement the terms of which are set forth in Exhibit C (the "Agreement").

16. I have attempted to locate the copy of the Agreement executed by a representative of the RNC but have not been able to do so. I have been informed that the files relating to transactions with the RNC have been dispatched to a number of locations and are not currently available for searching. See Exhibit D, attached, explaining the current status of Savin files.

17. The Agreement specifically included the following provisions:

- "2) In exchange for the vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the 'Official copier of the 1984 Republican National Convention'. No other Vendor will be advertised as the 'Official Copier of the 1984 Republican National Convention' without the vendor's written consent.

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- 3) Pursuant to the requirements of the Federal Election Laws, the Vendor hereby represents that the discount offered by the Vendor is equal to the standard discount rate normally provided by the Vendor to non-political commercial entities in the ordinary course of the vendor's business."

18. As I had hoped, Savin did derive considerable public relations benefit from its designation as "Official Copier of the 1984 Republican National Convention". For example, in December, 1984, the "Dealers Voice," a Savin Corporation publication circulated to more than 400 Savin Authorized Dealers throughout the United States, contained a large story headlined "GOP Elects Savin Copiers". A copy of that story is attached as Exhibit E.

19. We were so proud of having gotten the RNC contract that we had produced by Executive Sports Promotions, a video tape, presenting Savin as the "Official Copier of the Republican National Convention". A copy of the video tape presentation is included as Exhibit F. The video tape was shown at many gatherings of Savin employees, especially sales representatives, to inspire and incentivize them to support Savin products. In addition, the video tape was shown at trade promotional shows for the copier industry sponsored by the National Office Machine Dealer Association ("NOMDA"), These visual presentations provided to Savin the opportunity to advertise and promote our products at relatively no cost. It is not possible to place an absolute value on the advertising and promotional benefits provided by the video tape presentation and by the presence and use of Savin products at the Republican National Convention. However, we knew that the exposure that the company received and the successful use of its products by hundreds of individuals from all areas of the country was tremendous, especially since there was no national advertising done during 1984 because of budgetary restrictions. The participation by Savin as the "Official Copier of the 1984 Republican National Convention" provided a testimonial benefit that Savin could not have otherwise afforded to purchase through the advertising media.

20. When, I first began to discuss pricing for the RNC contract with the consulting firm, Blythe Nelson, I wrote a letter to Mark Osborne in which I stated that our pricing would save the RNC \$9,000 over our lowest special events pricing. A copy of that letter is attached as Exhibit G.

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21. The final deal that we signed with the RNC was somewhat different from what was originally in mind when that letter was written. For example, when we first discussed the deal, we had planned to supply both the model 5030 and the 5040. The final agreement called for our supplying the 5040 only.

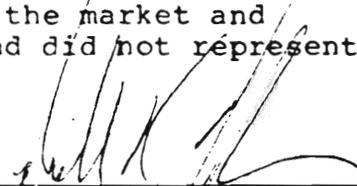
22. More importantly, though, when I wrote the letter to Mr. Osborne, knowing that it would be given to the RNC, I characterized our anticipated proposal in its most favorable light: I compared the then list price to what I knew to be the approximate discount I would apply to this type of contract proposal. My approach to the RNC (through Blythe Nelson) was similar to what new car dealers say to their customers when they estimate savings over sticker prices, applying discounts which are routine in the industry.

23. Likewise in the copier industry, Savin, as well as its competitors, often compared list prices to otherwise routine discount prices as a "sales pitch".

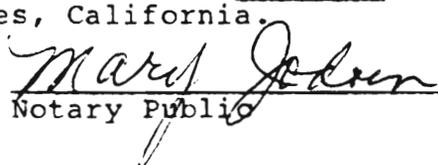
24. In this instance, the mention of the \$9,000 savings was an early estimation of the list vs. routinely discounted price.

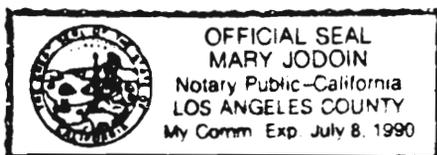
25. At the time I proposed the RNC pricing and later, when the Agreement was signed, I knew that I had made a good deal both for Savin and the RNC. The RNC was paying a fair price which would realize a bottom line profit for Savin. The price was not at all out of line with what was being charged by Savin or our competitors to other customers. On top of a profitable sale, we were getting product exposure, public relations material and advertising on a national basis to an influential audience at no cost to Savin.

26. I believed then and I do now that Savin's contract with the RNC was a good deal to both of us and that its pricing was consistent with the market and competitive conditions at the time and did not represent any illegal concession to the RNC.


Richard K. Taylor

Subscribed and Sworn to before me this 29TH day of JANUARY, 1987, in Los Angeles, California.


Notary Public



8304072062

COC# 2689

GANDY MICHENER SWINDLE WHITAKER & PRATT
ATTORNEYS & COUNSELLORS

ROBERT D. AKERS
RICKY D. BALTHROP
GEORGE J. BARLOW
PAUL M. BUCHANAN
DONNA R. CALHOUN
JOHN ALLEN CHALK
WILLIAM L. DISMURE
WILLIAM T. FITZGERALD
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JOSEPH W. SPENCE
MACK ED SWINDLE
RAGAN S. TATE
WAYNE M. WHITAKER

OF COUNSEL
GEORGE J. ALEXANDER, JR.
PAUL W. MASON

February 9, 1987

The Honorable Joan D. Aikens, Chairman
Federal Election Commission
999 East Street, N.W.
Washington, D. C. 20463

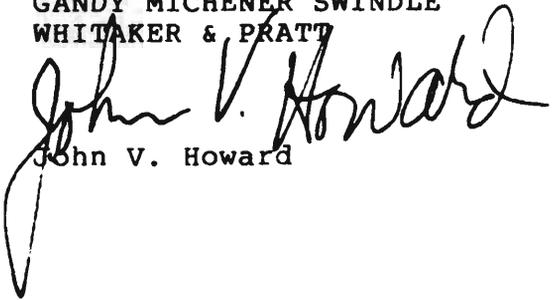
RE: MUR 2171

Dear Chairman Aikens:

Pursuant to Mr. Eric Kleinfeld's telephone call today,
enclosed are the attachments which should have been included with
our letter of January 30, 1987, as Exhibit "A."

Sincerely,

GANDY MICHENER SWINDLE
WHITAKER & PRATT



John V. Howard

JVH:ljm
Enclosures

80040722053

TRAINING
C 11:49

87 FEB 12 P 4: 25

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

EXHIBIT "A"

CPT

CPT OF FORT WORTH • 1300 SUMMIT AVENUE • SUITE 202 • FORT WORTH, TEXAS 76102 • 817/332-6742

I N V O I C E N U M B E R 04721

PAGE 1

REPUBLICAN NATIONAL COMMITTEE
ATTN: FRED HALE
310 1ST ST. SE
WASHINGTON, D.C. 20003

ACCOUNT NUMBER
PURCHASE ORDER #
JOB NUMBER
INVOICE DATE
DATE DUE

RE04
F HALE
03/27/84
04/07/84

ITEM NO	ITEM DESCRIPTION	UOM	QUANTITY	PRICE	TOTAL
	11 X 17 SIGNS			12.000	
	DOOR SIGNS			3.000	
	SUPPLIES		1.00	15.610	15.61
				TOTAL CHARGES	15.61
				AMOUNT DUE IF PAID BY 04/07/84	15.61

NOTE:
SUPPLIES ONLY PER LETTER TO RON WALKER

33040722064

EQUIPMENT CHANGE OF STATUS



P.O. BOX 295 / Minneapolis, Minnesota 55440

DATE 6-28-84

INSTALLATION
 REMOVAL
 RESHIPMENT
(OTHER THAN RETURN TO PLANT)

BILL TO Republican National Convention

INSTALLED AT Same

CITY _____ STATE _____ ZIP CODE _____ CITY _____ STATE _____ ZIP CODE _____

ITEM	QUANTITY	PART NO.	SERIAL NUMBER	DESCRIPTION	PRICE/RATE	CONTRACT TYPES <small>(CHECK ONE)</small>	
						SEA	OTHER
1	1		37727	8000E			
2	1		E1228	7000			
3	1		2237A02065	H.P. Plotter			
4	1		10,159	5/5 64K BUFFER			
5							
6							
7							
8							
9							
10							

INSTALLED AS <input type="checkbox"/> PURCHASE <input type="checkbox"/> MONTHLY RENTAL <input type="checkbox"/> QUARTERLY RENTAL <input type="checkbox"/> 3rd PARTY LEASE <input checked="" type="checkbox"/> OTHER (Describe)				SUB TOTAL	
Designated Color Graphics Supplier INSTALLED WITHIN CITY LIMITS OF				STATE SALES/USE TAX	
PROPERTY TAX DATA		COUNTY OF <u>DALLAS</u>		CITY/COUNTY SALES/USE TAX	
INSTALLATION DATE <u>6-28-84</u>		DATE RENT COMMENCES		DATE RENT TERMINATES	
I HEREBY ACKNOWLEDGE INSTALLATION AND ACCEPT THE ABOVE EQUIPMENT				FREIGHT	
PREPARED BY <u>WDM</u>				TOTAL AMOUNT	
CUSTOMER'S SIGNATURE <u>[Signature]</u>				DATE <u>6/28/84</u>	
DATE _____				BRANCH MANAGER APPROVAL _____	

DO NOT WRITE IN THIS SPACE
 OFFICE USE ONLY
 NOTE CONDITIONS OF SALE ON REVERSE SIDE

Rep. 11311 Comp

VENDOR NUMBER	VENDOR NAME	CHECK DATE	CHECK NO.	
153	CPT of Fort Worth	5/31/84	726	
INVOICE NO.	INVOICE AMOUNT	ADJUSTMENT	NET AMOUNT	EXPLANATION
05051			490.39	Supply Kit 2520-675 P&P 6-8-84

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VENDOR NUMBER	VENDOR NAME		CHECK DATE	CHECK NO.
153	CPT OF FORT WORTH		7/17/84	1191
INVOICE NO.	INVOICE AMOUNT	ADJUSTMENT	NET AMOUNT	EXPLANATION
05419			\$75.78	OFFICE SUPPLIES
				2520.675 \$75.78

9
E 1
84
84
TOTAL
=====

P&P
7-23-84

GRAPH PAPER
GLOSS PAPER

1.00	4.000	4.00
1.00	42.000	42.00

TOTAL	CHARGES	72.00
TAX		3.78
=====		
AMOUNT DUE IF PAID BY 07/15/84		75.78
=====		

NOTE:
YOUR BUSINESS IS APPRECIATED!!

88040722068

[Handwritten signature]



INVOICE NUMBER 05051

PAGE 1

REPUBLICAN NATIONAL COMMITTEE
ATTN: FRED MALE
316 1ST ST. SE
WASHINGTON, D.C. 20003

ACCOUNT NUMBER
PURCHASE ORDER #
JOB NUMBER
INVOICE DATE
DATE DUE

RE04

05/17/84
05/27/84

ITEM NO	ITEM DESCRIPTION	UOM	QUANTITY	PRICE	TOTAL
	SUPPLY KIT	EA	1.00	506.000	506.00
	PREVIOUS SUPPLIES		1.00	-15.610	-15.610
				TOTAL CHARGES	506.00
				TOTAL CREDITS	-15.610
AMOUNT DUE IF PAID BY 05/27/84 -----)					490.39

NOTE:
YOUR BUSINESS IS APPRECIATED!!

88040722069



INVOICE NUMBER 05647

PAGE 1

REPUBLICAN NATIONAL COMMITTEE
ATTN: FRED HALL
310 1ST ST. SE
WASHINGTON, D.C. 20003

ACCOUNT NUMBER
PURCHASE ORDER #
JOB NUMBER
INVOICE DATE
DATE DUE

RE04
00435

08/16/84
08/26/84

ITEM NO	ITEM DESCRIPTION	UOM	QUANTITY	PRICE	TOTAL
	MOVE SYSTEM		1.00	96.000	96.00
TOTAL CHARGES					96.00
AMOUNT DUE IF PAID BY 08/26/84					96.00

NOTE:
YOUR BUSINESS IS APPRECIATED!

88040722071

Before the Federal Election Commission

SENSITIVE

In the Matter of)	
)	
Committee on Arrangements)	MUR 2171
for the 1984 Republican)	
National Convention)	
George L. Clark, treasurer)	

77 FEB 20 11 P4:11

Comprehensive Investigative Report #1

On November 5, 1986, the Federal Election Commission ("Commission") determined that there is reason to believe that the Committee on Arrangements for the 1984 Republican National Convention and George L. Clark, as treasurer, violated 2 U.S.C. § 441b and 26 USC § 9008(d)(1), by accepting prohibited corporate contributions from ten "official providers" to the 1984 Republican National Convention and in doing so, exceeding the expenditure limitations with respect to a presidential nominating convention. Also on November 5, 1986, the Commission determined that there is reason to believe that ten official providers made prohibited corporate contributions to the Committee on Arrangements for the 1984 Republican National Convention, in violation of 2 U.S.C. § 441b.

Respondents were notified of the Commission's determinations on November 13, 1986. Several respondents requested extensions of time up to sixty days to respond to the determinations. The Commission granted these requests, with all responses due by February 3, 1987. As of this date, responses have been received from all but one respondent.

The responses received consist of a voluminous amount of material including factual and legal arguments, as well as supporting documentation, which must be analyzed prior to the

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Office of General Counsel proceeding with this matter. This office is currently undertaking a thorough review of these materials and will, upon its completion, make a further report to the Commission.

Charles N. Steele
General Counsel

Date 2/20/87

By: 
Lois G. Lerner
Associate General Counsel

38040722075



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: *mwe* MARJORIE W. EMMONS / JOSHUA MCFADDEN *JM*

DATE: FEBRUARY 25, 1987

SUBJECT: MUR 2171 - COMPREHENSIVE INVESTIGATIVE REPORT #1
DATED FEBRUARY 20, 1987

6804072074

The above-captioned matter was received in the Office of the Secretary of the Commission Friday, February 20, 1987 at 4:11 P.M. and circulated to the Commission on a 24-hour no-objection basis Tuesday, February 24, 1987 at 11:00 A.M.

There were no objections received in the Office of the Secretary of the Commission to the Comprehensive Investigative Report #1 at the time of the deadline.

COC#2890

GANDY MICHENER SWINDLE WHITAKER & PRATT
ATTORNEYS & COUNSELLORS

ROBERT D. AKERS
RICKY D. BALTHROP
GEORGE J. BARLOW
PAUL M. BUCHANAN
DONNA R. CALHOUN
JOHN ALLEN CHALK
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HACK ED SWINDLE
RAGAN S. TATE
WAYNE M. WHITAKER

OF COUNSEL
GEORGE R. ALEXANDER, JR.
PAUL W. HADSON

March 4, 1987

The Honorable Joan D. Aikens
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MUR 2171
Executive Presentation Systems

Dear Chairman Aikens:

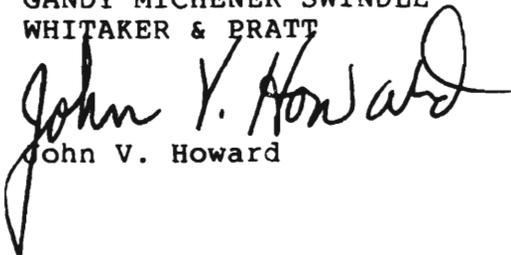
As requested, enclosed are exhibits prepared by Executive Presentation Systems ("Respondent") which are being submitted in further support of Respondent's response to the above referenced matter under review. I believe that all of the enclosed examples clearly demonstrate Respondent's "normal course of business," and most of the examples are very similar in value and quantity to the goods and services provided to the Committee on Arrangements for the Republican National Committee.

Respondent requests that upon your review of the enclosed, the Commission find that no violation of 2 U.S.C. §441(b) has occurred and that the allegations against Respondent be dropped.

Please feel free to call if any further information is needed.

Sincerely,

GANDY MICHENER SWINDLE
WHITAKER & PRATT



John V. Howard

JVH:ljm

cc: Mr. Jim M. Madden
Executive Presentation Systems

cc/Encl. Mr. Eric Kleinfeld
Office of the General Counsel

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3
3

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OFFICE OF THE
GENERAL COUNSEL
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Executive Presentation Systems/Dallas

AUTHORIZED DEALER

TOTAL ASSETS PROTECTION, INC TRIAL SCENARIO

Trial Date - 11/30/84
Decision Makers - Rick Colt, Carol Howard

			<u>COST</u>
Trial Equipment	-	19" color console/computer	= \$21,000.00
		8 pen plotter	= \$ 7,895.00
		Printa Color	= \$ 6,790.00
		Digitizer	= \$ 2,500.00
		Film Recorder Camera	= \$38,990.00
		Switch box	= \$ 250.00
		Furniture	= \$ 1,295.00
		Supplies	= \$ 506.00

Synopsis

Total Asset Protection, Inc wanted to evaluate the system for 30 days. They had a large slide job of 400 to 500 slides they wanted to do on system to evaluate its capabilities. They felt this would be a good test of the system; By doing the slides themselves, they would also get 400 to 500 slides free saving approximately \$12,000 to \$15,000 (at industry average of \$30.00 per slide if done outside). We installed the trial system on November 30, 1984 and the trial converted to purchase January 3, 1985. The agreement was consummated by William O. Reiman of Total Assets Protection on that date (1/3/85).



**Executive Presentation
Systems/Dallas**
AUTHORIZED DEALER

**LENNOX INDUSTRIES
TRIAL SCENARIO**

Trial Date	-	2/27/86		
Decision Maker	-	Lois Pearson, Gary Upton		
Trial Equipment	-			<u>COST</u>
		Samurai Film Recorder	=	\$12,990
		Digitizer	=	\$ 1,000
		Software	=	\$ 1,200
		Software	=	\$ 500

Synopsis

Lennox Industries installed the above equipment on a 30 day trial basis. In this particular case, they paid COD with a guarantee from EPS that if the 30 day trial was not satisfactory, EPS would refund 90%. The trial was successful and was installed permanently.

88040742078

SALES ORDER / INSTALLATION

ordered 2/21/86
2144 McEwen

SOLD TO:		DATE:
LENNOX INDUSTRIES, INC.		2-14-86
P.O. Box 80900		
DALLAS TEXAS 75380-9000		
SHIPTO:		
LENNOX INDUSTRIES, INC.		
DALLAS TEXAS 75380-9000		
CUSTOMER NO.	SALESMAN	SALES TAX CODE
	MADDEN	

Executive Presentation Systems

Dallas - Ft. Worth

A Division of NGM, Inc.

4100 McEwen #196
Dallas, Texas 75234
(214) 385-1161
Metro 589-1247

P.O. DATE	CUSTOMER P.O.	SALE <input type="checkbox"/> LEASE <input type="checkbox"/> INSTALL <input type="checkbox"/>	TERMS: <u>COD</u>
-----------	---------------	---	-------------------

DATE REQUIRED	PHONE #	MAINTENANCE ACCEPTED	INSTALLATION ACCEPTED	CREDIT APPROVED BY:
FEB 24	752-6074	<u>2/22/86</u>	<u>2/22/86</u>	

QUANTITY	PART/MODEL NUMBER	SERIAL NUMBER	PRODUCT DESCRIPTION	YEARLY MAINTENANCE	UNIT PRICE	EXTENDED AMOUNT
7	SI00442		SARUNAI	1624		12910 -
9	110499		DIGITAL PAP	125		1000 -
1			Mirage Aulum C40	1349		1200 -
1			MIRAGE 1			500 -
0			Mirage-4.3 14003			
0			Aulum - 1.3 04002			
3			Supplies for installation on 2/25/86			
7			Training for 7 users at the cost of 3 days from site			
8			Installation of 8 users (Lennox) at 117 per user			
8			Installation of 8 users at 25 per user for 20% of the			
5			Supplies for 5 users at 25 per user			
1			Supplies for 1 user at 25 per user			

The undersigned BUYER has read conditions of sale on reverse side hereof and hereby orders from CPT of Ft. Worth the above products at the prices on the terms shown.

Signature: [Signature] Name (Print): Harlan D. Zier Title: VP MIS

The BUYER agrees to pay directly to CPT of Ft. Worth, the total amount shown and payable as above. This order is given subject to all of the terms and conditions on the reverse side hereof, which are expressly incorporated herein, and acceptance by CPT of Ft. Worth.

SALESMAN: _____ MANAGER: [Signature] CITY: _____

TOTAL LIST	12910	-
Training	600	-
Sub	16,290	-
STATE SALES/USE TAX	777	-
FREIGHT/INSTALLATION	350	-
NET TOTAL	17,627	75



Executive Presentation Systems/Dallas

AUTHORIZED DEALER

REPUBLICBANK/DALLAS TRIAL SCENARIO

Trial Date - 11/17/83
Decision Maker - Rush Fielden, Sr.

COST

Trial Equipment -

19" color console/computer	=	\$15,990.00
8 pen plotter	=	\$ 7,985.00
Printa Color	=	\$ 6,790.00
Digitizer	=	\$ 1,500.00
MAPS Software	=	\$ 1,400.00
Furniture	=	\$ 1,295.00
Supplies (paid up front)	=	\$ 446.00

Synopsis

Republicbank Dallas realized the need for computer graphics. However, the only way Mr. Fielden could justify \$34,960 for the system was to put it in for 30 days. This particular trial was a free trial except that Republicbank paid for the initial supplies up-front. The plan was to split the approximately \$35,000 expenditure between 7 different Republicbank Departments; (i.e. Economics, etc) and they each would then only have an expenditure of \$5,000 (\$5,000 x 7 Depts. = \$35,000). The free trial was a success and the deal was consumated 12/29/83 with purchase, order received 1/13/84.

8 3 0 4 0 7 4 2 0 8 0

EQUIPMENT CHANGE OF STATUS



JPT CORPORATION P.O. BOX 295 / Minneapolis, Minnesota 55440

INSTALLATION REMOVAL

RESHIPMENT
(OTHER THAN RETURN TO PLANT)

DATE 11-17-83

BILL TO Republic Bank Dallas INSTALLED AT Same
One Dallas Center #5th fl.
Dallas, Texas 75201
 CITY STATE ZIP CODE CITY STATE ZIP CODE
P.O. Box 241 Texas 75201 MTN. Rush Fielding Texas 75201

SALES ORDER NO. CUSTOMER ORDER NO. BRANCH/SALESMAN AND NO. BRANCH SEQUENCE NO. CONTRACT TYPES: (CHECK ONE)

ITEM	QUANTITY	PART NO.	SERIAL NUMBER	DESCRIPTION	PRICE/RATE	CONTRACT TYPES: (CHECK ONE)	
						OSA	OTHER
	10			3mm paper pens	295		
	10			7mm paper pens	295		
	7			3mm Trans Pen	500		
	7			6mm " "	500		
	1			8" Disk	13000		
	1			8 1/2 x 11 paper	4200		
	1			pen holder	2500		
	1			PC INK Cart/paper	12000		

INSTALLED AS PURCHASE MONTHLY RENTAL QUARTERLY RENTAL 3rd PARTY LEASE
 OTHER (Describe)

SUB TOTAL _____
 STATE SALES/USE TAX _____
 CITY/COUNTY SALES/USE TAX _____
 FREIGHT _____
 TOTAL AMOUNT _____

PROPERTY TAX DATA: INSTALLED WITHIN CITY LIMITS OF _____ COUNTY OF _____ STATE OF _____

INSTALLATION DATE _____ DATE RENT COMMENCES _____ DATE RENT TERMINATES _____

I HEREBY ACKNOWLEDGE INSTALLATION AND ACCEPT THE ABOVE EQUIPMENT
 PREPARED BY _____ CUSTOMER'S SIGNATURE [Signature] DATE 11/17/83
 DATE _____ BRANCH MANAGER APPROVAL _____ DATE _____

COMMISSION DATA: PAYMENT CHARGEBACK

SALESMAN'S NAME	COMMISSION %	COMMISSION AMT
1. _____		
2. _____		

SALES ORDER / INSTALLATION

SOLD TO: _____ DATE: **12-29-83**

Republic Bank Corporation
 P.O. Box 222105 ^{ATTN} Rush Building
 Dallas, Texas 75222

NOTE
Executive Presentation Systems
 Dallas - Ft. Worth

SHIP TO:
Republic Bank Corporation
 One Dallas Center floor 5
 Dallas, Texas 75201

A Division of CPT of Fort Worth
 1300 Summit Avenue, Suite 202
 Fort Worth, Texas 76102
 (817) 332-6742
 Metro 429-6551

CUSTOMER NO _____ SALESMAN **MADSON** SALES TAX CODE _____

P.O. DATE _____ CUSTOMER P.O. _____
 SALE LEASE INSTALL TERMS _____

DATE REQUIRED **12-29-83** PHONE # **653-6597** MAINTENANCE ACCEPTED: _____ INSTALLATION ACCEPTED BY: **MA** CREDIT APPROVED BY: _____

QUANTITY	PART/MODEL NUMBER	SERIAL NUMBER	PRODUCT DESCRIPTION	YEARLY MAINTENANCE	UNIT PRICE	EXTENDED AMOUNT
1		28068	19" console	1599	1599	1599
1	B/O	201AC	8 per Printer/buffer	715	715	715
1		0331	PC with buffer	6790	6790	6790
1		37299	Digitizer	1500	1500	1500
1			bold. Magn. ^{card}	1400	1400	1400
1	B/O		EPS station		1295	1295
0						3490

The undersigned BUYER has read conditions of sale on reverse side hereof and hereby orders from CPT of Ft Worth the above products at the prices on the terms shown

[Signature] **RUSH FIELDS** ^{VP}
 Signature Name (Print) Title

The BUYER agrees to pay directly to CPT of Ft Worth, the total amount shown and payable as above. This order is given subject to all of the terms and conditions on the reverse side hereof, which are expressly incorporated herein, and acceptance by CPT of Ft Worth

[Signature] SALESMAN _____
 _____ MANAGER _____
 _____ CITY _____

TOTAL LIST	3490
STATE SALES/USE TAX	174.5
FREIGHT/INSTALLATION	700
NET TOTAL	3740.5



Purchase Order No. 41325
 SHOW THIS NUMBER ON ALL CARTONS, PACKING SLIPS AND INVOICE

Buyer agrees to purchase from seller the goods described herein upon the following terms and conditions on face and reverse side, all of which are part of this order.

Executive Presentation Systems
 5420 LBJ #1100
 Dallas, Texas 75240

Instructions

1. Prepay all freight charges.
2. Packing slip must accompany all shipments.
3. Item number must appear on outside label.
4. Two copies of invoice are required.
5. Mail invoices and B/L to:

PURCHASING SECTION
 P.O. Box 225861
 DALLAS, TEXAS 75265

Purchase Order Date	Delivery Date	Deliver to: <input type="radio"/> Thanksgiving Sq. Terminal	RepublicBank Distribution Center 2015 Royal Lane, Suite 450 Dallas, TX 75229	<input type="radio"/> Other
1/13/84		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quantity	Description			Amount
1	GRAPHICS COMPUTER SYSTEM Console, 19" (#28060) - PN112156			\$15,990.00
1	Plotter (#2237A01213) - PN112157			7,985.00
4	Printer, w/Buffer (0331) - PN112158			6,790.00
9	Digitizer (37299) - PN112159			1,500.00
9 set	Maps - PN11160			1,400.00
2	EPS Station - PN112161			1,295.00
7		Tax		1,748.00
0		Freight		700.00
0		Total		\$37,408.00

1/10/84 CONFIRMING ONLY -- DO NOT DUPLICATE

John A. Collins
 Purchasing Officer
 RepublicBank Dallas

ORIGINAL

8804072129 set



Executive Presentation Systems/Dallas

AUTHORIZED DEALER

ARTHUR YOUNG & COMPANY TRIAL SCENARIO

Trial Date - 11-23-83
Decision Makers - Doris Hand, Jeanne Lewis, Richard Brown

Trial Equipment -

		<u>COST</u>
19" color console/computer	=	\$15,990.00
8 pen plotter	=	\$ 7,985.00
Digitizer	=	\$ 1,500.00
High Resolution Camara	=	\$34,995.00
Software	=	\$ 800.00
Furniture	=	\$ 1,295.00

SYNOPSIS

Arthur Young & Company was allowed to evaluate for 60 days from date of installation (11-23-83) the EPS System. In this particular case, Arthur Young paid for the system up front and was guaranteed by EPS, if the system did not perform to their satisfaction, EPS would refund 85% of the money they had paid. The trial installation went for 60 days (Arthur Young did not pay for the system for 45 to 60 days). At which time, they elected to keep trial system.

SALES ORDER / INSTALLATION

SOLD TO:		DATE: 10/31/83
Arthur Young & Co.		Executive Presentation Systems Dallas - Ft. Worth A Division of CPT of Fort Worth 1300 Summit Avenue, Suite 202 Fort Worth, Texas 76102 (817) 332-6742 Metro 429-6551
1121 San Jacinto Towers		
Dallas, Texas 75201		
SHIP TO: SAME		
ATTN: Jeanne Lewis #500D		
CUSTOMER NO	SALESMAN JIM M. MADDEN	SALES TAX CODE

P.O. DATE	CUSTOMER P.O. 06021	SALE <input checked="" type="checkbox"/> LEASE <input type="checkbox"/> INSTALL <input type="checkbox"/>	TERMS:
-----------	------------------------	--	--------

DATE REQUIRED 11/15/83	PHONE # 964-8505	MAINTENANCE ACCEPTED: <i>OK</i>	INSTALLATION ACCEPTED BY:	CREDIT APPROVED BY:
---------------------------	---------------------	---------------------------------	---------------------------	---------------------

QUANTITY	PART/MODEL NUMBER	SERIAL NUMBER	PRODUCT DESCRIPTION	YEARLY MAINTENANCE	UNIT PRICE	EXTENDED AMOUNT
1			19" Color Console		15,990.00	15,990.00
1			6 Pen Plotter/Buffer		7,985.00	7,985.00
1			Digitizer		1,500.00	1,500.00
1			High Resolution Camera		34,995.00	34,995.00
1			Bold & Map Software		800.00	800.00
1			Work Station w/Right Mouse		1,295.00	1,295.00
1			Less Trade-In rotary VI Printer			-5,500.00
27,575.00						
If Arthur Young & Co. is not satisfied at the end of the initial 90-day period, EPS of Dallas will buy back the system at 85% of the original purchase price.						

The undersigned BUYER has read conditions of sale on reverse side hereof and hereby orders from CPT of Ft. Worth the above products at the prices on the terms shown

Richard L Brown
 Signature Name (Print) Title

The BUYER agrees to pay directly to CPT of Ft. Worth, the total amount shown and payable as above. This order is given subject to all of the terms and conditions on the reverse side hereof, which are expressly incorporated herein, and acceptance by CPT of Ft. Worth

Jim Madden
 SALESMAN

MANAGER CITY

TOTAL LIST	59,065.00
STATE SALES/USE TAX	2,523.75
FREIGHT/INSTALLATION	1,500.00
NET TOTAL	63,088.75

969-8502

Dick Brown Sr. Partner
Dee Ann Carroll - Secretary

October 11, 1983

Ms. Jenny Lewis
Graphics Manager
Arthur Young & Co.
300 North Ervay, Suite 2900
Dallas, Texas 75201

Dear Jenny:

Thank you for giving us the opportunity to demonstrate the Executive Presentation System to you. It is obvious that you are well aware of the benefits color graphics will give your presentations.

As we discussed, we will allow you to trade in the CPT printer and give you \$3500 for the wide track or \$2000 for a regular printer.

After analyzing this proposal, I hope you will be able to justify adding this system to your office. We are prepared to make this an installation in which both Arthur Young & Co. and Executive Presentation System of Dallas may take genuine pride.

In keeping with our discussion, should Arthur Young & Co. decide that the Executive Presentation System does not meet their needs during the initial sixty (60) day period, Executive Presentation Systems of Dallas will buy back the system at eighty-five (85%) percent of the original purchase price.

Sincerely,

Jim M. Madden
Sales Manager

880407-2087



Executive Presentation Systems/Dallas

AUTHORIZED DEALER

NORTH RICHLAND HILLS CHURCH OF CHRIST TRIAL SCENARIO

Trial Date - Since May, 1986

Decision Maker - John Lacy

Trial Equipment -

		<u>COST</u>
19" color console/computer	=	\$21,990.00
8 pin plotter	=	\$ 7,895.00
Digitizer	=	\$ 2,500.00
Switch box	=	\$ 250.00
Communications/modem	=	\$ 2,200.00

Synopsis

This is an on-going evaluation /trial to see what the market for graphics is in religious market place. This trial could lead to other software packages, etc, as well as sales in other large churches in the DFW metroplex. To date, North Richland Hills has paid for some supplies only.



Executive Presentation Systems/Dallas

AUTHORIZED DEALER

ALCON LABORATORIES, INC TRIAL SCENARIO

Trial Date	-	3/86		
Decision Maker	-	Dennis Dellis		
				<u>COST</u>
Trial Equipment	-			
		Graphics Computer	=	\$ 4,600.00
		Digitizer	=	\$ 1,000.00
	(Trial Date 12-10-86)	Color Printer	=	\$ 4,677.00

Synopsis

Alcon Labs wanted to evaluate free, the beginning computer to compare with the other systems. The first two pieces above were installed a short period (several weeks), at which time decision was made to install EPS. Then in December, Alcon was allowed to try, at no cost, a color printer for approximately 6 weeks and incurred no cost. The color printer was installed December 10, 1986 and the sale was made January 21, 1987.

SALES ORDER / INSTALLATION

sent to Book & Mail
~~1/19/87~~ 1-5

SOLD TO:		DATE:	sent to bill 1-19-87
Alcon Laboratories		12/10/86	
P.O. Box 1959			
FT. Worth Texas 76101			
SHIP TO:			
Same			
6201 SO Freeway			
FT Worth Texas 76134			
CUSTOMER NO.	SALESMAN	SALES TAX CODE	
	Madden	2-60959	

Executive Presentation Systems
 Dallas - Ft. Worth

Four Metro Square
 2711 LBJ
 LB43 Suite 426
 Dallas, Texas 75234
 (214) 247-6177
 Metro 263-3150

P.O. DATE	CUSTOMER #	SALE <input type="checkbox"/>	LEASE <input type="checkbox"/>	INSTALL <input type="checkbox"/>	TERMS:
	300 # Note				Net 30

DATE REQUIRED	PHONE #	MAINTENANCE ACCEPTED	INSTALLATION ACCEPTED BY	CREDIT APPROVED BY:
1/15/87	551-3880			

QUANTITY	PART/MODEL NUMBER	SERIAL NUMBER	PRODUCT DESCRIPTION	YEARLY MAINTENANCE	UNIT PRICE	EXTENDED AMOUNT
1		1381	Colormaster			4500 -
			+ Color Ribbon			4677 -
			Black Ribbon			
			1000 sheets Paper			
			1 Cartridge			
			installed 1-19-87			
			see by 1/21/87			
			J. K. Dellia			
						4672 -

The undersigned BUYER has read conditions of sale on reverse side hereof and hereby orders from EPS of Dallas the above products at the prices on the terms shown.

X
 Signature _____ Name (Print) _____ Title _____

The BUYER agrees to pay directly to EPS of Dallas, the total amount shown and payable as above. This order is given subject to all of the terms and conditions on the reverse side hereof, which are expressly incorporated herein, and acceptance by EPS of Dallas.

SALESMAN _____ MANAGER *Jim Madden* CITY _____

TOTAL LIST	4672 -
	5175 -
STATE SALES/USE TAX	303 68
FREIGHT/INSTALLATION	200 -
	5175 68
NET TOTAL	4975 68



**Executive Presentation
Systems/Dallas**
AUTHORIZED DEALER

**LEAR PETROLEUM
TRIAL SCENARIO**

Trial Date - 9/18/84
Decision Maker - Lou Ann McConnel, Monroe Helms

COST

Trial Equipment -

19" color console/computer	=	\$21,990.00
8 pen plotter	=	\$ 7,895.00
Printa Color	=	\$ 6,790.00
Digitizer	=	\$ 2,500.00
Film Recorder	=	\$38,990.00
Switch box	=	\$ 250.00
Furniture	=	\$ 1,295.00
Supplies	=	\$ 506.00

Synopsis

Lear Petroleum agreed to a 30 day free trial where at most, they would only pay for supplies (506.00) if the system was not kept. EPS installed trial system on September 27, 1984 and after 30 days of evaluation, Lear Decided to keep system.

SALES ORDER / INSTALLATION

SOLD TO: LEAR PETROLEUM CORPORATION		DATE: 9-18-84
950 ONE ENERGY SQUARE		Executive Presentation Systems Dallas - Ft. Worth A Division of CPT of Fort Worth 1300 Summit Avenue, Suite 202 Fort Worth, Texas 76102 (817) 332-6742 Metro 429-6551
4925 GREENVILLE AVE.		
DALLAS TEXAS, 75206		
SHIP TO:		
CUSTOMER NO.	SALESMAN <i>Braun</i>	SALES TAX CODE

PO DATE	CUSTOMER P.O.	SALE <input type="checkbox"/> LEASE <input type="checkbox"/> INSTALL <input type="checkbox"/>	TERMS:
---------	---------------	---	--------

DATE REQUIRED 9-27-84	PHONE # 214-363-6085	MAINTENANCE ACCEPTED:	INSTALLATION ACCEPTED BY:	CREDIT APPROVED BY:
---------------------------------	--------------------------------	-----------------------	---------------------------	---------------------

QUANTITY	PART/MODEL NUMBER	SERIAL NUMBER	PRODUCT DESCRIPTION	YEARLY MAINTENANCE	UNIT PRICE	EXTENDED AMOUNT
9			19" COLOR DESIGN STATION		21,990	
1			2 Pen Plotter with Buffer		7895	
1			Print-a-Color with Buffer		6790	
1			Digitizer, Flat Pad		2500	
1			Film Recorder with Buffer		38990	
1			Switch Box		250	
1			Startup kit		506	
1			Work station		1295	
<p><i>LEAR Petroleum MAY CANCEL This order AT ANY TIME during THE 30 DAY EVALUATION AND INCUR NO COST OTHER THAN THE START-UP KIT (\$506)</i></p>						

The undersigned BUYER has read conditions of sale on reverse side hereof and hereby orders from CPT of Ft. Worth the above products at the prices on the terms shown.		TOTAL LIST	80,216
Signature: _____ Name (Print): _____ Title: _____		STATE SALES/USE TAX	4812
The BUYER agrees to pay directly to CPT of Ft. Worth, the total amount shown and payable as above. This order is given subject to all of the terms and conditions on the reverse side hereof, which are expressly incorporated herein, and acceptance by CPT of Ft. Worth.		FREIGHT/INSTALLATION	1100
<i>Braun Braun</i> SALESMAN <i>J. Miller Dallas</i> MANAGER CITY		NET TOTAL	86,128



Executive Presentation Systems/Dallas

AUTHORIZED DEALER

ROCKWELL INTERNATIONAL TRIAL SCENARIO

Trial Date	-	7/8/85		
Decision Maker	-	Bob West		
Trial Equipment	-			<u>COST</u>
		19" color console/computer	=	\$21,990.00
		8 pin plotter	=	\$ 7,895.00
		High Resolution Camera	=	\$38,995.00
		Switch box	=	\$ 250.00

Synopsis

EPS installed, at no charge, the above equipment at Rockwell for 30 days. EPS also trained one operator, Susan Sorrels, at no cost (value of \$900.00). The equipment was tried for 30-35 days, supplies were given free, and at the end of the trial period, total system was returned and customer was not billed.

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Executive Presentation Systems/Dallas

AUTHORIZED DEALER

MISCELLANEOUS TRIALS 1986

The following accounts had on-site, free trials of a color thermal printer for different periods of time. The color printer sells for \$5,000 excluding software. Those accounts were:

<u>Approximate Time</u>	<u>Company</u>	<u>Decision Maker</u>	<u>Charge</u>	<u>Period</u>
May '86	LTV Aerospace	Art Saxby	None	2 weeks
June '86	LTV Aerospace	David Blackwell	None	2 1/2 wks
June '86	LTV Aerospace	Don Hudnal	None	2 weeks
June '86	Touche Ross	Sharyl Gullede	None	3 weeks
June-July '86	EDS	Joe Morgan	None	4 1/2 wks

In all the above cases, EPS installed the equipment, furnished the supplies and trained. The prospect was allowed to evaluate the system at no cost. Also, in above cases, no purchases were made and all equipment was returned.

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RICOH CORPORATION

Five Dedrick Place
West Caldwell, NJ 07006
Phone 201-882-2000
Fax 201-673-6881
Telex 752930 ROA-UD

July 17, 1987

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Jonathan Levine, Esq.
Office of General Counsel
Federal Election Committee
999 E Street, NW
Washington, DC 20463

RE: MUR 2171
Rapicom, Inc.

Dear Mr. Levine:

This is to confirm our telephone conversation of July 14, 1987, wherein we had agreed that the original request of Ricoh Corporation for pre-probable cause conciliation dated December 1, 1986, shall be suspended. Ricoh Corporation's agreement to suspend this request for pre-probable cause conciliation at this time is based on the facts available and your assurances that Ricoh may, at anytime prior to the Brief from the Office of Counsel being filed, reopen discussions regarding pre-probable cause conciliation.

Nothing within this letter should be deemed an admission or a waiver of any rights, whether at law or in equity, of Ricoh Corporation.

While the Corporation is convinced that the express language of 11 C.F.R. Section 9008.7 (c)(1) specifically authorized the transaction in question, we will continue to provide reasonable cooperation to both the Federal Election Committee and its' General Counsel in the review and resolution of this matter.

87 JUL 20 P 2: 58

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OFFICE OF THE
GENERAL COUNSEL

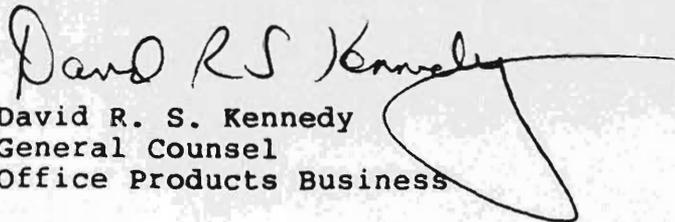
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Jonathan Levine, Esq.
RE: MUR 2171
Rapicom, Inc.
July 17, 1987
Page Two

Should you feel that additional factual information is needed in order that a proper conclusion of this matter can be reached, and finding that there is no probable cause to believe that a violation has occurred by Ricoh Corporation, please do not hesitate to contact me.

Sincerely yours,

RICOH CORPORATION (formerly Rapicom, Inc.)



David R. S. Kennedy
General Counsel
Office Products Business

/rh

cc: J. Sheehan

R 8 0 4 0 7 2 2 0 9 7

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee on Arrangements for the) MUR 2171
1984 Republican National)
Convention, et al.)

62 AUG 21 1986
10:07

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On April 23, 1986, the Federal Election Commission approved the final audit report on the Committee on Arrangements for the 1984 Republican National Convention ("Committee on Arrangements"). On that date, the Commission also voted to refer the matters discussed below to the Office of General Counsel.

Sixteen companies designated as "official providers" by the Committee on Arrangements were referred to this Office for making apparent corporate contributions to the Committee on Arrangements in violation of 2 U.S.C. § 441b(a). It appeared that the companies may have failed to comply with the guidelines for contributions of goods and services by businesses with respect to a presidential nominating convention, as set forth in 11 C.F.R. § 9008.7(c). The Committee on Arrangements was referred for accepting such prohibited corporate contributions and, additionally, for exceeding the convention expenditure limitation set out at 26 U.S.C. § 9008(d)(1) based upon the value of the goods and services accepted that may not have been in compliance with 11 C.F.R. § 9008.7(c).

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On November 5, 1986, the Commission made a number of findings with respect to the allegations. The Commission found reason to believe that ten of the sixteen companies violated 2 U.S.C. § 441b(a). These companies were: (1) American Network Service, Inc.; (2) Baldwin Piano and Organ Company; (3) Blythe-Nelson; (4) Compucorp; (5) Executive Presentation Systems; (6) Metier Management & Systems, Inc., (7) Rapicom, Inc. (now Ricoh); (8) Savin Corporation; (9) Southwestern Bell Mobile Systems; and (10) VMX, Inc. The Commission also found reason to believe that the Committee on Arrangements and George L. Clark, as treasurer, violated 2 U.S.C. § 441b(a) and 26 U.S.C. § 9008(d)(1).

Commission also directed that appropriate notification letters and factual and legal analyses be sent to the respondents.

The analyses sent to the companies stated that 11 C.F.R. § 9008.7(c)(1) permits retail businesses to sell, lease, or rent goods and services to a national committee with respect to a presidential nominating convention at reduced or discounted rates provided that such reductions or discounts are in the ordinary course of business. The analyses noted that, although according to 11 C.F.R. § 9008.7(c)(2), local businesses may sell to convention attendees at nominal cost or provide goods or services at no charge in the form of samples, discount coupons, or promotional items, only 11 C.F.R. § 9008.7(c)(1) is applicable to the transactions at issue in this matter. Therefore, in order to provide the goods or services at issue in a lawful manner, the

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companies could only provide services at a discount, not for free or for a nominal payment. In addition, the discount must have been a discount provided in the ordinary course of business. The analyses quoted from the Explanation and Justification for 11 C.F.R. § 9008.7(c)(1) which states that "in enforcing this standard, the Commission examines whether such discounts were in accordance with standard practice based on the quantity of similar goods or services sold or provided in similar transactions." 44 Fed. Reg. 63,037 (1979).

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II. RESPONSES AND ANALYSIS

Eight companies and the Committee on Arrangements provided substantive responses to the reason to believe notifications. Although these respondents generally have been forthcoming and cooperative in providing information related to the Commission's findings and analysis, additional information (as discussed below) may be needed regarding the criterion of 11 C.F.R. § 9008.7(c)(1).

Compucorp did not provide a substantive response; its lawyers state that all employees with first-hand knowledge of the transactions with the Committee on Arrangements have left the company and the company is in bankruptcy proceedings. American Network Services apparently is no longer in existence and neither this Office nor the Committee on Arrangements has been able to locate the company.

According to the wording of Section 9008.7(c) (1) and its Explanation and Justification, in order to ascertain whether the two-fold criterion, i.e., (1) discount (2) in the ordinary course of business, has been met, the Commission would seem to need information as to (1) the amount paid to each company by the Committee on Arrangements; (2) the standard full fair market charge for the goods and services provided; and (3) information as to standard discounts, including details of similar arrangements by the companies with other customers in the past.

Some respondents stated that they provided goods and/or services in return for official provider status with no monetary charge or with a nominal monetary charge. These companies have given examples of other transactions where services were provided for no monetary charge but did not provide examples of transactions where provision was made in return for reduced payment or at a discount. Consequently, unless the Commission should view the free provision of goods or services, if done in the ordinary course of business, as adequately meeting the requirements of the regulations, it appears that further

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investigation is needed regarding the respondents' standard discount practices and the actual cost of goods provided.

Therefore, this report discusses the responses in terms of a discount in the ordinary course of business, rather than the free provision of goods or services and describes the additional information which would be necessary to ascertain this criterion with respect to nine of the companies.

A. Committee on Arrangements

The Committee on Arrangements responded with a factual account and legal argument to support its position that it did not knowingly accept goods and services outside of the standards of 11 C.F.R. § 9008.7(c)(1) and that it, therefore, did not violate 2 U.S.C. § 441b(a) or 26 U.S.C. § 9008(d)(1). The Committee presented certain details of its transactions with each of the companies, arguing that it made a good faith effort to ensure that the goods and services in question were provided in the ordinary course of business. In support of this assertion, the Committee submitted 47 exhibits, mostly communications between the Committee and the companies. It appears that no further questions need to be sent to the Committee.

B. Baldwin Piano and Organ Company

The response of Baldwin Piano and Organ Company indicates that it supplied the convention with three pianos and that the only consideration for this service was the right to advertise itself as an official provider. The Company states that its "out-of-pocket expense" for "delivery, setting up, tuning, and picking up" the pianos was \$300. However, the Company does not

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state the standard full fair market charge for these services and does not state the full fair market rental for the pianos. Questions are necessary, therefore, to obtain complete information as to these charges. In addition, although the company lists other groups or events for which it provided pianos at no charge, it does not provide examples of transactions when rentals and services were provided for reduced payment or at a discount, nor does it provide information as to a standard discount. Questions are needed, therefore, to obtain this information.

C. Blythe-Nelson

Blythe-Nelson claims that it received significant promotional value from the services provided to the Committee that resulted in new client billings of \$249,394.63. The company claims that this income is nearly three times the value of the hours exchanged for the official provider designation. In addition, the company stated that it ended up providing consulting services to the Committee at the following times: (1) during 1983 at a rate of one hour billed for two hours worked; (2) from February to July, 1984, at no cost in exchange for official provider designation; and (3) during August, 1984, on a "full-fee basis." The company, however, fails to provide the exact amount of payment from the Committee and the fair market charge for the services provided. Therefore, questions are needed as to the payment and the fair market charges. Furthermore, although the company states that it had, in the past, provided consulting services for events and organizations for free or at a discount and although it refers to a few occasions upon which it had provided free services, it makes no

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reference to a standard discount and does not refer specifically to occasions upon which it provided services at a discount. Questions are needed, therefore, to obtain this information.

D. Executive Presentation Systems

Executive Presentation Systems ("EPS") submitted a response stating that it has a practice of providing its products on a trial basis to companies at discounted rates or at no charge with the expectation that the potential customers would want to make purchases and submitted documentation supporting this contention. According to its response, the company provided computer equipment for sixty days for the convention at an "approximate retail value of \$30,000." EPS states that the Committee only used the equipment for four or five days and that "approximately five charts were made using supplies purchased by the Committee." The company states that it charged \$677.78 for graphics supplies, paper, and moving equipment services which were sold at "normal cost." The company asserts that "[t]he only services and products supplied to the Committee at no cost were the use of the equipment, its installation and training of an operator, which were standard services and products provided to the Respondent's customers and potential customers in its ordinary course of business either in quantity or value."

The response of EPS is ambiguous with respect to the rental value of the computer hardware provided. It is unclear whether the company normally charges for the time a computer is made available or the time in which the computer is in use or whether there may be variable charges depending on the circumstances. Furthermore, the company states that the Committee on

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Arrangements paid "the normal cost" for certain services. It is unclear whether this is the cost to the company or the full fair market charge. In addition, the company's statement with respect to installation and training of an operator is ambiguous as to whether there is normally a charge for this service. Questions are needed to eliminate these ambiguities. Finally, since the examples listed by EPS involved no monetary charge or apparently nominal charges, questions are needed as to whether EPS has offered a standard discount and as to other transactions where products and services were provided for reduced payment or at a discount.

E. Metier Management Systems, Inc.

Metier Management Systems, Inc. states that it treated the Committee on Arrangements as it would any other business prospect and provided free use of the computer system that it markets in order to attract potential customers. Specifically, it permitted Roy Van Steenbergen of VSE Corporation to use Metier's ARTEMIS demonstration system for scheduling activities he was working on for the RNC in hopes of persuading VSE to buy an ARTEMIS system. In an affidavit included in the Committee's response, Metier's Group Vice President estimates that Mr. Van Steenbergen used the system "for 40-60 total hours." He states that "[w]hile customer demonstrations are our main sales tool, [he] felt that the official provider demonstration was valuable for marketing purposes." The company's response indicates that the Committee on Arrangements did not make any payment to Metier, and provides examples of similar arrangements. Nevertheless, further information is needed. Although, in his affidavit, a Metier

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branch manager states that he believes that "the total cost for a single user" of ARTEMIS would be, at most, a few dollars an hour, the response does not state a standard full fair market charge for the services provided. The company should be asked to provide this information. In addition, since the examples listed by Metier involved no monetary charge, questions are needed as to whether Metier has offered a standard discount and as to past transactions where use of its computer system was provided for reduced payment or at a discount.

F. Rapicom, Inc.

The response of the Ricoh Corporation (formerly Rapicom, Inc.) is unclear as to the standard full fair market charge for the rental of equipment (two facsimile transceivers) and for accompanying supplies and services. The company provides data indicating some basis for determining the fair market charge but clarification is still required. One of the sources of such information is a letter from Ricoh's Southwest Regional Manager to Blythe-Nelson written six months before the convention. This letter proposed the placement of three R-6100 facsimile transceivers, two in Dallas and one in Washington. The letter stated that the "[n]ormal rental of the above equipment is \$270.00 per month" and that "[b]y extension, the total charges would be \$4,860.00." Another source is the affidavit of the Senior Vice President of the Ricoh Corporation Communication Products Group; this affidavit served as the company's principal response. The Senior Vice President states that the "total rental revenue" that the company "agreed to forego" was \$777. This was for the provision of a Rapicom 6100 from May 3 to

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August 30, 1984, and a Rapicom 3300 from August 15 to August 30, 1984.*/

The company also has not stated the actual amount paid by the Committee on Arrangements, thus necessitating a question with respect to that issue. In addition, although Ricoh states that, "[a]s part of the ordinary conduct of its business," it provides certain office products for events, news media, and commercial and governmental entities for a short period of time at a "heavily discounted" or "rental free" basis and although it names events and national news networks, it does not provide specific information as to any of the discounted transactions and does not provide information as to a standard discount. Questions are needed to obtain this information.

G. Savin Corporation

The person who was General Manager for Savin Corporation's Dallas branch in 1984 describes the Multiple Machine Rental Agreement between the company and the Committee on Arrangements which set out monthly base charges and installation charges for copiers (\$325 base charge per unit and \$105.60 installation charge per unit) and prices for supplies but did not state the quantities involved. In addition, he encloses a letter he had written to Blythe-Nelson in April, 1984, indicating that the

*/ According to bills from two months before the convention submitted by Ricoh as exhibits, there was to be no charge for machine rentals but there were to be charges for installation and removal services, paper, and toner. Even if we were to assume that the \$777 was the total fair market charge for machine rental, this Office still does not know the fair market charge for the services, paper, and toner.

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pricing set out would "save the RNC \$9,000 over our lowest special event pricing." The manager explains in the response that this was merely a characterization of the discount in its most favorable light and that it was equivalent to a car dealer estimating "savings over sticker prices;" therefore, this would have been a routine discount. The manager states, however, that "[t]he final deal that [the company] signed with the RNC was somewhat different from what was originally in mind when that letter was written."

Despite these statements, the final arrangements for the transaction are still unclear. The Committee on Arrangements states that it paid \$48,943.73 and included a copy of a check in this amount paid to the order of Savin. According to invoices from Savin attached to the response of the Committee on Arrangements, this price included \$34,226 for "total machines, installation, and initial supplies" and \$11,947.23 for "excess supplies." These invoices list the various amounts comprising these totals but the descriptions of items provided are encoded and quantities are not provided, so it is difficult to determine what machines, services, and supplies were provided.

The manager states in his response that the company's list price in 1984 for the model of copier used was \$379 for a one month period with a copy of allowance of 8,000. The manager states that, during 1984, the company was "deeply discounting from list prices" to make sales, and he refers to a company document listing a range of copier rentals for the model of

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copier used at the convention. This document showed a range of \$243 to \$312 with a copy allowance of 8,000. Finally, the manager has provided the company's "personal sales commission schedule" which "was structured in relation to the discounts offered to [its] customers." This schedule provides list prices and discount prices for equipment and supplies. The schedule contains an extensive amount of information as to many different types and quantities of equipment and supplies.

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Although Savin has provided us with the foregoing information as to fair market prices and discounts, this Office still needs to send interrogatories to the company. Without information as to the quantities and types of items provided, it would be difficult to determine the full fair market charge for this transaction. Although the company has disclosed that it could not locate its documentation at the time of its response to the reason to believe notification, it is worthwhile for this Office to ask for such information rather than to attempt to induce it from the information already provided. In addition, this Office still does not have information as to transactions by Savin involving similar quantities of equipment, services, and supplies. A question is needed to obtain this information.

H. Southwestern Bell Mobile Systems

Southwestern Bell Mobile Systems, Inc. ("SBMS") replies that, although "the retail maximum value of the service SBMS was willing to provide" under the Access and Lease Agreement with the RNC and the Committee on Arrangements was \$50,000, the retail

value of the actual services provided was \$10,024.05. There is no indication in the company's response that the Committee on Arrangements made any payment to SBMS. This appears to be consistent with the Access and Lease Agreement under which SBMS would provide up to \$50,000 in services without being paid and in return for the official provider designation. The company has provided a number of examples of the provision of its equipment and services for no monetary charge. It has not, however, provided examples of transactions where it has provided equipment or services at a discount. Questions are needed, therefore, to obtain information as to a standard discount and as to transactions where equipment and services were provided for reduced rate or at a discount.

I. VMX

VMX, a provider of Voice Mailboxes, states, that the maximum fair market value of the services provided was \$5,640 and that this figure was based on a monthly rental of \$30 per mailbox. The response indicates that VMX provided these mailboxes on a complimentary basis and that the Committee on Arrangements made no payments to the company. According to the Committee on Arrangements, VMX provided 10 voice mailboxes to Committee staff in 1983 and 49 additional voice mailboxes in 1984. VMX provides other examples of the provision of complimentary mailboxes to various corporations and organizations and in some cases listed quantities, e.g., more than 250 mailboxes to Eastman Kodak in

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November, 1984. However, since the examples listed by VMX involved no monetary charge, questions are needed as to whether VMX has had a standard discount and as to transactions where use of Voice Mailboxes and accompanying services were provided for reduced payment or at a discount.

J. Compucorp

As stated above, Compucorp did not file a substantive response. The Interim and Final Audit Reports, however, stated that the Committee paid Compucorp an estimated \$62,500. In addition, Committee on Arrangements provides a description of its transactions with Compucorp. Although the Committee provides proposed monthly charges per unit for types of equipment, it does not provide the quantity of equipment and services actually provided. It also does not provide the standard full fair market charges for the equipment and services provided, although the Committee responded that Compucorp stated that "the aggregate discount or reduction will be substantially below \$75,000." The Committee encloses a memorandum received from counsel for Compucorp to the company in 1983, providing details and documentation as to agreements between Compucorp and other groups wherein Compucorp provided computer equipment in return for promotional value or advertising and at no monetary charge. In that letter, counsel stated that these transactions were "smaller in scale," and he did not provide examples of the provision of equipment and services at a discount.

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It appears from the Committee's response that questions are still required as to the discount and full fair market charges for the transactions with the Committee on Arrangements, as to standard discounts, and as to other similar transactions where equipment and services were provided for reduced payment or at a discount.

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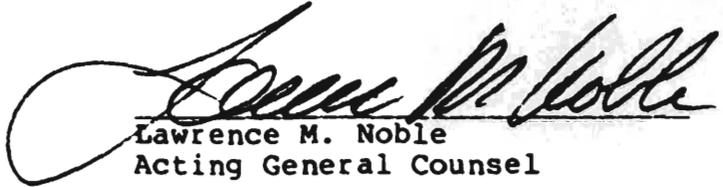
Based on the foregoing description and analysis of the responses, this Office recommends the approval of the attached questions to be sent to the nine companies discussed

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III. RECOMMENDATIONS

1. Approve the attached questions and letters.

8/21/87
Date


Lawrence M. Noble
Acting General Counsel

Attachments

1. Letter and interrogatories to Baldwin
2. Letter and interrogatories to Blythe-Nelson
3. Letter and interrogatories to EPS
4. Letter and interrogatories to Metier
5. Letter and interrogatories to Ricoh
6. Letter and interrogatories to Savin
7. Letter and interrogatories to SBMS
8. Letter and interrogatories to VMX
9. Letter and interrogatories to Compucorp
- 10.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee on Arrangements for) MUR 2171
the 1984 Republican National)
Convention, et al.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of September 9,
1987, do hereby certify that the Commission decided by a
vote of 6-0 to continue consideration of MUR 2171 at the
FEC executive session of Tuesday, September 15, 1987.

Commissioners Aikens, Elliott, Josefiak, McDonald,
McGarry, and Thomas voted affirmatively for the decision.

Attest:

9-10-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

83040722116

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee on Arrangements for) MUR 2171
the 1984 Republican National)
Convention, et al.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of September 15, 1987, do hereby certify that the Commission took the following actions in MUR 2171:

1. Decided by a vote of 4-2 to direct the Office of General Counsel to send appropriate letters and questions to Blythe-Nelson, Ricoh, VMX, Savin, and Compucorp pursuant to the discussion held in the meeting of this date.

Commissioners Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioners Aikens and Elliott dissented.

(continued)

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2. Decided by a vote of 5-1 to
- a) take no further action and close the file with respect to Baldwin, EPS, Metier, and SBMS; and
 - b) direct the Office of General Counsel to send the appropriate letters.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas dissented.

3. Decided by a vote of 6-0 to take no further action and close the file with respect to American Network Service, Inc.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

4.

Attest:

9-18-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

88040722118



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

5 October 1987

Andrew F. Pollet, Esquire
Pollet & Nesbitt
1880 Century Park East
Suite 817
Los Angeles, CA 90067

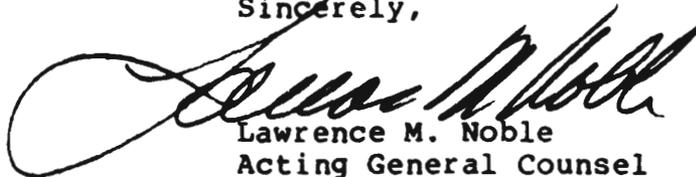
RE: MUR 2171
Compucorp

Dear Mr. Pollet:

On November 5, 1986, the Commission found reason to believe that your client, Compucorp, violated 2 U.S.C. § 441b(a) in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. In response to the reason to believe notification, you sent a letter notifying us that Compucorp is in a Chapter 11 Bankruptcy proceeding and that you have been unable to ascertain any facts pertaining to this matter "because all employees with firsthand knowledge have departed Compucorp." Nevertheless, the Commission needs complete information with respect to the transactions between Compucorp and the Committee on Arrangements in order to resolve this matter. Therefore, this Office has enclosed interrogatories and a request for a production of documents. Your response is due within twenty days of your receipt of this letter.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
Acting General Counsel

Enclosure
Interrogatories and Request for
Production of Documents

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You are asked to respond to the following interrogatories:

1. State the amount paid by the Committee on Arrangements for the equipment, supplies, and services provided by Compucorp for the 1984 Republican National Convention.

2a. State the standard full fair market charge for each of the equipment rentals, supplies, and services provided to the Committee on Arrangements.

2b. If the sum of the charges in response to question 2a differs from the total standard full fair market charge, state that total charge and the reason for the difference (e.g., package deal).

The Commission has in its possession a memorandum from counsel for Compucorp to the company describing transactions in which Compucorp provided equipment, supplies, and services at no monetary charge. This memorandum states that the transactions were "smaller in scale" than "the rental proposal extended to the Arrangements Committee." The Commission, however, does not have information as to transactions involving the provision in similar quantities of equipment, supplies, and services at a discount or for no monetary charge to non-political commercial entities. Questions 3 and 4 pertain to such transactions. Your response to these questions should pertain to the time period prior to and including August, 1984, but need not be limited to that time period.

3. Describe in detail arrangements similar to Compucorp's transaction with the Committee on Arrangements where Compucorp has provided similar equipment, supplies, and services at a discount or for no monetary charge. This response should include, but not be limited to, the event or organization for which the equipment, supplies, and services were provided, when the transaction occurred, the equipment, supplies, and services provided, the quantity of equipment, supplies, and services provided, the standard full fair market charge for the equipment, supplies, and services provided, the amount of discount agreed upon, and the actual payment made (including the type of payment made).

4. State how often the types of transactions described in response to question 3 have occurred. In answering this question, state the frequency of such transactions (e.g., number of times per year) and the percentage of such transactions as a percentage of all transactions on a similar scale.

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Request for Documents

Provide copies of all documents pertaining to Compucorp's responses to questions 1 and 2. These documents should include, but not be limited to agreements, bills, invoices, checks, standard price lists, correspondence, and memoranda.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

5 October 1987

A. Hardcastle, Jr.
Baker, Smith & Mills
500 LTV Center
2001 Ross Avenue
Dallas, Texas 75201-2916

RE: MUR 2171
VMX, Inc.

Dear Mr. Hardcastle:

On November 5, 1986, the Commission found reason to believe that your client, VMX, Inc. violated 2 U.S.C. § 441b(a) in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. In response to the reason to believe notification, VMX supplied certain information concerning its transactions with the Committee on Arrangements. In order to obtain complete information with respect to this matter, this Office requires additional information.

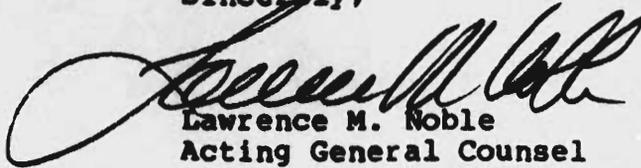
In its response to the reason to believe notification, you stated that VMX made a formal presentation to Jim Blythe of Blythe-Nelson and Rick Shelby of the Committee on Arrangements concerning the sale of a VMX system. You stated that it is believed that Blythe-Nelson determined that the system was "too expensive and/or too large for Convention use." You stated that, "[t]hereafter, VMX was asked to provide complimentary service to the Convention." This Office seeks an explanation as to the circumstances under which the Committee on Arrangements declined to purchase a system and subsequently asked VMX to provide complimentary service. Your explanation should include, but should not be limited to, statements made expressing reasons for the rejection of the system, statements made at the presentation expressing a preference for a complimentary provision of services, statements made after the presentation as to a complimentary provision of services, statements as to the availability of other companies that could provide services similar to those of VMX, and statements and understandings connecting the complimentary provision of services (as opposed to the selling of a VMX system) with a continuance of an association between VMX and the Committee on Arrangements. In framing this interrogatory, this Office intends the word "statement" to include both written and oral expression.

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Letter to A. Hardcastle, Jr.
Page 2

Your response is due within fifteen days of your receipt of this letter. If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
Acting General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

5 October 1987

Mari-Jo Florio Scopac, Esquire
Assistant General Counsel
Savin Corporation
9 West Broad Street
P. O. Box 10270
Stamford, CT 06904-2270

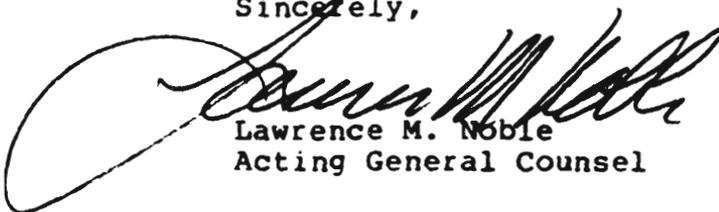
RE: MUR 2171
Savin Corporation

Dear Ms. Scopac:

On November 5, 1986, the Commission found reason to believe that your client, Savin Corporation ("Savin"), violated 2 U.S.C. § 441b(a) in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. In response to the reason to believe notification, Savin supplied certain information concerning its transactions with the Committee on Arrangements. In order to obtain complete information with respect to this matter, this Office has enclosed interrogatories. Your response is due within fifteen days of your receipt of this letter.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
Acting General Counsel

Enclosure
Interrogatories

33040722124

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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)
)

MUR 2171

INTERROGATORIES

TO: Richard K. Taylor
c/o Savin Corporation
9 West Broad Street
Stamford, CT 06904

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request.

INSTRUCTIONS

In answering these interrogatories, furnish all information, however obtained, including hearsay, that is in your possession or is otherwise known by or available to you, including information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any items about which information is requested by any of the following interrogatories, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following interrogatories are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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You are asked to respond to the following interrogatories:

1a. State the standard full fair market charge for each of the items of equipment provided for each of the items of equipment provided (i.e., rental rate), for the supplies provided, and for the services provided to the Committee on Arrangements. In stating the charges, state the quantity of each of the equipment items, type of supplies, and type of services provided.

1b. If the sum of the charges listed in response to question 1a differs from the total standard full fair market charge, state that total charge and the reason for the difference (e.g., package deal).

You have provided information as to discounts for copiers and supplies. You have not, however, provided details of other discounted transactions involving the provision of copiers, supplies, and services in similar quantities to non-political commercial entities. Question 2 pertains to such transactions.

2. Describe in detail arrangements similar to Savin's transaction with the Committee on Arrangements where Savin has provided similar equipment, supplies, and services at a discount. This response should include, but not be limited to, the event or organization for which the equipment, supplies, and services were provided, when the transaction occurred, the equipment, supplies, and services provided, the quantity of equipment, supplies, and services provided, the standard full fair market charge for the equipment, supplies, and services provided, the amount of discount agreed upon, and the actual payment made. Your response should pertain to the time period prior to and including August, 1984, but need not be limited to that time period.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

5 October 1987

David R. S. Kennedy, Esquire
General Counsel
Office Products Business
Ricoh Corporation
Five Dedrick Place
West Caldwell, NJ 07006

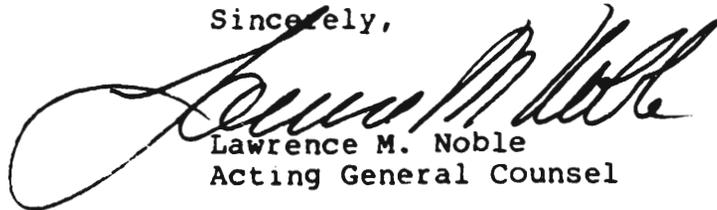
RE: MUR 2171
Rapicom, Inc.

Dear Mr. Kennedy:

On November 5, 1986, the Commission found reason to believe that your client, Rapicom, Inc. (now Ricoh Corporation Communication Products Group), violated 2 U.S.C. § 441b(a) in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. In response to the reason to believe notification, Ricoh supplied certain information concerning its transactions with the Committee on Arrangements. In order to obtain complete information with respect to this matter, this Office has enclosed interrogatories and a request for production of documents. Your response is due within fifteen days of your receipt of this letter.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
Acting General Counsel

Enclosure
Interrogatories and Request for
Production of Documents

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"Document" shall mean any writing of any kind.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

You are asked to respond to the following interrogatories:

1. State the amount paid by the Committee on Arrangements for equipment and services provided by Rapicom in connection with the 1984 Republican National Convention.

2a. State the standard full fair market charge for each of the equipment rentals, supplies, and services provided to the Committee on Arrangements.

2b. If the sum of the charges listed in response to question 2a differs from the total standard full fair market charge, state that total charge and the reason for the difference (e.g., package deal).

3. In a letter to Jim Blythe, dated February 7, 1984, William R. Manzon, Southwest Regional Manager of Rapicom, listed the charges for supplies to be sold to the Committee on Arrangements and then stated that "[r]ental charges for the equipment would be waived as a contribution from Rapicom, Inc." State the circumstances surrounding this statement. Your response should include, but should not be limited to, statements by others in Rapicom or the Committee on Arrangements to this effect or pertaining to this assertion, and responses to the statement.

You have stated that Ricoh has provided certain office products for events, news media, and commercial and governmental entities for a short period of time on a "heavily discounted" or "rental free" basis. You have not, however, provided specific information as to such discounted or rental free transactions. Questions 4 and 5 pertain to the provision of equipment, supplies, and services in similar quantities at a discount or for no monetary charge. Your response to these questions should pertain to the time period prior to and including August, 1984, but need not be limited to that time period.

4. Describe in detail transactions similar to Rapicom transaction with the Committee on Arrangements where Rapicom has provided facsimile transceivers, supplies, and services at a discount or for no monetary charge. This response should include, but not be limited to, the event or organization for

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which the equipment, supplies, and services were provided, when the transaction occurred, when the equipment, supplies, and services were provided, the equipment, supplies, and services provided, the quantity of equipment, supplies, and services provided, the standard full fair market charge for the equipment, supplies, and services provided, the amount of discount agreed upon, and the actual payment made (including the type of payment made).

5. State how often the types of transactions described in response to question 4 have occurred. In answering this question, state the frequency of such transactions (e.g., number of times per year) and the percentage of such transactions as a percentage of all transactions on a similar scale.

Request for Production of Documents

Provide copies of all documents pertaining to Ricoh's response to questions 1 and 2. These documents should include, but not be limited to, bills, invoices, checks, standard price lists, correspondence, and memoranda.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

5 October 1987

James L. Blythe, Partner
Blythe-Nelson
Bruton Park
8700 N. Stemmons Freeway
Suite 301
Dallas, Texas 75247

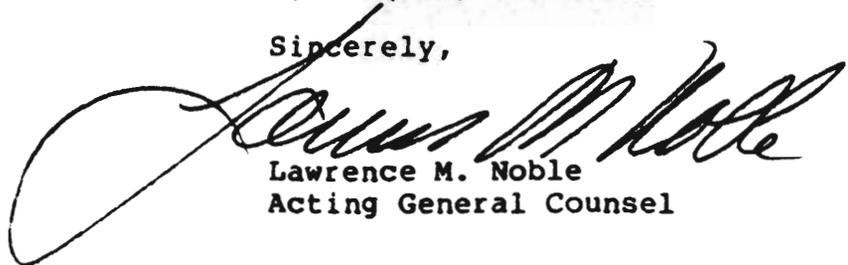
RE: MUR 2171
Blythe-Nelson

Dear Mr. Blythe:

On November 5, 1986, the Commission found reason to believe that Blythe-Nelson violated 2 U.S.C. § 441b(a) in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. In response to the reason to believe notification, you supplied certain information concerning Blythe-Nelson's transactions with the Committee on Arrangements. In order to obtain complete information with respect to this matter, this Office has enclosed interrogatories and a request for production of documents. Your response is due within fifteen days of your receipt of this letter.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
Acting General Counsel

Enclosure
Interrogatories and Request for
Production of Documents

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"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

You are asked to respond to the following interrogatories:

1. State the actual amount of payment made by the Committee on Arrangements to Blythe-Nelson for the services provided by Blythe-Nelson for the 1984 Republican National Convention.
2. State the standard full fair market charge for the services provided by Blythe-Nelson for the 1984 Republican National Convention.
3. State the factors that Blythe-Nelson considered in determining the amount of the discount provided to the Committee on Arrangements during different time periods, i.e., 1983, February to July, 1984, and during August, 1984.

In describing the course of the transaction with the Committee on Arrangements, you stated in reference to a presentation by Blythe-Nelson in June, 1983, that the Committee "did not want to pay the fees for our advice that we proposed." In addition, Daniel Denning, the Deputy Convention Manager for the 1984 Republican National Convention, has stated that he suggested to Blythe Nelson that, if it wished to "maintain its association with the Convention, it [should] submit a proposal to become an official provider." The following questions pertain to these statements.

4. Describe in detail the circumstances of the Committee's denial of Blythe-Nelson's fee proposal. This should include, but should not be limited to, the details of the proposal made, the amount the Committee wished to pay, statements as to why the Committee wished the fee to be reduced, statements as to the availability of other companies that might perform the services for less money, and understandings connecting the reduction of fees with a continuance of an association between Blythe-Nelson and the Committee on Arrangements.

5. Describe in detail the circumstances under which Blythe-Nelson was told that it should submit a proposal to become an official provider in order to maintain an association with the Convention. This should include, but should not be limited to, statements as to why official provider status was necessary for Blythe-Nelson to retain this association, statements that other

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providers of similar services were available to provide the same service, and statements as to the Committee's desire to pay a reduced amount.

You have stated that Blythe-Nelson has provided consulting services for events and organizations for free or at a discount and have provided examples. All but one of these examples was for either a charitable or religious organization or the State of Texas and these examples do not appear to be similar in scale to the transaction between Blythe-Nelson and the Committee on Arrangements. Questions 6 and 7 pertain to the provision of services on a similar scale to non-political commercial entities at a discount or for no monetary charge. Your response to these questions should pertain to the time period prior to and including August, 1984, but need not be limited to that time period.

6. Describe in detail transactions similar to Blythe-Nelson's transaction with the Committee on Arrangements where Blythe-Nelson has provided services at a discount or for no monetary charge. This response should include, but not be limited to, the event or organization for which the services were provided, when the services were provided, the services provided, the duration of the period during which services were provided (e.g., over a period of three months), the standard full fair market charge, the amount of discount agreed upon, and the amount of actual payment received (including the type of payment made).

7. State how often the types of transactions described in response to question 6 have occurred. In answering this question, state the frequency of such transactions (e.g., number of times per year) and the percentage of such transactions as a percentage of all transactions on a similar scale.

Request for Documents

Provide copies of all documents pertaining to Blythe-Nelson's response to questions 1, 2, and 3. These documents should include, but not be limited to, agreements, bills, invoices, checks, standard price lists, correspondence, and memoranda.

33040722132



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

5 October 1987

Donna Lynn Snyder, Esquire
Vice President
Southwestern Bell Mobile Systems
17330 Preston Road
Suite 100A
Dallas, Texas 75252

RE: MUR 2171
Southwestern Bell Mobile
Systems

Dear Ms. Snyder:

On November 13, 1987, your client, Southwestern Bell Mobile Systems ("SBMS"), was notified that the Federal Election Commission found reason to believe that SBMS violated 2 U.S.C. 441b(a) in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. On February 2, 1987, SBMS submitted a response to the Commission's reason to believe finding in this matter.

After considering the circumstances of the matter, the Commission determined, on September 15, 1987, to take no further action against SBMS, and closed its file as it pertains to your client. The file will be made part of the public record within 30 days after the matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds your client that a provision by a retail business of goods and services to a national party committee with respect to a presidential nominating convention at reduced or discounted rates, if such discounts are not in the ordinary course of business, is a violation of the Act.

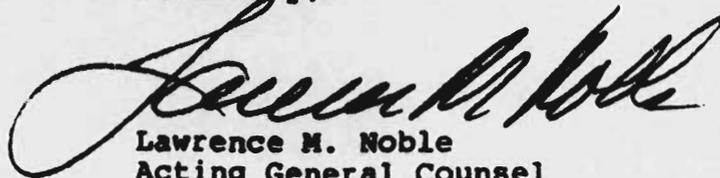
33040722133

Handwritten initials

Letter to Donna Lynn Snyder
Page 2

If you have any question, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
Acting General Counsel

88040722134



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

5 October 1987

Andrew Mohr, Esquire
Cohen & White
1055 Thomas Jefferson Street, N.W.
Suite 504
Washington, D.C. 20007

RE: MUR 2171
Metier Management Systems, Inc

Dear Mr. Mohr:

On November 13, 1987, your client, Metier Management Systems, Inc. ("Metier"), was notified that the Federal Election Commission found reason to believe that Metier violated 2 U.S.C. 441b(a) in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. On December 12, 1986, and February 3, 1987, Metier submitted responses to the Commission's reason to believe finding in this matter.

After considering the circumstances of the matter, the Commission determined, on September 15, 1987, to take no further action against Metier, and closed its file as it pertains to your client. The file will be made part of the public record within 30 days after the matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds your client that a provision by a retail business of goods and services to a national party committee with respect to a presidential nominating convention at reduced or discounted rates, if such discounts are not in the ordinary course of business, is a violation of the Act.

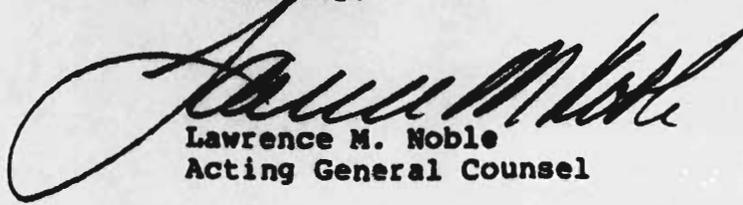
93040742135

DM

Letter to Andrew Mohr
Page 2

If you have any question, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
Acting General Counsel

88040722136



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

5 October 1987

John V. Howard, Esquire
Gandy, Michener, Swindle, Whitaker
& Pratt
2501 Parkview Drive
Fort Worth, Texas 76102

RE: MUR 2171
Executive Presentation Systems

Dear Mr. Howard:

On November 13, 1987, your client, Executive Presentation Systems ("EPS"), was notified that the Federal Election Commission found reason to believe that EPS violated 2 U.S.C. 441b(a) in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. On January 30, 1987, February 9, 1987, and March 4, 1987, EPS submitted responses to the Commission's reason to believe finding in this matter.

After considering the circumstances of the matter, the Commission determined, on September 15, 1987, to take no further action against EPS, and closed its file as it pertains to your client. The file will be made part of the public record within 30 days after the matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds your client that a provision by a retail business of goods and services to a national party committee with respect to a presidential nominating convention at reduced or discounted rates, if such discounts are not in the ordinary course of business, is a violation of the Act.

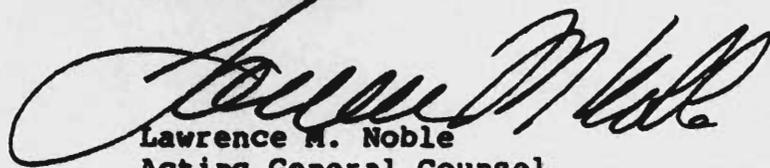
88040722137

Sum

Letter to John V. Howard
Page 2

If you have any question, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
Acting General Counsel

3 8 0 4 0 7 4 2 1 3 8



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

5 October 1987

Stephen L. Black, Esquire
Graydon, Head & Ritchey
1900 Fifth Third Center
P.O. Box 6464
Cincinnati, Ohio 45201

RE: MUR 2171
Baldwin Piano & Organ Company

Dear Mr. Black:

On November 13, 1987, your client, Baldwin Piano & Organ Company ("Baldwin"), was notified that the Federal Election Commission found reason to believe that Baldwin violated 2 U.S.C. 441b(a) in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. On December 4, 1986, Baldwin submitted a response to the Commission's reason to believe finding in this matter.

After considering the circumstances of the matter, the Commission determined, on September 15, 1987, to take no further action against Baldwin, and closed its file as it pertains to your client. The file will be made part of the public record within 30 days after the matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds your client that a provision by a retail business of goods and services to a national party committee with respect to a presidential nominating convention at reduced or discounted rates, if such discounts are not in the ordinary course of business, is a violation of the Act.

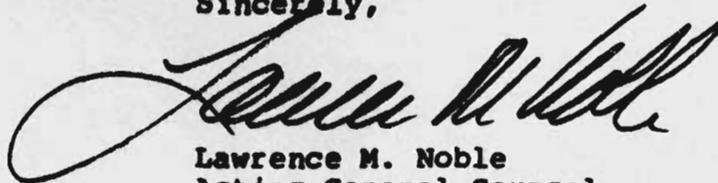
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Plan

Letter to Stephen L. Black
Page 2

If you have any question, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence M. Noble", written in a cursive style.

Lawrence M. Noble
Acting General Counsel

88040722140

Savin

QCC#4564

Savin Corporation

9 West Broad Street
P. O. Box 10270
Stamford, CT 06904-2270
203/967-5168

Mari-Jo Florio Scopac
Assistant
General Counsel

October 9, 1987

Lawrence M. Noble, Esq.
Acting General Counsel
Federal Election Commission
Washington, DC 20463

RE: MUR 2171 Savin Corporation

Dear Mr. Noble:

Savin Corporation respectfully requests an extension of thirty (30) days (i.e., to November 23, 1987) in which to respond to interrogatories received on October 8, 1987. This extension is required because the records which must be consulted may be in a number of archive locations and we must first determine where they are in order to retrieve them. That task is further complicated by recent company reorganization of administrative personnel who must be consulted for information.

We would appreciate your consideration of this request.

Very truly yours,



Mari-Jo F. Scopac

cc: Jonathan Levin, Esq.
Federal Election Commission
Washington, DC 20463

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 15 PM 1:49

RECEIVED
FEDERAL ELECTION COMMISSION
87 OCT 15 AM 9:27

88040722141

GCC#4589

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

87 OCT 19 AM 11:36

LAW OFFICES
POLLET & NESBITT

A PROFESSIONAL CORPORATION
1880 CENTURY PARK EAST

SUITE 817
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (213) 203-0220
TELECOPIER (213) 203-9839

VENTURA OFFICE:
3875 TELEGRAPH ROAD
SUITE J
VENTURA, CALIFORNIA 93003

ANDREW F. POLLET
PAUL B. NESBITT
NORMAN S. WISNICKI
JOHN M. WOODBURY, JR.

October 12, 1987

Lawrence M. Noble
Acting General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: Your Ref: MUR 2171 Compucorp

Dear Mr. Noble:

Please be advised that we are no longer attorneys for
Compucorp and thus your letter dated October 5, 1987 and
the enclosures therein are returned herewith.

LAW OFFICES OF POLLET & NESBITT
A PROFESSIONAL CORPORATION

By *Andrew F. Pollet*
ANDREW F. POLLET

AFP:mo

87 OCT 19 PM 3:35

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

96040722142



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

21 October 1987

Mari-Jo Florio Scopac, Esquire
Assistant General Counsel
Savin Corporation
9 West Broad Street
P. O. Box 10270
Stamford, CT 06904-2270

RE: MUR 2171
Savin Corporation

Dear Ms. Scopac:

Pursuant to your request received on October 15, 1987, this Office is granting you a thirty-day extension of time in which to respond to interrogatories sent to you. Your response is due, therefore, on November 23, 1987.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

83040722145

plm

60044630 Rec Aikens
10/23/87

BAKER, MILLS & GLAST

A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS

800 LTV CENTER

2001 ROSS AVENUE

DALLAS, TEXAS 75201-2916

TELEPHONE (214) 220-8200

TELECOPY (214) 220-8333

TELEX 734108

BSN DAL UD

WRITER'S DIRECT DIAL NUMBER

(214) 220-8422

October 22, 1987

SUSAN L. ABBOTT
ROBERT A. BAKER
STEVEN ALAN BENNETT
TIMOTHY D. BLAKELEY
GEORGE R. BLEUNER, III
BENNY D. CAMPBELL
WILLIAM FRANK CARROLL
SHARON R. CHARDAK
ROGER N. CHAUZA
A. BRUCE CLAY
JOSEPH M. COLEMAN
ROBERT W. COLEMAN
O. LUKE DAVIS, III
SAM J. DEALEY
FRANK W. ELLIOTT
MARK CHARLES ENOCH

PETER A. FRANKLIN, III
CLIFFORD L. FRIEDMAN
SAM GLAST
MARK A. GOODMAN
CHERYL M. GOSCH
HOWARD A. GROSS
TIMOTHY D. HAGEN
KATHRYN KOONS HARGROVE
JOHN W. NICKS, JR.
PATRICIA A. HILL
DAVID E. HOWE
GREGORY M. HOWISON
J. SCOTT JACKSON
MARIAN E. JACKSON
ROBERT B. JACKSON
*WAYNE A. JONES

JAMES R. KIMBERLIN
KIM L. LAWRENCE
ALAN W. LINTEL
MICHAEL A. LOGAN
BRET A. MADOLE
ROBERT F. MIDDLETON
FRED L. MILLER
JERRY W. MILLS
JOHN MITCHELL NEVINS
L. DALE PARSONS
MICHAEL D. PARSONS
JEFFERSON PERKINS
*JANET A. PIAZZA
JOHN E. RICHARDS
ROBERT N. RULE, JR.
KANE ST. JOHN

JERRY R. SELINGER
WARREN N. SMITH
PATRICK V. STARK
DOUGLAS A. TATUM
CHRISTOPHER R. TURNER
J. GLENN TURNER, JR.
GAYLENE P. VADEN
FRANCES VALDEZ VALDEZ
ANDERSON WALLACE, JR.
MARTHA E. WATERS

OF COUNSEL:
A. HARDCASTLE, JR.
HAROLD L. HITCHINS, JR.

*ADMITTED ONLY IN STATE
OTHER THAN TEXAS

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Honorable Joan B. Aikens
Chairman, Federal Election Commission
Federal Election Commission
Washington, D.C. 20463

FEDERAL EXPRESS # 4937330764

Re: MUR 2171; VMX, Inc.
Your letter dated October 5, 1987

Dear Chairman Aikens:

This letter is a request for an extension of time in which VMX, Inc. may respond to the Federal Election Commission's request for an explanation as to certain matters set forth in the Federal Election Commission letter dated October 5, 1987. VMX requests an extension of at least thirty (30) days in which to fully respond to the request. Some of the parties referenced in the request are not readily available to VMX and it will take the additional time for VMX to locate and confer with the parties as well as prepare a response.

Sincerely yours,

A. Hardcastle, Jr.
A. Hardcastle, Jr.

AH/pas

cc: Mr. Gordon H. Matthews
Mr. W. Dal Berry
Mr. Lawrence M. Noble
Mr. Jonathan Levin (FEDERAL EXPRESS)

RECEIVED
FEDERAL ELECTION COMMISSION
87 OCT 23 PM 1:18

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 26 AM 11:03

GC# 4628

RECEIVED
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MAIL ROOM

87 OCT 26 AM 9:30

WORSHAM, FORSYTHE, SAMPOLS & WOOLDRIDGE

THIRTY-TWO HUNDRED, 2001 BRYAN TOWER

DALLAS, TEXAS 75201

TELEPHONE (214) 979-3000

JOE A. WORSHAM
1881-1876

OF COUNSEL
JOS. IRION WORSHAM
EARL A. FORSYTHE

TELECOPIER (214) 880-0011

M. D. SAMPOLS
ROBERT A. WOOLDRIDGE
NEIL D. ANDERSON
SPENCER C. RELYEA
RONALD M. HANSON
J. DAN BOHANNAN
TRAVIS E. VANDERPOOL
JUDITH K. JOHNSON
RICHARD L. ADAMS
DAVID C. LONERGAN
JOHN W. McREYNOLDS
THOMAS F. LILLARD
ROBERT K. WISE
TIMOTHY A. MACK

ROBERT M. FILLMORE
WM. STEPHEN BOYD
MARK R. WASEM
CHRIS R. MILTENBERGER
ROBERT P. OLIVER
CINDY JACKSON BRUNER
JOE A. DAVIS
ERIC H. PETERSON
WALTER W. WHITE
L. SCOTT AUSTIN
BLAKE L. BECKHAM
W. STEPHEN COCKERHAM
TRACY COMBS FLANIGAN

October 16, 1987

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

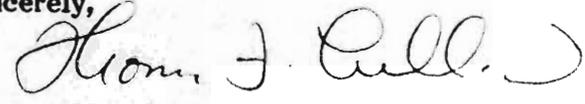
RE: MUR 2171
Blythe.Nelson

Dear Mr. Noble:

This firm has been engaged by Blythe.Nelson to assist them in responding to the Interrogatories and Requests For Production of Documents submitted by your agency. The Statement of Designation of Counsel has been enclosed for your records. Initially, it should be noted that the Interrogatories and Requests for Production of Documents was received by Blythe.Nelson on October 13, 1987. Thereafter, this firm was contacted. I contacted Jonathan Levin of your office on October 15, 1987, concerning our engagement, as well as the time for a response to this request. I informed Mr. Levin that I was scheduled to be out of town the week of October 19 and was concerned that I would not be prepared to respond by October 29, the response date. Accordingly, he suggested that I contact the Commission concerning a request for an extension of time. Accordingly, on behalf of Blythe.Nelson, I am requesting an extension of the time within which to respond to the Interrogatories and Requests for Production of Documents from the scheduled date of October 29, 1987, to November 9, 1987. It is anticipated that we may be able to respond prior to that date; however, because of our recent engagement and my intervening absence, I am seeking this additional time.

Should there be a problem with our request, in my absence, would you please contact Steve Boyd. Thank you for your cooperation in this matter.

Sincerely,



Thomas F. Lillard

TFL/jj
Enclosure

88040724140

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 26 AM 10:46

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2171

NAME OF COUNSEL: _____

ADDRESS: Thomas F. Lillard

2001 Bryan Tower, Suite 3200

Dallas, Texas 75201

TELEPHONE: (214) 979-3000

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

10/14/87
Date

James L. Blythe
Signature

RESPONDENT'S NAME: Blythe Nelson

ADDRESS: 1999 Bryan Street, Suite 1100

Dallas, Texas 75201

HOME PHONE: _____

BUSINESS PHONE: (214) 954-1999

88040722146

600#4617

RICOH

RICOH CORPORATION

Five Dedrick Place
West Caldwell, NJ 07006
Phone: 201-882-2000
Fax: 201-882-5940
Telex: 752930 ROA-UD

October 20, 1987

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 23 PM 12: 26

Jonathan Levin, Esq.
Federal Election Commission
999 E Street, NW - Room 659
Washington, DC 20463

RE: MUR 2171
Rapicom, Inc.

Dear Mr. Levin:

Ricoh Corporation (formerly Rapicom, Inc.) is in receipt of the interrogatories and request for production of documents propounded by the FEC and, in accordance with our telephone conversation of October 13, 1987, would respectfully request an additional thirty days within which to formulate its response and to gather its documents. Accordingly, Ricoh Corporation's response would be due on or before November 23, 1987.

Ricoh trusts that this extension of time within which to respond will be acceptable to the FEC. Your confirmation will be appreciated.

By this request, Ricoh waives no rights which it may have at law or in equity and nothing contained herein shall be deemed an admission.

Very truly yours,

RICOH CORPORATION

David R. S. Kennedy
David R. S. Kennedy
General Counsel
Office Products Business

/rh
cc: J. Sheehan

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
87 OCT 23 AM 11: 21



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Savin

6004640

Savin Corporation

9 West Broad Street
P. O. Box 10270
Stamford, CT 06904-2270
203/967-5168

Mari-Jo Florio Scopac
Assistant
General Counsel

October 23, 1987

Jonathan Levin, Esq.
Federal Election Commission
999 W Street, NW - Room 659
Washington, DC 20463

Re: MUR 2171 - Savin Corporation

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 26 PM 3:37

Dear Mr. Levin:

Savin Corporation does hereby grant the law firm of Covington & Burling, counsel to the Committee on Arrangements for the 1984 Republican National Convention, full authority to have complete access to all information, documents and materials currently in the possession of the Federal Election Commission or its staff concerning MUR 2171 to the same extent that I would have as a representative of Savin Corporation. Accordingly, Savin Corporation expressly waives any rights to privilege, confidentiality, proprietaryness or any protections from disclosure under the Federal Election Act or the Freedom of Information Act but such waiver shall only pertain to access by Covington & Burling to such information concerning MUR 2171. Additionally, Savin Corporation hereby grants to you the express authority to fully discuss with Covington & Burling all matters concerning the subject matter under review.

Please understand that the waiver noted above is expressly limited to the disclosure of information to Covington & Burling for the purposes contained in this letter and Savin Corporation confidentiality, proprietaryness or protection from disclosure under the Federal Election Act or Freedom of Information Act with respect to MUR 2171 to any other party without its prior written consent as allowed by law.

Very truly yours,

Mari-Jo Scopac

Mari-Jo Scopac

MJS:smk
10000024.ltr

cc: Gaines Cleveland, Esq.
Covington & Burling
1201 Pennsylvania Avenue, NW
P.O. Box 7566
Washington, D.C. 20044

87 OCT 26 PM 1:11
HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

26 October 1987

A. Hardcastle, Jr., Esquire
Baker, Smith & Glast
500 LTV Center
2001 Ross Avenue
Dallas, Texas 75201-2916

RE: MUR 2171
VMX, Inc.

Dear Mr. Hardcastle:

Pursuant to your request dated October 22, 1987, this Office is granting you a thirty-day extension of time in which to respond to the letter sent to you on October 5, 1987. Your response is due, therefore, on November 23, 1987.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

880407-2149



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

26 October 1987

plan

David R.S. Kennedy, Esquire
General Counsel
Office Products Business
Ricoh Corporation
Five Dedrick Place
West Caldwell, NJ 07006

RE: MUR 2171
Rapicom, Inc.

Dear Mr. Kennedy:

Pursuant to your request dated October 20, 1987, this Office is granting you a thirty-day extension of time in which to respond to interrogatories and a request for production of documents. Your response is due, therefore, on November 23, 1987.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

88040722150



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

27 October 1987

Thomas F. Lillard, Esquire
Worsham, Forsythe, Sampsels
& Wooldridge
Thirty-Two Hundred, 2001 Bryan Tower
Dallas, Texas 75201

RE: MUR 2171
Blythe-Nelson

Dear Mr. Lillard:

This is in response to your letter dated October 16, 1987, which we received on October 26, 1987, requesting an extension until November 9, 1987, to respond to the interrogatories and request for production of documents sent to Blythe-Nelson. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on November 9, 1987.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

By: Lois G. Lerner
Associate General Counsel

88040742151

plm

RICOH

87 NOV -2 AM 10: 09

RICOH CORPORATION

Five Dedrick Place
West Caldwell, NJ 07008
Phone: 201-882-2000
Fax: 201-882-5840
Telex: 752930 ROA-UD

October 23, 1987

Jonathan Levin, Esq.
Federal Election Commission
999 E Street, NW - Room 659
Washington, DC 20463

RE: MUR 2171 - Rapicom, Inc.

Dear Mr. Levin:

On behalf of Ricoh Corporation (formerly Rapicom, Inc.) Ricoh Corporation does hereby grant the law firm of Covington & Burling counsel to the Committee on Arrangements for the 1984 Republican National Convention, full authority to have complete access to all information, documents and materials currently in the possession of the Federal Election Commission or its staff concerning MUR 2171 to the same extent that I would have as a representative of Ricoh Corporation. Accordingly, Ricoh Corporation expressly waives any rights to privilege, confidentiality, proprietariness or any protections from disclosure under the Federal Election Act or the Freedom of Information Act but such waiver shall only pertain to access by Covington & Burling to such information concerning MUR 2171. Additionally, Ricoh Corporation hereby grants to you the express authority to fully discuss with Covington & Burling all matters concerning the subject matter under review.

Please understand that the waiver noted above is expressly limited to the disclosure of information to Covington & Burling for the purposes contained in this letter and Ricoh Corporation expressly denies the waiver of any rights of privilege, confidentiality, proprietariness or protection from disclosure under the Federal Election Act or Freedom of Information Act with respect to MUR 2171 to any other party without its prior written consent as allowed by law.

Very truly yours,

RICOH CORPORATION

David R. S. Kennedy
David R. S. Kennedy
General Counsel
Office Products Business

/rh

cc: Gaines Cleveland, Esq.
Covington & Burling
1201 Pennsylvania Avenue, NW
P.O. Box 7566
Washington, DC 20044

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV -2 AM 10: 09

8 8 0 4 0 7 2 1 5 2



QCC#4727

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

WORSHAM, FORSYTHE, SAMPELS & WOOLDRIDGE

THIRTY-TWO HUNDRED, 2001 BRYAN TOWER

DALLAS, TEXAS 75201

TELEPHONE (214) 979-3000

87 NOV -9 AM 10:56

M. D. SAMPELS
ROBERT A. WOOLDRIDGE
NEIL D. ANDERSON
SPENCER C. RELYEA
RONALD M. HANSON
J. DAN BOHANNAN
TRAVIS E. VANDERPOOL
JUDITH K. JOHNSON
RICHARD L. ADAMS
DAVID C. LONERGAN
JOHN W. McREYNOLDS
THOMAS F. LILLARD
ROBERT K. WISE
TIMOTHY A. MACK

ROBERT M. FILLMORE
WM. STEPHEN BOYD
MARK R. WASEM
CHRIS R. MILTENBERGER
ROBERT P. OLIVER
CINDY JACKSON BRUNER
JOE A. DAVIS
ERIC H. PETERSON
WALTER W. WHITE
L. SCOTT AUSTIN
BLAKE L. BECKHAM
W. STEPHEN COCKERHAM
TRACY COMBS FLANIGAN

JOE A. WORSHAM
1881-1876

OF COUNSEL
JOS. IRION WORSHAM
EARL A. FORSYTHE

TELECOPIER (214) 880-0011

November 6, 1987

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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Mr. Jonathan Levin
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

RE: MUR 2171
Blythe.Nelson

Dear Mr. Levin:

Pursuant to our conversation, enclosed please find a copy of the waiver executed by James L. Blythe, Blythe.Nelson, which authorizes Covington & Burling complete access to any materials or information related to MUR 2171.

Sincerely,

Thomas F. Lillard

TFL/jj

Enclosure

BLYTHE-NELSON

Management Consulting
& Systems Engineering

Federal Election Commission
Washington, D.C. 20463

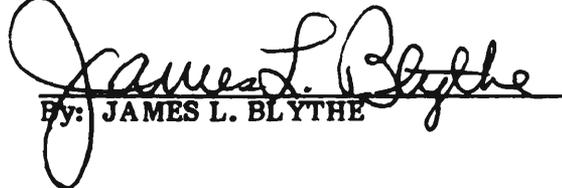
RE: MUR 2171

TO WHOM IT MAY CONCERN:

On behalf of Blythe.Nelson, I hereby grant the law firm of Covington & Burling, counsel to the Committee on Arrangements, full authority to have complete access to all information, documents, and materials in the possession of the Federal Election Commission or its staff concerning MUR 2171 to the same extent that I would have. Accordingly, I expressly waive any protections from disclosure under the Federal Election Act or the Freedom of Information Act with respect to access by Covington & Burling to such information concerning the matter under review. In addition, I grant you express authority to discuss fully with Covington & Burling all matters concerning the subject matter under review.

DATED: October 26, 1987

BLYTHE.NELSON


By: JAMES L. BLYTHE

33040722154

Ann 2171
plan



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

9 November 1987

Sharnette Bradley, Supervisor
Records Department
United States Bankruptcy Court
United States Courthouse
312 N. Spring Street
Los Angeles, CA 90012

Dear Ms. Bradley:

The Office of the General Counsel of the Federal Election Commission is in need of information with respect to a company known as Compucorp which, according to information available to us, has been in a Chapter 11 bankruptcy proceeding (case number LA 86-17550 CA). Specifically, this Office is requesting that you provide information listed in papers filed with the Bankruptcy Court as to the names, phone numbers, and addresses of the officers of Compucorp, the company's agent for service of process, any other agents of the company (e.g., directors), and counsel for the company. This Office requests that this information be provided in the form of copies of pages containing this information or in the form of a list compiled by your office, whichever is more convenient.

In a phone conversation with a staff member of the Records Department, Jonathan Levin of this Office was informed that a federal agency would not be charged fees for this information. The Federal Election Commission is an agency of the U.S. Government and requires this information in the performance of its official duties.

A return envelope is enclosed. Should you have any questions or require any further information, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Envelope

38040722155

800#4767

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

WORSHAM, FORSYTHE, SAMPELS & WOOLDRIDGE

THIRTY-TWO HUNDRED, 2001 BRYAN TOWER

DALLAS, TEXAS 75201

TELEPHONE (214) 979-3000

87 NOV 16 AM 9:25

M. D. SAMPELS
ROBERT A. WOOLDRIDGE
NEIL D. ANDERSON
SPENCER C. RELYEA
RONALD H. HANSON
J. DAN BOHANNAN
TRAVIS E. VANDERPOOL
JUDITH K. JOHNSON
RICHARD L. ADAMS
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WALTER W. WHITE
L. SCOTT AUSTIN
BLAKE L. BECKHAM
W. STEPHEN COCKERHAM
TRACY COMBS FLANIGAN

JOE A. WORSHAM
1884876

OF COUNSEL
JOS. IRION WORSHAM
EARL A. FORSYTHE

TELECOPIER: (214) 880-0011

November 12, 1987

Mr. Jonathan Levin
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

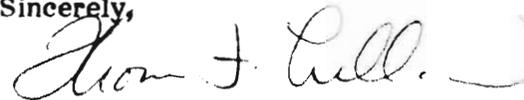
RE: MUR 2171
Blythe.Nelson

Dear Mr. Levin:

I anticipated being in a position to provide a response on behalf of Blythe.Nelson to the Interrogatories and Request for Production of Documents submitted by your agency on or before November 9, 1987. Unfortunately, due to mutual conflicts with my clients and my schedule, I will be unable to provide such responses by that date. Accordingly, we are respectfully requesting an additional extension of time to November 23, 1987, within which to provide our responses.

Should there be a problem with my request, please contact me immediately.

Sincerely,



Thomas F. Lillard

TFL/jj

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RECEIVED
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OFFICE OF GENERAL COUNSEL
87 NOV 16 AM 11:48

BAKER, MILLS & GLAST

A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS

500 LTV CENTER

2001 ROSS AVENUE

DALLAS, TEXAS 75201-2916

TELEPHONE (214) 220-8200

TELECOPY (214) 220-8333

TELEX 734106

BSM DAL UD

WRITER'S DIRECT DIAL NUMBER

SUSAN L. ABBOTT
ROBERT A. BAKER
STEVEN ALAN BENNETT
TIMOTHY D. BLAKELEY
GEORGE R. BLEUNER, III
BENNY D. CAMPBELL
WILLIAM FRANK CARROLL
ROGER N. CHAUZA
A. BRUCE CLAY
JOSEPH M. COLEMAN
ROBERT W. COLEMAN
O. LUKE DAVIS, III
SAM J. DEALEY
FRANK W. ELLIOTT
MARK CHARLES ENOCH
PETER A. FRANKLIN, III

CLIFFORD L. FRIEDMAN
SAM GLAST
MARK A. GOODMAN
CHERYL M. GOSCH
J. ERIC GRIFFIN
HOWARD A. GROSS
TIMOTHY D. HAGEN
KATHRYN KOONS HARGROVE
JOHN W. HICKS, JR.
PATRICIA A. HILL
DAVID E. HOWE
GREGORY M. HOWISON
J. SCOTT JACKSON
MARIAN E. JACKSON
ROBERT S. JACKSON
*WAYNE A. JONES

JAMES R. KIMBERLIN
KIM L. LAWRENCE
ALAN W. LINTEL
MICHAEL A. LOGAN
BRET A. MADOLE
LAWRENCE J. McNAMARA
ROBERT F. MIDDLETON
FRED L. MILLER
JERRY W. MILLS
JOHN MITCHELL NEVINS
L. DALE PARSONS
MICHAEL D. PERKINS
JEFFERSON PERKINS
JOHN E. RICHARDS
ROBERT N. RULE, JR.
KANE ST. JOHN

SHARON CHARDAK SANTUCCI
JERRY R. SELINGER
WARREN H. SMITH
PATRICK V. STARK
DOUGLAS A. TATUM
CHRISTOPHER R. TURNER
J. GLENN TURNER, JR.
GAYLENE P. VADEN
FRANCES VALDEZ VALDEZ
ANDERSON WALLACE, JR.
MARTHA E. WATERS

OF COUNSEL:
A. HARDCASTLE, JR.
HAROLD L. HITCHINS, JR.

*ADMITTED ONLY IN STATE
OTHER THAN TEXAS

Federal Election Commission
Washington, D.C. 20463

Re: MUR 2171

TO WHOM IT MAY CONCERN:

On behalf of VMX, Inc., I hereby grant the law firm of Covington & Burling, counsel to the Committee on Arrangements, full authority to have complete access to all information, documents, and materials in the possession of the Federal Election Commission or its staff concerning MUR 2171 to the same extent that I would have. Accordingly, I expressly waive any rights to privilege, confidentiality, proprietariness, or any protections from disclosure under the Federal Election Act or the Freedom of Information Act with respect to access by Covington & Burling to such information concerning the matter under review. In addition, I grant you express authority to discuss fully with Covington & Burling all matters concerning the subject matter under review.

11-13-87
Date

[Signature]
Name

88040722157



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

19 November 1987

Thomas F. Lillard, Esquire
Worsham, Forsythe, Sampels & Wooldridge
Thirty-two Hundred, 2001 Bryan Tower
Dallas, Texas 75201

RE: MUR 2171
Blythe-Nelson

Dear Mr. Lillard:

This is in response to your letter dated November 12, 1987, which we received on November 16, 1987, requesting an additional extension of time until November 23, 1987, to respond to the interrogatories and request for documents sent to Blythe-Nelson. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on November 23, 1987.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

88040722158

Plan

savin

HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

6004812

87 NOV 23 AM 10:38

Savin Corporation

9 West Broad Street
P. O. Box 10270
Stamford, CT 06904-2270
203/967-5168

Mari-Jo Florio Scopac
Assistant
General Counsel

November 20, 1987

Federal Election Commission
999 E Street, N. W.
Washington, D. C. 20463

RE: MUR 2171
Savin Corporation

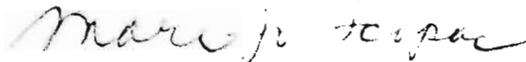
RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV 23 PM 12:50

Dear Ladies and Gentlemen:

Enclosed is Savin Corporation's response to interrogatories in the above described matter.

If you have any questions, please contact me.

Sincerely,



Mari-Jo F. Scopac

Enclosure

33040722159

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 2171

SAVIN CORPORATION
RESPONSE TO INTERROGATORIES

Question:

1a. State the standard full fair market charge for each of the items of equipment provided (i.e., rental rate), for the supplies provided, and for the services provided to the Committee on Arrangements. In stating the charges, state the quantity of each of the equipment items, type of supplies, and type of services provided.

Response:

1a. In 1984, Savin Corporation charged various prices for the rental of model 5040 copier machines, and supplies, dependant upon the class of customer, channel of trade and competitive situation of the transaction. The list prices to Commercial and Industrial ("C & I") customers in 1984 are listed herein.

88040722160

However, as shown in historical documents previously supplied to the Commission, (Exhibit B to Savin's submission of February 2, 1987), the actual range of monthly rental prices for the model 5040 for the time period 1984 was between \$243 and \$312/month plus an installation charge for a two-year term. Information is not available for month-to-month rentals in this trade channel.

1984 C & I Prices

Equipment

41-99 machines (RNC paid \$325 + \$105.60 installation	\$364 per month 8000 free copies plus installation charge
--	--

Supplies

8.5 x 11 paper (RNC paid \$32.48)	4000 sheets/carton-half reams \$32.50 - \$27.45 5000 sheets/carton-full reams \$37.60 - \$31.80 based on quantity
8.5 x 14 paper (RNC paid \$42.89)	4000 sheets/carton-half reams \$39.95 - \$32.40 based on quantity 5000 sheets/carton-full reams \$52.00 - \$42.15 based on quantity
11 x 17 paper (RNC paid \$28.38)	2500 sheets/carton-full reams \$34.20 - \$28.30 based on quantity
T/D Packs (RNC paid \$52.45)	\$98.95 - \$53.10 based on quantity

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The list prices to government, educational and medical institutions (GEM) and the price to customers purchasing under the General Services Administration ("GSA") Federal Supply Schedule were as follows:

1984 GSA & GEM Prices

Equipment

	<u>GSA</u>	<u>GEM</u>
(RNC paid \$325 + \$105.60 installation charge)	\$293 per month (month-to-month basis) 8000 free copies + \$105.60-\$134.40 installation charge	\$255 per month (one year rental basis) 8000 free copies + \$130 installation charge

T/D Packs

RNC paid \$52.45	\$62.36 - \$47.80 based on quantity	\$62.36 - \$47.80 based on quantity
------------------	-------------------------------------	-------------------------------------

Paper was not offered through the GSA Federal Supply Schedule or GEM program.

As a matter of business practice and in accordance with the restrictions of the contract between Savin and the GSA, GSA pricing was applied as an absolute floor to commercial sale prices; discounts from C&I list prices were permitted down to the level of GSA pricing to meet competitive situations.

88040722152

The documents attached hereto as Schedule 1a are copies of the price sheets effective during the relevant period of time for C & I, GSA and GEM sales. Schedule 1a-1, previously provided to the Commission as part of Exhibit B, surveys actual rental prices during that period for Savin as well as competitive equipment rentals.

These schedules clearly support the competitive and commercial nature of the pricing afforded to the Committee on Arrangements.

Question:

1b. If the sum of the charges listed in response to question 1a differs from the total standard full fair market charge, state that total charge and the reason for the difference (e.g., package deal).

Response:

1b. Each of the prices listed in response to question 1a is a stand alone price.

Question:

You have provided information as to discounts for copiers and supplies. You have not, however, provided details of other discounted transactions involving the provision of copiers, supplies and services in similar quantities to non-political commercial entities. Question 2 pertains to such transactions.

83040722153

2. Describe in detail arrangements similar to Savin's transaction with the Committee on Arrangements where Savin has provided similar equipment, supplies, and services at a discount. This response should include, but not be limited to, the event or organization for which the equipment, supplies and services were provided, when the transaction occurred, the equipment, supplies, and services provided, the standard full fair market charge for the equipment, supplies and services provided, the amount of discount agreed upon, and the actual payment made. Your response should pertain to the time period prior to and including August, 1984, but need not be limited to that time period.

Response:

2. Historical records pertaining to the time period prior to and including August, 1984, are unavailable to detail arrangements similar to Savin's transaction with the Committee on Arrangements for the 1984 Republican National Convention, (the "RNC"). Indeed, the pricing for that transaction was commercial in nature, as shown by the responses and documentation supplied in response to Question 1a whereby it is shown that prices to the RNC were at or greater than GSA Federal Supply Schedule prices and GEM prices and consistent with actual C & I prices for the same equipment and supplies.

88040722164

Savin does participate in promotional activities whereby equipment and supplies are provided at a discount, namely, free of charge, in exchange for booth space, and/or advertising, which provides significant promotional opportunities at no cost to Savin.

Recent examples of such transactions are:

1. The Academy of Management

Savin reimbursed a local dealer (Gulf Coast Office Products) \$487.34 for charges to provide two copy machines and supplies for the Academy of Management Convention. Promotional value to Savin was derived from the presence of the machines at the show and their use by participants. Savin received two free display booths valued at \$1200 and a free one page ad in each of twelve issues of three journals published by the Academy of Management, valued at approximately \$6000, in exchange for providing these copier machines and supplies for the Academy of Management convention held August 8-12, 1987.

2. American Association of School Administrators

Savin provided a free copier and supplies in exchange for booth space (value \$998.00) at the 1987 American Association of School Administrators Show. The same arrangements will be made for the 1988 show (value \$1115). In 1985, a proposal was received from this organization to provide a copier in exchange for booth space (value \$1097). Savin records do not indicate whether that proposal was accepted.

33040722165

Copies of correspondence referring to these
transactions are attached as Schedule 2.

Respectfully Submitted,

Savin Corporation



William T. Smith
Executive Vice President



Mari-Jo F. Scopac
Assistant General Counsel

08040722166

GCC# 4782

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P. O. BOX 7566

WASHINGTON, D. C. 20044

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87 NOV 18 AM 9:02

TELEPHONE
(202) 662-6000

WRITER'S DIRECT DIAL NUMBER
(202) 662-5230

TWX: 710 822-0005 (CS WSH)
TELEX: 89-593 (COVLING WSH)
TELECOPIER INFORMATION:
(202) 662-6280
CABLE: COVLING

November 16, 1987

Jonathan Levin, Esq.
Federal Election Commission
Washington, D.C. 20463

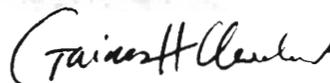
Re: MUR 2171

Dear Jonathan:

Enclosed please find the waiver letter that I mentioned we have received from VMX, Inc. regarding access to information concerning MUR 2171.

I also have asked the general counsel of VMX to send a copy of the waiver letter to you directly.

Sincerely,



Gaines H. Cleveland

Enclosure

GHC/mgp

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OFFICE OF GENERAL COUNSEL
87 NOV 18 AM 10:06

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Schedule 1A

C & I Pricing

GEM Pricing

GSA Pricing

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1984 C & I Price Lists

88040722169

Pricing Information

- New Product
- Change in Pricing
- Distribution:

Product Line 700/300/5000 Series
41-99 Rental Pricing

RENTAL PRICES
1983-1984

88040722170

MODEL	PLAN TYPE	MONTHLY BASE CHARGE	COPIES INCLUDED	EXCESS	METER	CHARGES
540	Monthly	\$127.00	1,500	1501-	\$.016	
	Annual	111.00	1,500	1501-	.015	
	Two-Year	106.00	1,500	1501-	.0145	
755	Monthly	\$134.00	1,500	1501-	\$.013	
	Annual	113.00	1,500	1501-	.012	
	Two-Year	112.00	1,500	1501-	.0115	
770 ¹ /775	Monthly	\$156.00	3,000	3001-	\$.013	
	Annual	136.00	3,000	3001-	.012	
	Two-Year	129.00	3,000	3001-	.0115	
760 ¹ /765 ¹	Monthly	\$171.00	3,000	3001-	\$.013	
	Annual	149.00	3,000	3001-	.013	
	Two-Year	141.00	3,000	3001-	.0115	
780	Monthly	\$173.00	3,000	3001-	\$.013	
	Annual	155.00	3,000	3001-	.012	
	Two-Year	143.00	3,000	3001-	.0115	
790 ¹	Monthly	\$173.00	3,000	3001-	\$.013	
	Annual	155.00	3,000	3001-	.012	
	Two-Year	143.00	3,000	3001-	.0115	
800	Monthly	\$206.00	5,000	5,001-15,000	\$.013	15,001 + \$.011
	Annual	130.00	5,000	5,001-15,000	.012	15,001 + .010
	Two-Year	121.00	5,000	5,001-15,000	.0115	15,001 + .0095
810	Monthly	\$223.00	5,000	5,001-15,000	\$.013	15,001 + \$.011
	Annual	139.00	5,000	5,001-15,000	.012	15,001 + .010
	Two-Year	133.00	5,000	5,001-15,000	.0115	15,001 + .0095
830	Monthly	\$249.00	5,000	5,001-15,000	\$.013	15,001 + \$.011
	Annual	213.00	5,000	5,001-15,000	.012	15,001 + .010
	Two-Year	207.00	5,000	5,001-15,000	.0115	15,001 + .0095
840	Monthly	\$273.00	5,000	5,001-15,000	\$.013	15,001 + \$.011
	Annual	243.00	5,000	5,001-15,000	.012	15,001 + .010
	Two-Year	231.00	5,000	5,001-15,000	.0115	15,001 + .0095
850 ¹	Monthly	\$429.00	10,000	10,001-20,000	\$.013	20,001 + \$.011
	Annual	374.00	10,000	10,001-20,000	.012	20,001 + .010
	Two-Year	350.00	10,000	10,001-20,000	.0115	20,001 + .0095
865	Monthly	\$242.00	5,000	5,001-15,000	\$.013	15,001 + \$.011
	Annual	211.00	5,000	5,001-15,000	.012	15,001 + .010
	Two-Year	201.00	5,000	5,001-15,000	.0115	15,001 + .0095
880	Monthly	\$465.00	10,000	10,001-20,000	\$.013	20,001 + \$.011
	Annual	435.00	10,000	10,001-20,000	.012	20,001 + .010
	Two-Year	333.00	10,000	10,001-20,000	.0115	20,001 + .0095
5120 ²	Monthly	\$206.00	4,000	4001-	\$.013	
	Annual	130.00	4,000	4001-	.012	
	Two-Year	121.00	4,000	4001-	.0115	
5130	Monthly	\$264.00	6,000	6,001-15,000	\$.013	15,001 + \$.011
	Annual	230.00	6,000	6,001-15,000	.012	15,001 + .010
	Two-Year	219.00	6,000	6,001-15,000	.0115	15,001 + .0095
5350	Monthly	\$344.00	8,000	8,001-20,000	\$.013	20,001 + \$.011
	Annual	319.00	8,000	8,001-20,000	.012	20,001 + .010
	Two-Year	302.00	8,000	8,001-20,000	.0115	20,001 + .0095

¹ Rental Renewal Only

² Not available for delivery beginning in November 1983.

NOTE: There is an additional charge for copiers installed in Alaska, Hawaii, Puerto Rico, US Virgin Islands and Guam. Add \$10.00 to Monthly Base Charge.

Savin Pricing Guide

Issue Date
9/16/83

Effective Date
9/16/83

Supersedes Page

Effective Date

Page No.

CICR-4

of

Pricing Information
 [] New Product
 [] Change in Pricing
 Distribution:

Product Line LTT PAPER (2100)

LTT PAPER (2100)*

<u>LTT PAPER - P.C. 4101</u>	<u>CARTON QTY</u>	<u>PRICE</u>	<u>QTY</u>	<u>COUPON PRICE</u>
8.5" x 11" 4000 sheets/carton ream size - half	1-2	\$32.50	9-17	\$28.35
	3-5	30.30	18+	27.45
	6-10	29.25		
	11-20	28.35		
	21+	27.45		
<hr/>				
<u>LTT PAPER - P.C. 4102</u>	<u>CARTON QTY</u>	<u>PRICE</u>	<u>QTY</u>	<u>COUPON PRICE</u>
8.5" x 14" 3500 sheets/carton ream size - half	1-2	\$39.95	9-17	\$33.95
	3-5	36.35	18+	32.40
	6-10	35.10		
	11-20	33.95		
	21+	32.40		
<hr/>				
<u>LTT PAPER - P.C. 4107</u>	<u>CARTON QTY</u>	<u>PRICE</u>	<u>QTY</u>	<u>COUPON PRICE</u>
8.5" x 11" 5000 sheets/carton ream size - full	1-2	\$37.60	9-17	\$32.80
	3-5	35.05	18+	31.80
	6-10	33.85		
	11-20	32.80		
	21+	31.80		
<hr/>				
<u>LTT PAPER - P.C. 4108</u>	<u>CARTON QTY</u>	<u>PRICE</u>	<u>QTY</u>	<u>COUPON PRICE</u>
8.5" x 14" 5000 sheets/carton ream size - full	1-2	\$52.00	9-17	\$44.15
	3-5	47.25	18+	42.15
	6-10	45.65		
	11-20	44.15		
	21+	42.15		
<hr/>				
<u>LTT PAPER - P.C. 4514</u>	<u>CARTON QTY</u>	<u>PRICE</u>	<u>QTY</u>	<u>COUPON PRICE</u>
11" x 17" 2500 sheets/carton ream size - full	1-2	\$34.20	9-17	\$29.41
	3-5	32.35	18+	28.30
	6-10	30.85		
	11-20	29.41		
	21+	28.30		

* Contact Savin Headquarters for National Supply Agreement Prices.

Pricing Information

- New Product
- Change in Pricing Distribution:

Product Line LANDA CHEMICALS FOR:
5030/5040

LANDA CHEMICALS FOR:
5030/5040 *

LANDA T/D PAK - P.C. 4215

	<u>QTY</u>	<u>RETAIL PRICE</u>	<u>QTY</u>	<u>COUPON PRICE</u>
2 900 ml. bottles toner	1-2	\$98.95	12-15	\$75.15
2 1850 ml. bottles dispersant	3-6	92.10	16-21	70.95
2 toner valves	7-10	86.15	22-33	66.15
2 dispersant valves	11-14	79.10	34-45	61.80
	15-20	75.15	46-79	56.30
	21-29	70.95	80-99	54.75
	30+	66.15	100-149	53.60
			150+	53.10

LANDA TONER PAK - P.C. 4216

	<u>QTY</u>	<u>RETAIL PRICE</u>
2 900 ml. bottles toner	1-3	\$75.35
2 toner valves	4+	70.05

DISPERSANT - P.C. 4537

	<u>QTY</u>	<u>RETAIL PRICE</u>
3 1850 ml. cartridges	ctn.	\$40.70
3 dispersant valves		

* Contact Savin Headquarters for National Supply Agreement Prices.

1984 GEM Price Lists

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Pricing Information
 New Product
 Change in Pricing
 Distribution:

Product Line **700/800/5000 SERIES**
RENTAL PRICING (CONT.)

RENTAL PRICING - NEW PLACEMENTS AND RENEWAL

<u>Model</u>	<u>Plan Type</u>	<u>Monthly Base Charge</u>	<u>Copy Allowance</u>	<u>Excess Meter Charges</u>
870	Contract Period	\$ 109	5,000	.0120
	Extended Contract Period	99	5,000	.0115
880	Contract Period	\$ 120	5,000	.0120
	Extended Contract Period	105	5,000	.0115
880/3	Contract Period	\$ 131	5,000	.0120
	Extended Contract Period	125	5,000	.0115
5020	Contract Period	\$ 145	4,000	.0120
	Extended Contract Period	138	4,000	.0115
5030	Contract Period	\$ 185	6,000	.0120
			15,001+	.010
	Extended Contract Period	176	6,000	.0115
			15,001+	.0095
5040	Contract Period	\$ 255	8,000	.0120
			20,001+	.010
	Extended Contract Period	243	8,000	.0115
			20,001+	.0095

NOTE: There is an additional charge for copiers installed in Alaska, Hawaii, Puerto Rico, Virgin Islands and Guam. Add \$10.00 to monthly base charge.

Pricing Information
 New Product
 Change in Pricing
 Distribution:

Product Line 700/800/5000 Series
 Installation/Removal Charges
 Copiers and Accessories

INSTALLATION/REMOVAL CHARGES*

COPIER MODEL

775/760/765/770/772/780/ 790/840/870/880/895/880/3	\$110.40
5015/5015RE/5020/5030/5040	120.00
System 600/775+1/800/850/870+1	153.60

*Includes any accessories installed or removed with the copier. If accessories are installed or removed separately from the copier, the charges outlined below will apply.

ACCESSORIES**

Consoles (Accessories)	\$ 28.80
SADF, ADF, 1000 Sheet Tray	52.80
10-Bin Sorter - Any Model	52.80
20-Bin Sorter - 5030/40	72.00

**Accessory Installation/Removal charges apply only when accessories are installed or removed from base machine already installed. These charges do not apply if accessory is unavailable when copier is installed.

CONDITION:

Installation/Removal charges apply whenever a Savin copier is installed or removed except under the following circumstances:

SITUATION	REMOVAL CHARGE	INSTALLATION CHARGE
	IN-PLACE COPIER	REPLACEMENT COPIER
1. Equity Transfer Program	Removal Charge Waived	Installation Charges Apply (incl. Access.)
2. Trade-In	"	"
3. Rental Upgrade	"	"
4. Even Exchange	"	"

NOTE: There is an additional charge for copiers installed in Alaska, Hawaii, Puerto Rico, U.S. Virgin Islands and Guam. Rental Installations: Add \$10 to Monthly Base Charge. Sale Installations: Add \$80 to Installation Charge.

Savin Pricing Guide

Issue Date	Effective Date	Supersedes Page	Effective Date	Page No.
7/23/84	7/1/84	SLIR-1	of 1/5/84	SLIR-1

Pricing Information
 Product
 Change in Pricing
 Distribution:

Product Line **LANDA CHEMICALS FOR:**
5030/5040

LANDA CHEMICALS FOR: 5030/5040

LANDA T/D PAK - P.C. 4215

	<u>Quantity Ordered</u>	<u>Price Per Carton</u>
2 900 ml. bottles toner	1 - 20	\$62.36
2 1850 ml. bottles dispersant	21 - 50	54.43
2 toner valves	51 - 64	52.45
2 dispersant valves	1 Skid *	51.16
65 Cartons/Skid	2 Skids*	47.80

LANDA TONER PAK - P.C. 4216

	<u>Quantity Ordered</u>	<u>Price Per Carton</u>
2 900 ml. bottles toner	1 - 3	\$60.28
2 toner valves	4 - 9	56.52
	10+	52.75

DISPERSANT - P.C. 4537

	<u>Quantity Ordered</u>	<u>Price Per Carton</u>
3 1850 ml. cartridges	1 - 3	\$32.56
3 dispersant valves	4 - 9	31.33
96 Cartons/Skid	10 - 95	28.49
	1 Skid *	27.67
	2 Skids*	27.26

* Single purchase order, one time delivery to a single location.

Savin Pricing Guide

Issue Date 7/23/84	Effective Date 7/1/84	Supersedes Page	Effective Date 08/16/83	Page No SLS-1
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1984 GSA Price Lists

38040722177

SAVIN

**Authorized Federal
Supply Schedule and
Price List**

**General Services Administration
Federal Supply Service**

**Savin Corporation
Stamford, CT 06904**

**FSC Group 36, Part IV
FSC Class 3610**

**Copying Equipment, Supplies and Services:
Purchase of Machines, Accessories and
Supplies,
Rental of Machines,
Repair and Maintenance**

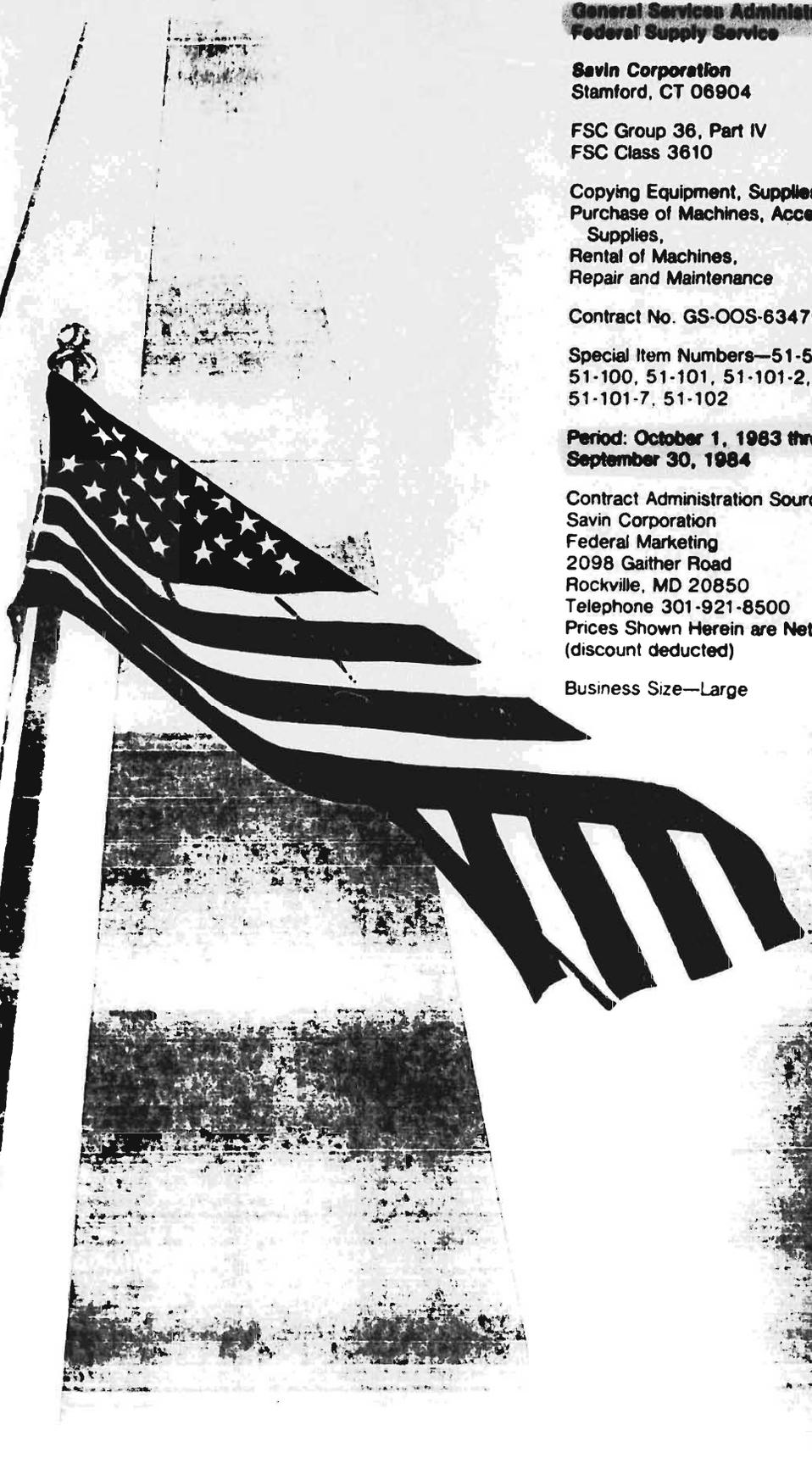
Contract No. GS-OOS-63479

**Special Item Numbers—51-55, 51-56, 51-57,
51-100, 51-101, 51-101-2, 51-101-6,
51-101-7, 51-102**

**Period: October 1, 1983 through
September 30, 1984**

**Contract Administration Source
Savin Corporation
Federal Marketing
2098 Gaither Road
Rockville, MD 20850
Telephone 301-921-8500
Prices Shown Herein are Net
(discount deducted)**

Business Size—Large



7 62178

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Information for Ordering Activities

1. **Maximum Order Limitation:** Orders will not be accepted which exceed the limitations stated below.

Item Number	Description	M.O.L.
51-55(a)(b)	Rentals	
	New Placements	200 Units
	Renewals	500+ Units
51-100	Purchase	
(a)	Desk Top	\$25,000
(b)	Console	\$50,000
51-101	Accessories	\$10,000
51-101-2	Xerographic Toner	\$10,000
51-101-6	Xerographic Dispersant	\$10,000
51-101-7	Transparency Film	\$10,000
51-102	Repair Parts	\$10,000

The total dollar value of any order placed under this contract shall not exceed \$250,000 except when circumstances prevail as follows:

51-100 (b) Console Copiers: \$250,000 or \$350,000 when the cost of two units exceeds \$250,000 coupled with any supplies and/or attachments. In no case shall the order exceed \$350,000.

Special Items 51-56 and 51-57 do not apply.

2. **Minimum Order:** Under normal circumstances, orders of a total value less than \$50.00 will not be accepted for delivery by Savin.
3. **Geographic Coverage:** The geographic coverage of this contract is the forty-eight (48) contiguous states, District of Columbia, Hawaii, Alaska, and Puerto Rico. Savin reserves the right to return orders for areas which are remote or not readily or adequately serviced by Savin (Item 51-55 and 51-57 only.) Puerto Rico excludes supplies and service.
4. **Points of Production:** 880-3 – Irvine, CA, Orange County;
790/775/780/765/755/880/870/895 – Hallstead, PA, Susquehanna County;
840/5020/5030/5040 – Tokyo, Japan.
5. **Discounts:** All prices shown herein are net, government discount deducted. All quantity discounts are stated in this price list.
6. **Prompt Payment Terms:** 1% 20 days, Net 30 days, on all items.
7. **Cash Discount:** 5% discount when order is paid cash-in-full at the time of the order. (Applicable to Special Item Numbers 51-100 and 51-101 only.)
8. **Foreign Items:** 840/5020/5030/5040.
9. **Time of Delivery:** For equipment and supplies, 1-90 days.
10. **F.O.B. Points:** F.O.B. destination. Prices include delivery to the 48 contiguous states and the District of Columbia. Delivery to Hawaii, Alaska, and Puerto Rico will be charged the following additional charge per machine for Special Items 51-100 \$80.00, 51-55 \$10.00 monthly.
11. **Ordering Addresses:** All orders must be made out to Savin Corporation and may be submitted to the nearest Savin sales and service location listed in this catalog.

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Information for Ordering Activities

12. Payment Address: Invoices will be issued by Savin Corporation and payment made to Savin Corporation, address as shown on the invoice. All checks Must be made payable to Savin Corporation and no other name shall appear for payment. No deviation from the terms, (pricing, discount, warranty, etc.) specified in this schedule or approved amendment hereto is authorized. Any prices or terms other than as stated herein are open market and this contract number May Not be used.

13. Warranty: Savin warrants that the goods covered by this agreement when delivered to the buyer in a new condition in original container will be of merchantable quality and free from defects in workmanship and material for a period of 90 days from the date of delivery by Savin or its authorized dealer under normal use and maintenance conditions.

Savin's obligation hereunder is expressly limited to the repair or replacement (at Savin's election) of such defective parts as are causing malfunction, which are brought to Savin's or its authorized dealer's attention within the warranty period and which are proven to be defective upon inspection by Savin. If not repaired or replaced by Savin, Savin's liability shall be limited to the stated selling price of such parts returned to Savin within the warranty period at its Stamford office or such other place designated by Savin, freight prepaid and which are proven to be defective upon inspection by Savin.

This warranty does not extend to any machine which has been subject to misuse, neglect or accident, nor does it extend to any machine which has been repaired or altered by other than Savin or its authorized dealers, nor does it extend to any machine using other than Savin supplies if such supplies are defective or not acceptable for use on Savin machines and cause abnormally frequent service calls or service problems. It is not a condition, however, of this warranty that the buyer use only Savin authorized paper and/or supplies. Other repairs not under warranty will be at such cost as Savin may from time to time generally establish. In no event shall Savin be liable for special, resulting or consequential damages, or loss of profits, occasioned by any breach of warranty.

There are no other warranties which extend beyond the description herein stated. All other warranties, expressed or implied, including fitness for a particular purpose are excluded.

The purchase warranty for Savin rebuilt equipment is identical to Savin's new equipment purchase warranty. In addition, Savin rebuilt equipment is eligible for the same full service maintenance terms and conditions as new equipment. (See Rental Plans — 8. Purchase Options, for purchase option warranty.)

- 14. Export Packing:** When required will be at the then current commercial rate.
- 15. UL Approval:** All equipment contained herein carries the UL Approval.
- 16. Supply Orders:** Send to nearest Savin sales and service location address. Orders will be accepted only when purchase order number is provided, regardless of method of ordering or delivery.
- 17. Purchase Order Description:** Purchase orders must be made out to Savin Corporation and may be submitted to a local branch or in care of the local dealer. This will not influence the payment address.
- 18. Liability:** For Rental Only (51-55) Savin assumes all responsibility for loss or damage while the machines are installed, except for theft or disappearance, or when negligence exists on the part of the government. (Negligence is

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Rental Plans

Terms and Conditions Special Item No. 51-55

- 1. Rental Charges:** The basic monthly rental charges entitle the government to unrestricted operational use time of all machines. Rental charges are exclusive of any/all supplies. All rental equipment shall be serviced by Savin without expense to the government, except for repairs, replacement and maintenance necessitated by accident, misuse, or negligence on the part of the government, as determined by Savin.

In the event that Savin places into effect a general reduction in rental pricing for similar machines, the monthly rental specified in this agreement shall be reduced to the extent applicable, beginning on the effective date such price reduction is offered to commercial accounts.

There will be a \$10.00 per month additional charge for machines rented in Alaska, Hawaii and Puerto Rico.

- 2. Order:** A written purchase order shall be the only basis for rental in accordance with the terms of this contract and shall refer to Federal Supply Service, Contract Number GS-00S-63479.

- 3. Renewal Policy:** A rental renewal notice (purchase order or other written form of notice) must incorporate the terms and conditions of GSA Contract Number GS-00S-63479 and include the installed machine serial number.

Machines installed under a "Monthly" plan will be renewed under the "Monthly" plan subject to the terms and conditions and rates covered in this contract.

Renewals received by Savin Corporation prior to October 31, 1983 – or – renewals for 500 units or more on a single or BPA purchase order, for "Contract Period" rentals, will receive "Extended Contract Period" pricing for the duration of the current contract period.

Should rental machines remain in the possession of the government and the government fails to send notice of renewal, conditions of the rental shall be subject to all terms and conditions of the current GSA Contract.

- 4. Security:** In the event such is necessary, the ordering office will arrange for the required security clearance.
- 5. Invoices and Payments:** Monthly rental charges shall commence on the next working day following that on which the equipment is installed, ready to operate. Payment of invoices shall be made in full within 30 days after the date of the invoice. The Prompt Payment Act, Public Law 97-177 applies.

Rental charges shall be computed on the basis of thirty (30) days a month. Charges for fractional parts of a calendar month are to be computed at the rate of 1/30th of the monthly charge for each day the equipment is installed ready for use.

The government will be required to submit to Savin the monthly meter usage, signed by an authorized government representative on the last working day of each month while the machine is rented. Meter readings will be on a monthly or quarterly basis billed separately from the monthly base charge.

- 6. Estimated Meter Billing:** Estimated Meters is a billing procedure that allows Savin to issue an estimated meter usage invoice based on historical data, when an actual reading is not received by the fifth (5th) of the month for copies made during the previous month.

If the customer wishes to have actual readings invoiced, the customer completes the appropriate meter card on the last working day of the month

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Rental Plans

C. Conversion Equity:

This equity plan applies only to purchasing rental units presently installed and is calculated based on the number of months the customer has paid the rental charges to Savin.

Months	1-3	100% of monthly base.
	4-12	2% of the current GSA purchase price (at the appropriate quantity level), at the time of conversion, multiplied by the number of months installed (retroactive to the first month).
	13+	Accrued 24% (for first 12 months as calculated above) plus 1% of the current GSA purchase price for each month thereafter. Maximum not to exceed 50% of the purchase price.

D. Equity Transfer to New Savin Purchase:

This equity plan allows a customer to apply a pre-determined accrued equity credit (above) from the existing rental unit(s) to the purchase of a new copier model.

After 24 months	25% of accrued equity may transfer towards the purchase of a new Savin copier, but cannot exceed 10% of the current GSA purchase price (at the appropriate quantity level) of the unit to be purchased.
After 36 months	50% of accrued equity may transfer towards the purchase of a new Savin copier, but cannot exceed 15% of the current GSA purchase price (at the appropriate quantity level) of the unit to be purchased.

Note: Equity transfer can be used for single or multiple machine orders, new equipment only. In no case can the equity transfer exceed the above stated 24 or 36 month policy. Prior to 24 months, equity transfer does not apply.

E. Option Warranty:

When machines in a rental status shall be purchased and such machines were new or rebuilt and unused at the beginning thereof, and their rental has been by the purchaser, such machines shall be entitled to the following warranty:

If within:

- 1st year — 90 days from date of conversion
- 2nd year — 60 days from date of conversion
- 3rd year — 30 days from date of conversion

9. Installation: The government will provide a suitable place for installation. Savin will deliver, unpack, and install the machine(s) which includes checking the equipment for proper operation and instructing the initial key operator, whose duties will include the following:

- A. Changing Paper
- B. Checking and changing toner
- C. Correcting minor paper jams
- D. Submitting monthly meter usage

10. Alterations and Attachments: Alterations in or attachments to the machine(s) may not be made without the proper written approval of Savin Corporation. If, in Savin's opinion, an alteration or attachment interferes with the normal operation or maintenance of any machine in a way that creates a safety hazard or substantially increases the cost of maintaining it, the government will promptly remove the alteration or attachment and restore the equipment to its normal conditions upon notice to that effect from Savin Corporation.

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Rental Plans

and mails it to the postage-paid address on the card. If the customer is unable to send in a meter card on time, Savin will invoice for an estimated amount of copies used based on historical data. New customers, without an account history, will be contacted by Savin if the cards are not received on time; if the customer never sends in a reading, Savin will continue to invoice in this manner for a maximum period of 90 days. After which time Savin will contact the customer for an accurate meter reading.

- 7. Annualized Volume Rental Plan:** The Annualized Volume Rental (AVR) plan provides a flat monthly rental rate. The government will pay a flat rate based on the monthly copy volume (plans A-Q). See page 14 for AVR pricing.

A meter card will be sent to the customer in the second month for a reading to be taken at the end of the third month to verify if the customer has selected the appropriate volume level. When there is a discrepancy, Savin will notify the customer to change their volume level by sending in a modification or an amendment to their purchase order. If the customer has been in too high a volume level, after receipt of a modification, Savin will move them to a lower level and their next month's invoice will reflect a credit to their account. Conversely, if the customer has been in too low of a volume level, after receipt of a modification, Savin will move them up to the correct level and the next monthly invoice will include an excess meter charge with their regular monthly charge. Occasional machine audits will be performed to confirm meter accuracy. When the customer wishes to change their volume level, they must send a modification or amendment to Savin requesting this action.

At the end of the contract period, the meter will be read. If at that time the customer has exceeded the allowable copies (number of months rented multiplied by the monthly volume as stated in selected plans), the customer will be billed the excess copy rate published by product on the pricing pages.

When the installation is other than the first day of the month, charges for the month are figured at 1/30th of the monthly charge for each day of usage.

- 8. Purchase Option:** An option to purchase is granted to the government to be exercised following the date of the commencement of the terms of this agreement. The cash discount does not apply to conversions or equity transfer. No other terms shall be applicable except as amended by Savin.
- A. The government may exercise the option to purchase any machine under rental by delivering to Savin written notice of intent to purchase specifying machine(s) by serial number, model and authorizing payment of the purchase option price. Title will pass to the customer (rental will terminate) on the date of the official purchase order. This order must contain the serial number and meter readings as of that date.
- B. GSA provisions require that the option to purchase terms apply to machines which were new or rebuilt at the inception of rental. If the machine was not new or rebuilt at the inception of rental, it may be purchased as an open market item using either open market pricing or current contract pricing, whichever is lesser.

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Rental Plans

11. **Removal Terms:** Cost of physically removing and transporting equipment to Savin at the end of the contract period, whether pursuant to the expiration of the contract term or the earlier cancellation of this contract, will be borne by customer and will equal the installation charge as specified on the product pages herein. If removal is a result of a replacement of the equipment with other Savin equipment ordered by the customer, then the customer shall not be required to pay a removal charge for the equipment replaced but must pay the installation charge for the equipment so ordered.

12. **Cancellation Clause:**

A. Monthly

No minimum rental plan. Cancellation with 30 day written notice effective the first day of any calendar month.

B. Contract Period

1-5 months 1.5 times monthly base charge
6-11 months 1 times monthly base charge

C. Extended Contract Period

1-5 months 2 times monthly base charge
6-15 months 1.5 times monthly base charge
16-23 months 1 times monthly base charge

There will not be a cancellation penalty if the cancellation notification contains the following statement signed by the official responsible for the installation and the cognizant fiscal or financial official: "This is to certify that insufficient funds have been allocated to continue the rental and the government will not replace the cancelled model for the same organizational entity in the succeeding fiscal year."

13. **Time Period:** Orders for rentals shall cover only the period of use of a machine within the contract period. Rental will commence on the first working day of any calendar month and discontinue upon written notice from the government. Such notice shall include: machine serial number, effective date, other applicable information, and rental cancellation number. Monthly rental shall have no minimum rental period except with cancellation notification commencing at the first calendar day of the month.

14. **Definitions:**

"Monthly" plan: Machines are rented on a month-to-month basis. One month being 30 days.

"Contract Period" plan: A contract period commences on the date of the purchase order through the end of the GSA Contract period. Thus, incorporating one contract number.

"Extended Contract Period" plan: An extended contract period plan commences on the date of the purchase order through the end of the second GSA contract period: thus, incorporating two contract numbers. Renewals of purchase orders must be submitted at the end of the first contract period in order to incorporate the new contract number.

15. **Movement and Transfer of Machines:** Machines rented under this contract shall not be moved from the general location in which installed, except in an emergency, unless Savin has been notified thirty (30) days in advance that a move is to be made. Upon receipt of written and approved notice from Savin, machines may be transferred from one government location to another, but without cessation of rental charges during the period of transfer.

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Information for Ordering Activities

defined as, but not limited to, activities using other than Savin supplies if it can be proven that such supplies are defective or not acceptable for use on Savin machines and cause abnormally frequent service calls or service problems.)

19. **Non-Assignment:** This contract is non-assignable in whole or in part by either Savin or the government.
20. **Blanket Purchase Arrangements (BPA):** Savin Corporation agrees to accept blanket purchase orders in accordance with GSA regulations. If for any reason a federal agency fails to meet the quantity level at which the BPA is established the agency agrees to accept corrected billing at the applicable quantity level. Purchase orders combining various models of Savin copiers will be accepted.

Copy of original BPA's must be sent to the Contract Specialist at 2098 Gaither Road, Rockville, MD 20850.
21. **Purchase Order Acceptance:** Savin reserves the right to accept/refuse orders within seven (7) working days. For Rental (51-55) and Maintenance (51-57) only.
22. **State and Local Taxes:** Notwithstanding the provisions of the clause entitled "Federal, State and Local Taxes" of GSA Form 1424, the contract price excludes all state and local taxes levied on or measured by the contract or sales price of the supplies or completed services furnished under this contract. Taxes excluded from the contract price pursuant to the preceding sentence shall be separately stated on the Contractor's invoices and the government agrees either to pay to the Contractor amounts covering such taxes or to provide evidence necessary to sustain an exemption therefrom.
23. **Certification of Federal Government Contractors:**
 - A. All orders and renewals, authorized by U.S. Government agencies in accordance with Defense Acquisition Regulations (D.A.R.) or Federal Procurement Regulations (FPR 1-5.9) concerning the "Use of GSA Supply Sources by Contractors" and placed by Federal Government prime contractors, sub contractors under this GSA Contract, shall be accompanied by a copy of the government authorization. Every purchase order shall contain a statement as follows:

"This order is placed pursuant to written authorization from _____ (Name of Government Agency) Dated, _____, a copy of which is attached. In the event of an inconsistency between the terms and conditions of this order and those of your Federal Supply Service Contract, the latter will govern."
 - B. Contractors certified and using this contract as a source of supply will use items ordered in the performance of the Federal Contract and shall notify Savin promptly in writing in the event that the authorization furnished hereunder is terminated.
 - C. Contractors placing orders with Savin not containing the required certification will be billed at the appropriate commercial (non GSA contract) prices. If it is determined after shipment occurs that the Contractor is entitled to GSA rates (but did not provide the necessary certification) adjustment or rebilling at GSA contract rates will not be permitted.
 - D. Federal grantees are not permitted to use this contract as a source of supply.

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Information for Ordering Activities

24. Rebuilt Equipment: Means equipment which has been subject to the following factory processes at a Savin facility:

- A. Disassembly to predetermined standards established by Savin Corporation for each model.
- B. Cleaning.
- C. Refinishing.
- D. Inspecting and testing to new machine test standards.
- E. Replacement of defective components with new, rebuilt or used components.
- F. Installation of all retrofits designated by Savin as mandatory as of the date of machine installation. Components which are not new are those which in Savin technical experience will not affect machine performance.

The purchase warranty for Savin rebuilt equipment is identical to Savin's new equipment purchase warranty. In addition, Savin rebuilt equipment is eligible for the same full service maintenance terms and conditions as new equipment.

25. The models which are classified as rebuilt are: 775/755/780/765/870/880/895.

26. Evergreen Program: Discount is based on total machine population (combined rental and owned) for Special Item 51-100 only. See page 12 for list of agencies and their quantity levels.

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Products and Pricing

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savin

5040

The Savin 5040

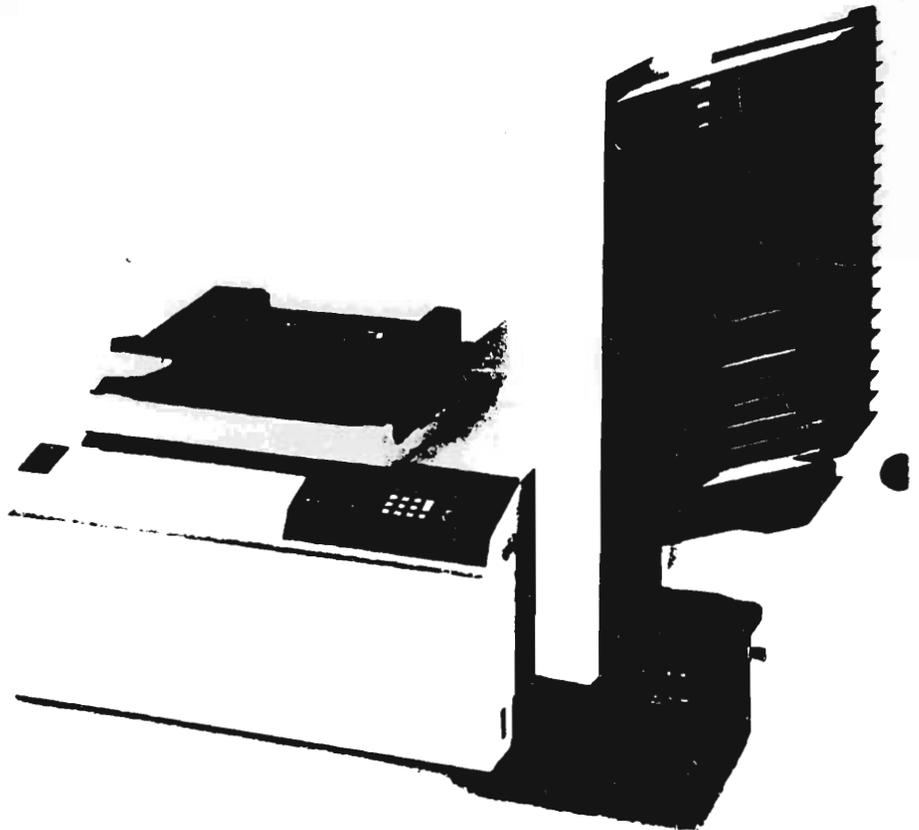
is a highly productive plain paper copier designed to fit any office environment using a standard electrical outlet. It features three reduction modes, one enlargement, large document capabilities and document feed. The multi-color display panel and the touch sensor control panel are labeled in plain English for ease of use. The 5040 has 15 microprocessor controlled, self-diagnostic indicators which cut service downtime, as well as a misfeed location indicator which directs the user to any misfeed that should occur. The 5040 can also be equipped with a variety of optional accessories to fit almost any office copying need.

Features

- Three Reduction Modes
- One Enlargement Mode
- Touch Sensor Control Panel
- Large Document Copying
- Plain Paper
- Advanced Microprocessor Controlled Paper Feeding System
- L.E.D. Misfeed Location Indicators
- Multi-Colored Display Panel
- Reliability
- Standard Electrical Outlet
- Cartridge Supplies
- Microprocessor
- Copy Memory
- Push Button Dual Cassettes
- Paper Level Indicators

Applications

- 11" x 17" Documents
- Letter, Legal, Computer and Government Size Copies
- Book Copying
- Colored Originals
- Reduction
- Enlargement
- Two 8 1/2" x 11" Side by Side
- Solids and Halftones
- Gummed Labels
- Transparencies
- Colored Stock
- Two-Sided Copying



Photograph above shows the 5040 with optional 20-bin sorter, automatic document feed and 1000 sheet tray.

Specifications

- Type:** Desk top book copier with document feed
- Size:** 32"Wx29.7"Dx21.1"H
- Weight:** 276 lbs.
- Power:** 115 Volts, less than 15 amps
- Warm-up:** Under 90 seconds
- First Copy:** 4.3 seconds
- Copy Speed:** 42 cpm (11"x8 1/2"); 33 cpm (Reduction); 19 cpm (Enlargement)
- Original Size Max.:** 11"x17" Max., 2"x3 1/2" Min.
- Copy Paper Supply:** Dual cassettes 5 to 250 sheets each
- Copy Paper Weight:** 16 to 24 lbs
- Toner Density:** Electronically controlled
- Magnification:** 1:1
- Reduction:** 3 modes: 64%, 74%, 91% of original size
- Enlargement:** 1 mode, 127% of original size
- Exposure Control:** Push button, 7-step electronic exposure
- Copy Quantity Selector:** 1-99 with Auto-Reset

89040722189

Supplies

B. LTT Toner Special Item No. 51-101-2

Model	Product Code	Packaging/Ctn	Quantity Ordered	Price Per Carton
765/760/790/ 895/850	4536	3 x 595 ml. cartridges 3 x toner valves	1-3	\$ 54.80
			4-9	51.37
			10+	47.95
750/755/770/775/ 780/600/772	4130	6 x 595 ml. bottles 6 x toner valves	1-3	\$112.32
			4-9	105.30
			10+	98.28
880/3/880/870/800	4230	2 x 595 ml. cartridges 2 x toner valves	1-3	\$ 34.64
			4-9	32.47
			10+	30.31
840	4245	2 x 235 ml. bottles 2 x toner valves	1-3	\$ 25.12
			4-9	23.45
			10+	21.77

C. Landa T/D Paks Special Item No. 51-101-2

Model	Product Code	Packaging/Ctn	Quantity Ordered	Price Per Carton
5030/5040	4215	2 x 900 ml. bottles toner 2 x 1,850 ml. bottles dispersant 2 x toner valves 2 x dispersant valves 65 cartons/skid	1-20	\$62.36
			21-50	54.43
			51-64	52.45
			1 Skid*	51.16
			2 Skids*	47.80
765/760/790/ 850/895	4266	3 x 640 ml. bottles toner 3 x 1,850 ml. bottles dispersant 3 x toner valves 3 x dispersant valves 72 cartons/skid	1-20	\$62.36
			21-50	54.43
			51-71	52.45
			1 Skid*	51.16
			2 Skids*	47.80
770/775/780	4165	2 x 670 ml. bottles toner 5 x 946 ml. bottles dispersant 2 x toner valves 72 cartons/skid	1-20	\$43.62
			21-50	39.33
			51-71	37.90
			1 Skid*	36.97
			2 Skids*	34.54
870/880/880/3/800	4285	2 x 670 ml. bottles toner 2 x 1,940 ml. bottles dispersant 2 x toner valves 2 x dispersant valves 96 cartons/skid	1-20	\$40.26
			21-50	36.30
			51-95	34.98
			1 Skid*	34.13
			2 Skids*	31.88

* Single Purchase Order, One Time Delivery to a Single Location.

8 8 0 4 0 7 2 2 1 9 1

RENTAL AND LEASE vs COMPETITION

C&I 100+ LEVEL

2 YEAR TERM

MODEL	NEW RENTAL COPY ALLOWANCE	CURRENT RENTAL COPY ALLOWANCE	CURRENT RENTAL	PROPOSED RENTAL	PROPOSED LEASE	COMPETITIVE PRICING			
5015		-	N/A	-	103	Canon 120 102	Ricoh 3020 86(GSA)	Panasonic 1300 100	
5015RE		-	N/A	-	117	Canon 155 96	Panasonic 1310R 116	Ricoh 3050 101 (GSA)	
5020	5000	4000	150 138	183	165	Canon 155 128	Ricoh 4060 169	Royal 1602 142	Xerox 1035 192
5030	10,000	6000	222 176	240	216	Canon 270 221	Panasonic 2502 236	Ricoh 6200R 315	
5040	14,000	8000	312 243	342	310	Canon 400AF 384	Ricoh 6600 494	Royal 3302 410	Xerox 1045 415

THE ACADEMY OF MANAGEMENT - 1987

May 28, 1987



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Orlando Behling
Dept. of Management
Bowling Green State University
Bowling Green, OH 43403-0271

Ms. Annette Delorenzo
Savin Corporation
9 West Broad Street
Stanford, CT 06904

Dear Ms. Delorenzo:

In accordance with a conversation today with Mr. Steve Mikulka, I am writing you to request your assistance in the procurement of two Savin 7050 machines with 20 bin sorters and up to 20,000 sheets of paper for use at the upcoming 1987 Academy of Management convention. This program will be held August 8 - 12, 1987 at the New Orleans Sheraton. Our contact at the Sheraton is Peggy Jackson (504/595-5524). This is the fifth year during which Savin Corporation has been the official sponsor of the Academy of Management. Our previous conventions were held at the Chicago Hyatt Regency (1986), the Town & Country Hotel in San Diego (1985), the Boston Sheraton (1984), and the Anatole in Dallas (1983).

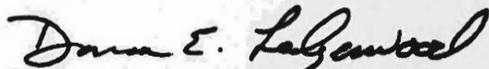
As the official duplication sponsor of the Academy of Management, each year Savin receives two free display booths valued at \$1,200. In addition, Savin receives a free one page ad in each of 12 issues (four editions of each publication annually) of the Academy of Management Executive, the Academy of Management Journal, and the Academy of Management Review. Each mailing of these issues reach between 12,000 and 15,000 individuals, business leaders, professors and institutions. These ads are valued at \$6,000 and copies of each publication (with the Savin ads clearly marked) are enclosed for your perusal.

Since my previous dealings on behalf of the Academy of Management have been assisted by several individuals at Savin, I thought you perhaps might like to contact them concerning our symbiotic relationship. These individuals include: Marsha Hillman (617/783-1180), Joe LaPlaca (312/987-4230) and Jerome Niemann (312/640-9595). In addition, Julie Schlater at San Sierra Business Systems in San Diego (619/560-9600) could also be of some assistance. Ms. Schlater was a superior representative for San Sierra and Savin during our convention in San Diego. Also, if you need additional details or to contact me, please feel free to call at your earliest convenience. I can be reached at 214/306-2345 (Dallas office & home) daily until June 7, or between June 8 and July 15 (Summer Session I begins) I can be reached from 1:30 - 4:00pm at 817/565-3157 Mondays through Thursdays.

Ms. Delorenzo, please know that your sponsorship is a vital and integral part of the success of our meetings, and in particular our placement activities, at the national convention. Without your assistance, our 7,200 members would be much more difficult. Please know, too, that due to your presence at these conventions, many colleges of business and universities (such as my own employer, North Texas State University) have switched their copier service to Savin Corporation. In addition, many of us who own individual consulting services have also purchased smaller copiers for our personal and business use.

Thank you for your consideration and assistance in securing the needed Savin resources for the Academy of Management. I look forward to your response and to many future years of working with you and Savin Corporation.

Sincerely,



Donna E. Ledgerwood, Ph.D.
Director of Advertising &
Associate Professor of Management

Enclosures: (3)

cc: Steve Mikulka
Jerome Niemann
Joe LaPlaca
Julie Schlater
Art Bedeian
Walt Newsom
Jim Townsend

8 3 0 4 0 7 2 2 1 9 3

Savin

Savin Corporation

9 West Broad Street
P.O. Box 10270
Stamford, CT 06904-2270
203/967-5000

July 30, 1987

Mr. Bob Walsh
Gulf Coast Office Products
5701 Plauche Court
New Orleans, LA 70123

Dear Bob:

To confirm our conversation of July 28, Gulf Coast will provide 2 copiers to the Academy of Management during their conference at the Sheraton New Orleans, August 7-12.

Savin will reimburse Gulf Coast for installation charges and supplies. Please forward the invoice to my attention.

If you have any questions, please call me.

Sincerely,

Dayle Russell

Dayle Russell
Manager
Shows & Exhibits

cc: A. De Lorenzo
S. Mikulka
R. Scott
R. Taylor

68040722194

GULF COAST OFFICE PRODUCTS, INC.

08/27/87

05

5701 PLAUCHE COURT • NEW ORLEANS, LOUISIANA 70123 • (504) 733-3830

AUTHORIZED DISTRIBUTOR
SAVIN PHOTOCOPY MATERIALS

SALES • SERVICE •

INVOICE

TERMS: Net 10 days

SOLD TO

Savin- Attn: Dale Russell,
P.O. Box 10270
49 West Broad Street
Stamford, Ct 06942270

SHIP TO

Academy of Management
Shearson New Orleans
New Orleans, La

CUSTOMER # 77150121 P.O. NO. ORDER DATE 8/27/87 SHIP DATE 8/27/87 SLSM 8

SHIPPING INSTRUCTIONS: SPECIAL INSTRUCTIONS:

QUANTITY		ITEM NUMBER	DESCRIPTION	UNIT PRICE	AMOUNT
ORDERED	SHIPPED				
2	2	11-Misc.	Miscellaneous (installation & delivery)	125.000 ea	250.00
3	3	4215	5030/40/7040 Landa T/D Pak	39.200 ca.	117.60
2	2	4207	8 1/2 x 11 Paper (5000 shts)	24.500 cs	49.00
1	1	4208	8 1/2 x 14 paper (5000 shts)	30.500 cs	30.50
<p><i>D Russell</i> 01-7001-04-000-001-029 9/8 134</p>					

90722195

OK
HW
9/8

RECEIVED BY	X _____	SHIPPING	SALES TAX	PAY THIS AMOUNT
		0.00	40.24	
DATE				

8

REQUISITION

402552

DATE OF REQUISITION
CATEGORY

9/8/87

DATE DELIVERY REQUIRED

INVENTORY ITEMS
(COMPLETE COLUMNS 1. TO 12.)

OFFICE SUPPLIES
(COMPLETE APPROPRIATE COLUMNS)

OTHER
(COMPLETE APPROPRIATE COLUMNS)

VENDOR

SHIP TO SAVIN CORPORATION

ADDRESS: Gulf Coast Off. Products
5701 Plaque Court
New Orleans, LA 70123

BRANCH NO. &
ADDRESS

TERMS:

ATTENTION: *Wayle Russell*

F.O.B.

REQUESTED BY:

ROUTING:

APPROVED BY: *SM 9/8*

TYPE OF EXPENDITURE (CHECK ONE ONLY)

- PURCHASES SELLING SERVICE WAREHOUSE GENERAL ADMINISTRATION R & D
 LEASEHOLD IMPROVEMENT * FIXED ASSET

PRODUCT LINE

- ALL ELECTROSTATIC COPIER PLAIN PAPER COPIER WORD PROCESSOR
 OTHER

DISTRIBUTION OF PURCHASE ORDER RECEIVING COPY (GREEN)

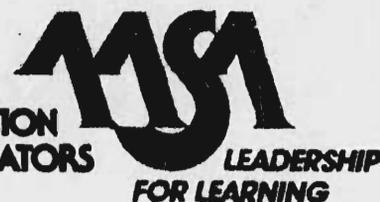
- WAREHOUSE PARTS MAIL ROOM BRANCH OTHER

5	LAST	REQMT	ON	QUANTITY		RE-	ORDERED	P/N	DESCRIPTION	PRODUCT	UNIT	UNIT	TOTAL
				ON	DATE								
1	2	3	4	5	6	7	8	9	10	11	12		
									Installation and supply charges to support Academy of mgmt show				487.34
									01-7001-04-000-001-029				
									12L				

SPECIAL INSTRUCTIONS. TYPE THIS ON P.O. YES NO * FINANCE THROUGH LEASING CO. YES NO

September 1, 1987

AMERICAN ASSOCIATION
OF SCHOOL ADMINISTRATORS



Dayle Russell
Manager, Shows and Exhibits
Savin Corporation
9 West Broad Street
Stamford, Connecticut 06904

Dear Dayle:

Enclosed is a revised invoice showing Savin's new booth number and location at the Las Vegas convention--booth no. 720 (20x20 island).

Would Savin again be interested in providing a copier for our press room at the convention in exchange for a complimentary corner (\$1115)? If so, let me know and I'll have a refund check made out to Savin.

Sincerely,

Joy

(Mrs.) Joyce B. Praschil
Exhibits Manager

JBP:ms

*Will issue credit towards 1989
space*

88040722197

SAVIN

Savin Corporation

9 West Broad Street
P.O. Box 10270
Stamford, CT 06904-2270
203/967-5000

March 16, 1987

Mrs. Joy Praschil
Exhibits Manager
AASA
1801 North Moore Street
Arlington, VA 22209-9988

Dear Joy:

Enclosed please find Savin Corporation's 1988 Exhibit Booth Application and Contract along with a check for \$1,100 for the deposit.

Please advise if the credit for the copier provided at the 1987 show will be processed by a credit memo to our 1988 booth space or if a check will be issued.

I would like to take this opportunity to let you know that the 1987 show was a success, we obtained over 150 leads. We're looking forward to Las Vegas in 1988.

Sincerely,



Dayle Russell
Manager
Shows & Exhibits

djr
Enclosures

2/11
5825
998⁰⁰

88040742198

703 528 0700

OF SCHOOL ADMINISTRATORS

Operating Account

1801 North Moore Street • Arlington, Virginia 22209

SOVR BANK, N.A.
ARLINGTON, VA 22203
68-738/560

NO.

PAY

02-23-87 004713 0810 208331777

TO THE ORDER OF



SAVIN TERR
9 WEST BROAD STREET
STAFFORD CT 06904

DATE

AMOUNT

VOID AFTER 60 DAYS

Dallas A. MAMMIS

⑈00005827⑈ ⑆056007387⑆ 2689 8623 ⑈ ⑆0000099800⑆

Steve,

4/6

\$996.00

Please credit

\$996.00 against

line 13H. Since we supplied them with a copier for their press room,

we receive a

credit to our booth

space

Wayle -

Julio:

4/6

As we discussed, attached is a copy of the check to be credited to my COA#

01-7001-04-000-001-029

The check was deposited by the NE RARE.

THX Wayle

For your info - front & back of our check to Savin.

Joy

September 19, 1985

AMERICAN ASSOCIATION
OF SCHOOL ADMINISTRATORS



RECEIVED
EXHIBIT/SPECIAL PROGRAMS

SEP 27 1985

Nancy Small
Exhibit Manager
Savin Corporation
9 West Broad Street
Stamford, Connecticut 06904

ANSWERED
FILE
REFERENCED

Dear Ms. Small:

Per instructions from Heidi Hays of your office, we have changed our records to show that you are now responsible for the Savin exhibit at the AASA Convention in San Francisco, February 21-24, 1986. For your information, I am enclosing copies of the signed contract, floor plan, invoice, etc.

In the past we have worked with Lucy Dane of Savin whereby Savin has provided a copier for use in the AASA Press Office at the convention and we have given Savin credit for a 10x10 corner booth (\$1097). AASA would again like to have this arrangement with Savin. Would you please check with Lucy and see if this is agreeable and get back in touch with me?

In the meantime, if there is anything this office can do to help you prepare for the AASA convention, please let us know.

Sincerely,

(Mrs.) Joyce B. Praschil
Exhibits Manager

Enclosures

JBP:ms

0804074201

0204877

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FEDERAL ELECTION COMMISSION
MAIL ROOM

87 DEC -3 AM 9:18

BAKER, MILLS & GLAST
A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS

500 LTV CENTER

2001 ROSS AVENUE

DALLAS, TEXAS 75201-2916

TELEPHONE (214) 220-8200

TELECOPY (214) 220-8333

TELEX 734108

BSM DAL UD

WRITER'S DIRECT DIAL NUMBER

220-8422

JAMES R. KIMBERLIN
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ALAN W. LINTEL
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BRET A. MADOLE
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GREGORY M. HOWISON
J. SCOTT JACKSON
MARIAN E. JACKSON
ROBERT S. JACKSON
*WAYNE A. JONES

*ADMITTED ONLY IN STATES
WHICH ALLOW THEM

November 20, 1987

Mr. Jonahan Levin
Federal Election Commission

Washington, DC 20463

Re: MUR 2171
VMX, Inc.

Dear Mr. Levin:

This letter is in response to the letter of Lawrence M. Noble addressed the undersigned on October 5, 1987. In particular, it asked for an explanation of the circumstances under which the Committee on Arrangements declined to purchase a system and subsequently asked VMX to provide complimentary service.

No officer at VMX or the undersigned has knowledge of the specific reasons why the Committee on Arrangements declined to purchase a system. VMX understood only that the system was either too large or needlessly expensive for convention use. Neither the undersigned nor any of the officers present at the presentation recall any statements, at the presentation, expressing a preference for complimentary provision of services. It is our belief that complimentary services were not discussed at that time. VMX has no knowledge of any specific statements made after the presentation concerning complimentary provision of services other than very general discussions concerning the providing of the services on a complimentary basis in exchange for "official provider" status which was very appealing to VMX. The providing of services to the convention was a "non-event" internally to VMS since we so routinely provided thousands 1,000's of complimentary mailboxes for various reasons, all which was set forth in my prior affidavit. There was no formal understanding, either written or oral, other than that VMX

3804072202

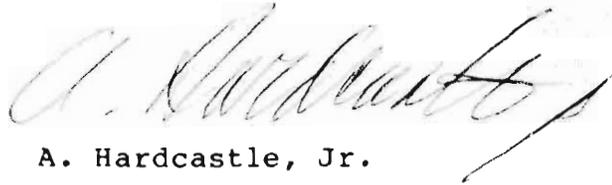
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OFFICE OF GENERAL COUNSEL
87 DEC -3 AM 10:13

Mr. Jonathan Levin
November 20, 1987
Page Two

would provide the mailboxes till the end of the convention. VMX had no continuing association with the Committee on Arrangements. In fact, I don't believe that we spoke with any member of the Committee on Arrangements other than Ernest Angelo and that was early in 1983.

The entire VMX Republican National Convention relationship can be summed up as a sales effort with lots of excitement that came to naught, followed by a routine furnishing of complimentary voice mailboxes in exchange for the publicity value of "official provider" status. We have now searched our files and interrogated all the people involved on a number of occasions and this last effort has uncovered no new information. We reassert our contentions set forth in the prior response that VMX, Inc. has violated no laws and we urge you to terminate this proceeding.

Sincerely yours,



A. Hardcastle, Jr.

AH/cb

=

88040722203

BEFORE THE FEDERAL ELECTION COMMISSION

87 DEC -2 PM 4: 56

In the Matter of
Committee on Arrangements for
the 1984 Republican National
Convention, et al.

}
MUR 2171
}

SENSITIVE

COMPREHENSIVE INVESTIGATIVE REPORT #2

On November 5, 1986, the Commission found reason to believe that the Committee on Arrangements for the 1984 Republican National Convention and George L. Clark, as treasurer, violated 2 U.S.C. § 441b(a) and 26 U.S.C. § 9008(d)(1) by accepting prohibited corporate contributions from ten "official providers" to the convention and, in doing so, exceeding the expenditure limitations with respect to a presidential nominating convention. The Commission, on that date, also found reason to believe that the ten providers violated 2 U.S.C. § 441b(a) and 26 U.S.C. § 9008(d)(1).

On August 24, 1987, this Office submitted a report discussing the responses to the reason to believe notifications and recommending interrogatories to be sent to nine of the vendors
On September 15, 1987, the Commission voted to take no further action and close the file with respect to five of the vendors. On that date, the Commission also directed this Office to redraft questions to the five other vendors, pursuant to the Commission's discussions.

83040722204

This Office redrafted the questions in accordance with the Commission's discussions and sent them on October 5, 1987.

Counsel for four of the five vendors

asked for thirty-day extensions of time until November 23 to respond to the questions. This Office granted those requests. In addition, this Office has unsuccessfully attempted to locate representatives of the fifth vendor, Compucorp, which has been in a bankruptcy proceeding.

This Office also received letters from the four vendors other than Compucorp authorizing the law firm of Covington & Burling, which is representing the Arrangements Committee, to discuss each vendor's situation with this Office and to have access to the materials and information to which each vendor has access. Attorneys from the firm and attorneys from this Office met subsequently to discuss this matter as it pertains to the four vendors and the Arrangements Committee. Thus far, this Office has received the response of one vendor

8804072205

After receiving and reviewing the responses of all of the vendors

we will report to the Commission.

Lawrence M. Noble
General Counsel

12/2/87
Date

BY: Lois G. Lerner
Lois G. Lerner
Associate General Counsel



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *MWD* *JM*

DATE: DECEMBER 3, 1987

SUBJECT: MUR 2171 - COMPREHENSIVE INVESTIGATIVE
REPORT #2
SIGNED DECEMBER 2, 1987

83040722206

The above-captioned matter was received in the Office of the Secretary of the Commission Wednesday, December 2, 1987 at 5:00 P.M. and circulated to the Commission on a 24-hour no-objection basis Thursday, December 3, 1987 at 11:00 A.M.

There were no objections received in the Office of the Secretary of the Commission to the Comprehensive Investigative Report #2 at the time of the deadline.

602#4898

WORSHAM, FORSYTHE, SAMPELS & WOOLDRIDGE

THIRTY-TWO HUNDRED, 2001 BRYAN TOWER

DALLAS, TEXAS 75201

TELEPHONE (214) 979-3000

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FEDERAL ELECTION COMMISSION
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87 DEC -7 AM 11:50

M. D. SAMPELS
ROBERT A. WOOLDRIDGE
NEIL D. ANDERSON
SPENCER C. RELYEA
RONALD M. HANSON
J. DAN BONANNAN
TRAVIS E. VANDERPOOL
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RICHARD L. ADAMS
DAVID C. LONERGAN
JOHN W. MCREYNOLDS
THOMAS F. LILLARD
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W. STEPHEN COCKERHAM
TRACY COMBS FLANIGAN

JOE A. WORSHAM
188-1976

OF COUNSEL
JOS. IRION WORSHAM
EARL A. FORSYTHE

TELECOPIER: (214) 880-0011

November 30, 1987

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

RE: MUR 2171
Blythe.Nelson

Dear Mr. Noble:

Enclosed please find an original and two copies of **Responses of Blythe.Nelson to Interrogatories and Request for Production of Documents** submitted by the Federal Election Commission. These responses are being provided pursuant to prior extensions of time granted by your staff. Please return a file-marked copy to my office in the enclosed, self-addressed, stamped envelope.

Sincerely,

Thomas F. Lillard

TFL/jj

Enclosure

CERTIFIED MAIL
Return Receipt Requested

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 DEC -7 PM 1:41

7
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UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Blythe.Nelson

S
S
S

MUR 2171

**RESPONSES OF BLYTHE.NELSON TO
INTERROGATORIES AND
REQUEST FOR PRODUCTION OF DOCUMENTS**

Blythe.Nelson, a Texas general partnership, submits the following responses to Interrogatories and Request for Production of Documents submitted by the Federal Election Commission ("Commission") in the above-numbered matter:

General Objections

Blythe.Nelson generally objects to the submission of these interrogatories and request for production of documents by the Commission pursuant to a finding that there was reason to believe that **Blythe.Nelson** had violated 2 U.S.C. §441b, Federal Election Campaign Act of 1971, as amended (the "Act"). Unquestionably, §441b of the Act proscribes political contributions by national banks, corporations or labor organizations. As previously established by affidavit and acknowledged by the Commission's staff, **Blythe.Nelson** is a Texas general partnership and, as such, is not subject to the restrictions of §441b. The Commission's reason to believe determination is clearly erroneous and, inasmuch as its authority to utilize the discovery methods enumerated in 11 CFR §§111.11 through 111.15 is premised on this erroneous determination, **Blythe.Nelson** objects to further inquiries concerning its possible violation of 2 U.S.C. §441b. Notwithstanding the above-stated objection, and without waiving its right to contest any further proceedings

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or to challenge the propriety of the Commission's reason to believe determination, **Blythe.Nelson** submits the following responses:

Responses to Interrogatories

1. State the actual amount of payment made by the Committee on Arrangements to Blythe-Nelson for the services provided by Blythe-Nelson for the 1984 Republican National Convention.

Answer:

Blythe.Nelson received actual compensation in the amount of \$66,315.52 from the Committee on Arrangements ("Committee") for services related to the 1984 Republican Convention ("Convention").

2. State the standard full fair market charge for the services provided by Blythe-Nelson for the 1984 Republican National Convention.

Answer:

It is almost impossible to determine the standard full fair market charge for the services provided the Committee for the Convention in that, under the billing arrangement with the Committee, **Blythe.Nelson** did not perform the usual billing review associated with either fixed sum projects or projects with a more limited work scope. In light of the agreement to bill only one-half of its actual time, **Blythe.Nelson** did not scrutinize the hourly billings as closely for productivity of the hours billed or the relationship of the hours expended in relation to the scope of the work. Accordingly, all hours were tabulated and simply divided through February 1, 1984. As such, **Blythe.Nelson** cannot attest that the actual hours reported would have been billed absent the arrangement and, accordingly, the sum of the amounts billed and not billed may not actually constitute the full fair market charge. Subject to this qualification, **Blythe.Nelson** states that its records reflect hours billed and unbilled with full expenses in the amount of \$198,866.77.

3. State the factors that Blythe-Nelson considered in determining the amount of the discount provided to the Committee on Arrangements during different time periods, i.e., 1983, February to July, 1984, and during August, 1984.

Answer:

The primary factor considered in determining to provide a discount for services to the Committee was **Blythe.Nelson's** overwhelming desire to be associated with the Convention. As a relatively new enterprise in a developing field, **Blythe.Nelson** viewed retention by the Committee for consulting work related to the Convention as a giant step toward establishing a solid reputation in the field of telecommunications and information systems consulting. Furthermore, an account of the magnitude of the Convention would provide instantaneous legitimacy for **Blythe.Nelson** in its efforts to secure future business, especially with national firms. The decision to charge for one-half of the hours billed during 1983 and the first of 1984 was based on **Blythe.Nelson's** belief that such an arrangement would more than cover the operational expenses and overhead while providing invaluable training for its employees and tremendous business exposure for **Blythe.Nelson**.

Similarly, the arrangement to provide services at no charge beginning in February, 1984 until August, 1984 was proposed by **Blythe.Nelson** in recognition that the national publicity and business exposure already gained and anticipated in the future as a result of its association with the Convention economically warranted such an arrangement. **Blythe.Nelson** believed the sums to be received for its work in August 1984, which was anticipated to be the busiest month, coupled with full reimbursement of expenses, would not result in any operational losses. Overall, all discounts were proposed in anticipation that securing an account such as the Committee would provide immediate and significant promotional value to **Blythe.Nelson**, as well as direct commercial benefits in the form of new business contacts and opportunities. As previously stated in the Affidavit of James L. Blythe dated January 31, 1987 (forwarded to Eric Kleinfeld, Federal Election Commission, on such date), **Blythe.Nelson** directly attributes almost two hundred fifty thousand (\$250,000) of new business to its relationship with the Committee. In light of this new business and the instant legitimacy acquired through its association with the Committee, **Blythe.Nelson's** discounts to the Committee were commercially reasonable. Having provided similar types of discounts (i.e., reduced rates, no charge service) both before and after the Convention, **Blythe.Nelson** believes its arrangement with the Committee to be in its ordinary course of business.

4. Describe in detail the circumstances of the Committee's denial of Blythe-Nelson's fee proposal.

Answer:

The presentation made by James L. Blythe in June, 1983 to the Committee in Dallas, Texas, was more a conceptual presentation than a standard business proposal. Mr. Blythe presented to the Committee an overall concept of a

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totally integrated communication system for the Convention. This concept envisioned such systems as (i) voice and data networks between hotels, (ii) an electronic mail system for the Convention floor, (iii) an automated messaging system, and (iv) voice messaging for all delegates. **Blythe.Nelson's** involvement in implementing such a system would be to act as overall coordinator. The Committee did not accept or reject this conceptual presentation during this meeting. Later, the Committee expressed its unwillingness to engage **Blythe.Nelson** to undertake the development of this total communications system. **Blythe.Nelson** believes the rejection was motivated by the Committee's lack of understanding and acceptance of the concept of a totally technological convention. No one on the Committee proposed any different fee arrangement or, for that matter, any amount the Committee wished to expend for **Blythe.Nelson's** services. As stated above, the Committee's decision not to engage **Blythe.Nelson** in mid-1983 appeared to rest on the scope of the project, not **Blythe.Nelson's** fee schedule.

Blythe.Nelson recognized an opportunity to initiate a more substantial arrangement with the Committee by offering to assist in analyzing for the Committee Southwestern Bell Telephone Company's Centrex proposal. The proposal to bill every other hour for this work was the idea of James L. Blythe as a means of establishing a working relationship with the Committee. Again, no one on the Committee recommended this type of billing reduction as a pre-condition to maintaining an association with the Committee. Throughout the remainder of the year, **Blythe.Nelson** sought to expand the scope of the services it was providing to the Committee. Recognizing the benefit to be gained by a continued association, **Blythe.Nelson** raised with Richard Shelby the possibility of an "Official Provider" designation. Initially, the Committee, through Mr. Shelby, did not appear to understand the scope of the services which **Blythe.Nelson** could provide, nor could the Committee seem to recognize the need for such consulting services. Thereafter, **Blythe.Nelson** was able to demonstrate that it could provide consulting services sufficiently definable to warrant "Official Provider" designation. Mr. Daniel Denning advised **Blythe.Nelson** that the Committee agreed that an "Official Provider" designation was feasible and warranted, but **Blythe.Nelson** needed to make a written proposal requesting such a designation. Mr. Denning, on behalf of the Committee, made no reference to any reduction in fees as a pre-condition to **Blythe.Nelson's** continued association with the Committee, nor to the grant of the "Official Provider" designation.

5. Describe in detail the circumstances under which Blythe-Nelson was told that it should submit a proposal to become an official provider in order to maintain an association with the Convention.

Answer:

As stated in response to Interrogatory Number 4, **Blythe.Nelson** was not informed that as a pre-condition to continued association with the Committee it must submit a proposal to become an "Official Provider." Rather, the Committee finally expressed its willingness to recognize the feasibility of granting an "Official Provider" designation to a consulting firm. However, consistent with other designations, the Committee needed a written proposal requesting such a designation. No suggestion was made by the Committee that this proposal contain any reduction in fees, discounts or, for that matter, any monetary arrangement. The decision to propose the continuation of the half-time billing arrangement, as well as the no-charge consulting proposal, was made by James L. Blythe. Finally, at the time of the proposal there had been no discussion concerning the prospect of other entities providing similar services to the Committee. The focus of the discussion relative to **Blythe.Nelson's** services seemed to be on the need for such consulting services, not the provider.

6. Describe in detail transactions similar to Blythe-Nelson's transaction with the Committee on Arrangements where Blythe-Nelson has provided services at a discount or for no monetary charge.

Answer:

Blythe.Nelson objects to Interrogatory Number 6 insofar as it seeks information previously provided to the Commission in its initial response. **Blythe.Nelson** would direct the Commission to the Affidavit of James L. Blythe and exhibits attached thereto submitted to Eric Kleinfeld on January 31, 1987, wherein information responsive to this interrogatory was provided. Subject to the foregoing objection, **Blythe.Nelson** would state that it makes no distinction in the commercial status of its customers. In fact, government entities were and remain one of **Blythe.Nelson's** prime sources of consulting business. **Blythe.Nelson** has, in the past, uniformly offered government entities a discount on its hourly rate for consulting services. For example, to maintain a relationship with the State of Texas Purchasing and General Services Commission, **Blythe.Nelson** proposed to undertake a substantial consulting project at no charge. Specifically, in December 1986, **Blythe.Nelson** agreed to perform an estimated 160 man hours project (approximately \$18,000-\$20,000) for the State of Texas for only the cost of travel expenses. This project was undertaken beginning in December 1986 and was finished in March, 1987. **Blythe.Nelson** received no compensation for these services and, in fact, did not even submit a request for reimbursement of expenses. As with its work for the Committee, **Blythe.Nelson** proposed this type of arrangement to foster continued good will with the State of Texas, as well as to obtain valuable experience and exposure within the governmental segment of the field of information systems consulting.

7. State how often the types of transactions described in response to question 6 have occurred.

Answer:

Blythe.Nelson regularly offers a discount on its hourly charges to governmental entities. Similarly, **Blythe.Nelson** has periodically proposed to various charitable organizations to provide consulting services at no charge. Reduced rates to non-political commercial entities do not now occur as frequently as during the beginning years of **Blythe.Nelson's** operations. Nonetheless, **Blythe.Nelson** regularly offers to perform initial studies for clients on a fixed fee basis or reduced fee basis. In such cases, the goal is to establish an initial relationship with a prospective client with the hope that further services will be requested. **Blythe.Nelson** cannot accurately state the precise frequency of such transactions, nor the percentage of overall business these arrangements represent.

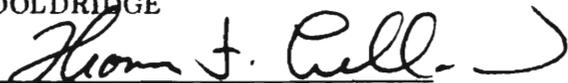
**RESPONSE TO REQUEST
FOR DOCUMENTS**

Attached hereto are copies of the invoices related to the 1984 Republican National Convention as requested.

Respectfully submitted,

WORSHAM, FORSYTHE, SAMPELS
& WOOLDRIDGE

By:


Thomas F. Lillard

2001 Bryan Tower, Suite 3200
Dallas, Texas 75201
(214) 979-3000

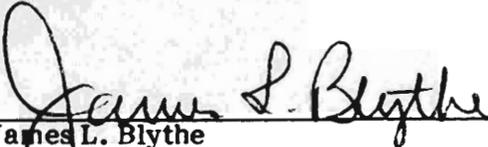
ATTORNEYS FOR BLYTHE.NELSON

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VERIFICATION

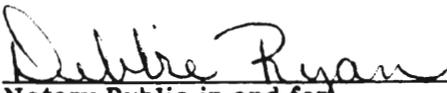
STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned Notary Public on this day personally appeared James L. Blythe, Partner of Blythe.Nelson, who being by me duly sworn on his oath deposed and said that he is duly qualified and authorized in all respects to make this affidavit; that he has read Responses Of Blythe.Nelson to Interrogatories and Request For Production of Documents; and that the statements contained therein are true and correct.



James L. Blythe

SUBSCRIBED AND SWORN TO BEFORE ME on this 24th day of November, 1987



Notary Public in and for
State of Texas

My Commission Expires:

March 23, 1991

98040722210

INVOICE

June 2, 1983

Mr. Rick Shelby
TO: Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional service through May 31, 1983.

Assistance to National Committee in helping negotiate Centrex service with City of Dallas and Southwestern Bell, including a meeting with Republican National Committee and City of Dallas plus a meeting with Republican National Committee, City of Dallas and Southwestern Bell. (7.5 hours)..... \$ 900.00

Planning meeting between City of Dallas and Mart Nelson in preparation for Southwestern Bell presentation (2.5 hours)..... 300.00

Analysis of Southwestern Bell proposal to include report with follow-up addendum sent to Rick Shelby (7 hours)..... 525.00

Research at Southwestern Bell Public Office, including verification of Centrex rates, as well as other rate elements included in operational addendum (2.25 hours)..... 168.75

Numerous telephone conversations with Rick Shelby regarding Centrex service and analysis prepared by Blythe Nelson (1 hour)..... 120.00

Meeting with Bruce McDougal of ENN and subsequent evaluation and discussions on value of service offered to Republican National Committee (1.5 hours)..... 180.00

Miscellaneous expenses (Federal Express and Long Distance)..... 42.00

Total Due \$2235.75

Thank you.

8804072214

Draft JLB
Reviewed PCA
Approved [Signature]

INVOICE

July 5, 1983

TO: Mr. Rick Shelby
Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional service through June 30, 1983.

Telephone conversations and discussions with Rick Shelby
regarding Southwestern Bell service and possible options
for 1984 convention (2 hours).....\$240.00

Miscellaneous expenses..... 32.00

Total currently due \$ 272.00

* 30 days 2235.75

Total due \$2507.75

Thank you.

* Please disregard if attached invoice of June 2nd has
been processed.

attachment

33040724215

BLYTHE-NELSON



INFORMATION
SYSTEMS
CONSULTING

INVOICE

August 10, 1983

TO: Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional service through July 31, 1983.

Review of Southwestern Bell proposal to the city and tariff review (5 hrs. @ \$90).....	\$ 450.00
Meeting with Chip Reid regarding Southwestern Bell alternatives to original presentation (2.5 hrs. @ \$120).....	300.00
Meeting with City of Dallas, Chip Reid, Rick Shelby and Ernie Angelo regarding Southwestern Bell alternatives and options open to the Party (4 hrs.@ \$120)	480.00
Numerous telephone conversations with Rick Shelby, Jim Baker, and Mike Miller regarding fact finding with major users (4.5 hrs. @ \$120)).....	540.00
Preparation for and telephone conversations with ABC and NBC regarding their needs for the convention (2.5 hrs. @ \$120).....	300.00
Miscellaneous expenses.....	<u>41.00</u>

Total due \$2111.00

Thank you.

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BLYTHE-NELSON



INFORMATION
SYSTEMS
CONSULTING

INVOICE

September 12, 1983

TO: Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional service through August 31, 1983.

Meeting with Rick Shelby at Adolphus to discuss upcoming meeting with Zane Barnes (1 hour @ \$120).....	\$120.00
Preparation for and telephone conversations with CBS and CNN regarding their needs for the convention (3.5 hours @ \$120).....	420.00
Meeting and discussions with Southwestern Bell personnel regarding cooperative approach to planning (3.5 hours @ \$120).....	420.00
Meeting with Rick Shelby and Southwestern Bell personnel at 311 S. Akard to discuss Southwestern Bell Centrex proposal (1 hour @ \$120).....	120.00
Review of Southwestern Bell proposal for valida- tion check (2 hours @ \$75).....	150.00
Telephone discussions with networks inviting them to Dallas to major users conference (1.5 hours @ \$120).....	180.00
Major users conference in Dallas with CBS, NBC, ABC, CNN and city of Dallas (2.5 hours @ \$120)..	300.00
Major users conference (6 hours @ \$120).....	720.00
Telephone discussions with Peggy Venable regard- ing conference with networks (.5 hours @ \$120)..	60.00
Telephone discussions with Jim Baker and Rick Shelby regarding networks response to meeting (.5 hours @ \$120).....	60.00

(continued)

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Initial development of RFP concept and structure
(5 hours @ \$120)..... 600.00

Miscellaneous expenses..... 112.00

Total due \$3262.00

Thank you.

88040722218

BLYTHE-NELSON



INFORMATION
SYSTEMS
CONSULTING

INVOICE

October 5, 1983

TO: Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional service through September 30, 1983.

33040722219

Telephone conversations with Rick Shelby, Mike Miller, Jim Baker, Chip Reid and Frank Poe regarding meetings to be held Tuesday, September 6th at the Convention Center and Wednesday, September 7th at the offices of Blythe-Nelson (2 hours @ \$120).....	\$240.00
Meeting at Convention Center with Frank Poe, Mike Miller, and Jim Baker to discuss status of project and convention center layout (3.5 hours @ \$120).....	420.00
Conference call with Rick Shelby, Mike Miller, Jim Baker, and Chip Reid regarding status of project and appropriate strategy to pursue (3 hours @ \$120).....	360.00
Telephone discussions with Peggy Venable regarding requirements of convention and project status (.5 hours @ \$120).....	60.00
Telephone discussions and meeting with AT&T representatives to discuss willingness to support convention for promotional value(1.5 hours).....	180.00
Completion of initial draft of mini-RFP/Requirements Document (5 hours @ \$120).....	600.00
Telephone discussions with Southwestern Bell District Engineer Jim Lyons regarding network capacities and usage levels in Kansas City and Detroit including request for historical traffic data from Southwestern Bell for RNC's use (3 hours @ \$120).....	360.00
Receipt and review of Peggy Venable's letter regarding convention requirements (.5 hours @ \$120).....	60.00

Telephone discussions with Peggy Venable regarding CCI (telecommunications provider) and possible discussions with them regarding RNC's convention needs (.5 hour @ \$120).....	60.00
Receipt and review of traffic data from Jim Lyons regarding Kansas City and Detroit Centrex usage levels (1 hours @ \$120).....	120.00
Telephone discussions and meeting with Ray Penrod and John Camp of CCI (Commercial Communications Incorporated of Oklahoma) (1.5 hours @ \$120).....	180.00
Conference call with Chip Reid and Rick Shelby regarding AT&T strategy (.5 hours @ \$120).....	60.00
Conference call with Rick Shelby, Chip Reid, Jim Miller, and Jim Baker to review draft of convention requirements document (1.25 hours @ \$120).....	150.00
Generation and distribution of Strategy letter outlining steps to be taken (1.5 hours).....	180.00
Telephone discussions with Cindy Geest of Southwestern Bell regarding costs from de-regulated subsidiary with follow-up letter (1 hour @ \$120).....	120.00
Telephone discussions and subsequent meeting with ITT regarding provision of long distance services for the convention (1.5 hours @ \$120).....	180.00
Modification, review and and distribution of final draft of Requirements Document (2 hours @ \$120).....	240.00
Telephone disucssions with Rick Shelby, Chip Reid, Mike Miller and Jim Baker to confirm final draft and finalize for use with major vendors (1.5 hours @ \$120)	180.00
Development of costs associated with AT&T approach versus Southwestern Bell Centrex approach (1.5 hours @ \$120).....	180.00
Generation of summary letter outlining these costs with components and associated costs included (2 hours @ \$120).....	240.00
Telephone discussions with Rick Shelby and Chip Reid regarding clarification of these costs (1 hour @ \$120)	120.00
Further discussions with AT&T to clarify RNC position and AT&T's (1 hour @ \$120).....	120.00

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Answer:

As stated in response to Interrogatory Number 4, **Blythe.Nelson** was not informed that as a pre-condition to continued association with the Committee it must submit a proposal to become an "Official Provider." Rather, the Committee finally expressed its willingness to recognize the feasibility of granting an "Official Provider" designation to a consulting firm. However, consistent with other designations, the Committee needed a written proposal requesting such a designation. No suggestion was made by the Committee that this proposal contain any reduction in fees, discounts or, for that matter, any monetary arrangement. The decision to propose the continuation of the half-time billing arrangement, as well as the no-charge consulting proposal, was made by James L. Blythe. Finally, at the time of the proposal there had been no discussion concerning the prospect of other entities providing similar services to the Committee. The focus of the discussion relative to **Blythe.Nelson's** services seemed to be on the need for such consulting services, not the provider.

6. Describe in detail transactions similar to Blythe-Nelson's transaction with the Committee on Arrangements where Blythe-Nelson has provided services at a discount or for no monetary charge.

Answer:

Blythe.Nelson objects to Interrogatory Number 6 insofar as it seeks information previously provided to the Commission in its initial response. **Blythe.Nelson** would direct the Commission to the Affidavit of James L. Blythe and exhibits attached thereto submitted to Eric Kleinfeld on January 31, 1987, wherein information responsive to this interrogatory was provided. Subject to the foregoing objection, **Blythe.Nelson** would state that it makes no distinction in the commercial status of its customers. In fact, government entities were and remain one of **Blythe.Nelson's** prime sources of consulting business. **Blythe.Nelson** has, in the past, uniformly offered government entities a discount on its hourly rate for consulting services. For example, to maintain a relationship with the State of Texas Purchasing and General Services Commission, **Blythe.Nelson** proposed to undertake a substantial consulting project at no charge. Specifically, in December 1986, **Blythe.Nelson** agreed to perform an estimated 160 man hours project (approximately \$18,000-\$20,000) for the State of Texas for only the cost of travel expenses. This project was undertaken beginning in December 1986 and was finished in March, 1987. **Blythe.Nelson** received no compensation for these services and, in fact, did not even submit a request for reimbursement of expenses. As with its work for the Committee, **Blythe.Nelson** proposed this type of arrangement to foster continued good will with the State of Texas, as well as to obtain valuable experience and exposure within the governmental segment of the field of information systems consulting.

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Page three

Numerous telephone discussions with Rick Shelby and
Becky McMahan regarding strategy and timing of approach-
ing AT&T (1 hour @ \$120)..... 120.00

Receipt, review and modification of Chip Reid's memo-
randum to be used by Senator Laxalt in discussions with
Charles Brown, AT&T Chairman (1 hour @ \$120)..... 120.00

Telephone discussion with Chip Reid to relate modifi-
cation to memorandum (.5 hours @ \$120)..... 60.00

Miscellaneous expenses..... 460.00

Total due \$5170.00

Thank you.

83040722222

BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

INVOICE

November 8, 1983

TO: Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional services through October 31, 1983.

Telephone discussions with Rick Shelby, Chip Reid
and Becky McMahan regarding delivery of letter to
Charlie Brown (1 hour @ \$120)..... \$ 120.00

Telephone discussions with Cindy Geest regarding
rates for sets and wiring from de-regulated entity
(.25 hours @ \$120)..... 30.00

Numerous telephone conversations with AT&T per-
sonnel, Larry Carter, Bob Scott and Jack Briscoe
to confirm intention to provide beneficial rate
and one point of contact (2.5 hours @ \$120)..... 300.00

Follow up telephone discussions with ITT repre-
sentatives regarding offer to provide "free" long
distance services to delegates while in Dallas
(.5 hours @ \$120)..... 60.00

Telephone discussions with representatives of
Commercial Concepts of Cincinnati regarding network
needs and possible convention communications
provider (1 hours @ \$120)..... 120.00

Preliminary telephone conversation and subsequent
meeting with Martin Cordova of Cordova Communica-
tions regarding long distance service for the
convention (1 hour @ \$120)..... 120.00

Preliminary telephone discussions with Ken Morris
of MCI and subsequent meeting with three MCI repre-
sentatives regarding their participation in the
convention (1 hours @ \$120)..... 120.00

(continued)

Review of MCI Information Packet including subsequent telephone conversations with Ken Morris (2 hours @ \$120).....	240.00
Telephone discussions with Frank Poe regarding interest in AT&T's System 85 subsequent to convention (.5 hours @ \$120).....	60.00
Breakfast meeting with Rick Shelby, Jim Baker, Mike Miller, Louie Holmes and Larue Robinson to discuss status of communications requirements for the convention (2.5 hours @ \$120).....	300.00
Meeting with Frank Poe at the Convention Center regarding DCCC's requirements as they relate to the assumption of System 85 (2 hours @ \$120).....	240.00
Research and calculation of viability of Convention Center assuming System 85 with comparison to existing Exhibitor Centrex (8 hours, 1 @ \$120, 7 @ \$50).....	470.00
Meeting with Western Union representative Jim Mattix and local Field Engineer to discuss space requirements as they relate to Western Union support of the media at the convention (2 hours @ \$120).....	240.00
Preliminary telephone discussions and subsequent meeting with Dominique Skill of Continental Telephone Company (1.5 hours @ \$120).....	180.00
Follow up meeting with Frank Poe regarding assumption of System 85 including review of calculation and projection of 3 million dollar profit over ten year span (2.5 hours @ \$120).....	300.00
Discussions with AT&T and RNC to set up meeting between Rick Shelby and AT&T Corporate Staff (1.25 hours @ \$120).....	150.00
Breakfast meeting with Rick Shelby to discuss strategy prior to AT&T meeting (1 hour @ \$120)...	120.00
Meeting with AT&T and Rick Shelby to present needs and discuss system specifications (3 hours @ \$120)	360.00
Telephone discussions with AT&T to clarify needs (.5 hours @ \$120).....	60.00
Miscellaenous expenses.....	<u>212.00</u>

Total due \$3802.00

Thank you.

BLYTHE-NELSON



INFORMATION
SYSTEMS
CONSULTING

INVOICE

December 14, 1983

TO: Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional services through November 30, 1983.

Telephone discussions and meeting with Laura Luther, Rob Wirthen and Mike Lattanzi of Western Union to discuss possible long distance services and other services they offer (1 hour @ \$120).....	\$120.00
Telephone discussions with Rick Shelby regarding progress of Southwestern Bell quote and AT&T meeting (1 hour @ \$120).....	120.00
Numerous telephone discussions with Chuck Marshall of AT&T regarding AT&TIS proposal (2 hours @ \$120)..	240.00
Telephone discussions with Becky McMahan regarding AT&T meeting and Rick Shleby's availability (.25 hours @ \$120).....	30.00
Telephone discussions with Ron Walker regarding meeting and subsequent meeting with Ron and staff regarding status of communications project (2 hours @ \$120).....	240.00
Meeting with Ron Walker and staff and Southwestern Bell regarding communications needs as they relate to Southwestern Bell Centrex Service (1 hour @ \$120)...	120.00
Preparation for meeting and meeting with Ron Walker and AT&TIS personnel to receive and review AT&TIS proposal (5 hours @ \$120).....	600.00
Telephone discussions with MCI representatives regarding services (.5 hours @ \$120).....	60.00
Review and analysis of AT&TIS proposal including numerous telephone conversations with RNC and AT&TIS personnel (11 hours; 8 @ \$120, 3 @ \$75).....	1185.00

(continued)

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Telephone conversations with Chip Reid regarding AT&TIS proposal (.25 horus @ \$120).....	30.00
Numerous discussions with GTE and General Electric regarding possible involvement in convention (2.25 hours @ \$120).....	270.00
Letter Generation to Ron Walker regarding alternative providers of communications including GTE and General Eletric (1 hour @ \$120).....	120.00
Letter and Summary report generation (November 14) regarding AT&TIS proposal (2 hours @ \$120).....	240.00
Telephone discussions with Doug Blaser and Dan Denning regarding AT&TIS proposal and critical date setting for Southwestern Bell, GTE and AT&TIS (.5 hours @ \$120).....	60.00
Telephone discussions with Larry Carter of AT&TIS regarding new apporach (scenario with city) to RNC needs (1 hour @ \$120).....	120.00
Meeting with Chip Reid and Roxana Garcia at Blythe Nelson offices to discuss status of communications project (1.5 hours @ \$120).....	180.00
Telephone discussions with Frank Poe Dallas County Convention Center to set up meeting with AT&TIS (.5 hours @ \$120).....	60.00
Preparation for meeting and meeting with Frank Poe and Roxana Garcia of City and Bob Scott of AT&TIS (2 hours @ \$120).....	240.00
Further telephone discussions with AT&TIS and City regarding DCCC requirements (.75 @ \$120).....	90.00
Receipt, review and analysis fo new AT&TIS proposal relating to DCCC scenario (6 hours, 4 @ \$120, 2 @ \$75).....	630.00
Further telephone discussions with Chuck Marshall regarding AT&TIS proposal (1 hours @ \$120).....	120.00
Telephone discussions with Chip Reid regarding new AT&TIS proposal and strategy (.5 hours @ \$120).....	60.00
Initial discussions with Rolm and United Technologies and further extensive discussions with GTE and GTE Sprint regarding entry into bidding process (4 hours @ \$120).....	480.00

(continued)

Telephone dicussions with Cindy Geest regarding thier
joint venture with AT&TIS (.5 hours @ \$120)..... 60.00

Miscellaneous expenses

- Auto expense..... 45.00
- Federal Express charges..... 302.00
- Phone expense..... 68.15

Total due \$5890.15

Thank you.

88040744227

BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

INVOICE

January 18, 1984

TO: Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional services through December 31, 1983.

Preparation for and meeting at Blythe-Nelson offices with Southwestern Bell and AT&TIS representatives Bud Lofland, Cindy Geest, Sonny Moyers and Jim Shea regarding joint proposal to RNC for convention communications needs. (2 hrs. @ 120.)..... 240.00

Telephone discussions with Dan Denning regarding contents of SW Bell/AT&T joint proposal including critical timing for communications decision. (.5 hrs. @ 120.)..... 60.00

Qualifying telephone discussions with SW Bell representatives. (.5 hrs. @ 120.)..... 60.00

Initial review and analysis of SW Bell/AT&T joint proposal numbers. (1.5 @ 120.)..... 180.00

Spread sheet input and preparation for SW Bell/AT&T numbers (6 hrs., 1 @ 120., 5 @ 90.)..... 570.00

Further discussions and meetings with United Technologies and Rolm to review proposals to meet both DCCC and RNC's needs (4 hrs. @ 120.)..... 480.00

Analysis of Rolm and United Technologies proposals including input and preparation of spreadsheets. (7 hrs., 2 @ 120., 5 @ 90.)..... 690.00

Telephone conversations and meeting with AT&TCC's Sally Gardner and Suzanne Robinson regarding automated message center and long distance requirements. (1.5 hrs. @ 120.)..... 180.00

Report preparation comparing AT&TIS, SW Bell, United Technologies and Rolm, on a cost and functional basis including spread sheet summaries. (7 hrs., 2 @ 120., 5 hrs. @ 90.)..... 690.00

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(continued)

Meeting at Anatole with Ron Walker, Dan Denning, Doug Blaser, Peggy Venable, and Diane Guglielmino, to review vendor comparisons and discuss overall strategy. (1 hr. @ 120.)..... 120.00

Telephone discussions and meeting with Frank Poe and Van Temple of DCCC regarding use of PBX previously used by RNC at 1984 Convention. (1 hr. @ 120.)..... 120.00

Telephone discussions with SW Bell representative Louie Sommers and Cindy Geest regarding planned meeting in Washington. (.5 hrs. @ 120.)..... 60.00

Telephone discussions with Dan Denning and Ron Walker regarding meeting in Washington with SW Bell and strategy session to make final communications decision. (.5 hrs @ 120.)..... 60.00

Preparation of report for December 16th meeting narrowing comparison to Centrex and System 85 including spread sheet input and creation. (9 hrs., 2 @ 120., 5 hrs. @ 90., 2 hrs. @ 50.)..... 790.00

Meeting in Washington with Dan Denning, Doug Blaser, Chip Reid and AT&T/SW Bell to discuss Centrex and subsequent discussions on System 85 versus Centrex. (1 day @ 960.)..... 960.00

Telephone discussions and meeting with David Hatfield of Megaplex to discuss voice messaging alternative for the RNC. (1 hr. @ 120.)..... 120.00

Telephone discussions with AT&T regarding System 85 and timing. (1.5 hrs. @ 120.)..... 180.00

Development of proposed technology spread sheet prior to meeting in Washington (4 hrs., 2 @ 120., 2 @ 90.)..... 420.00

Sub Total \$5980.00

Travel and miscellaneous expenses
air fare, lodging, etc. 1957.05
Federal Express charges 290.50
telephone expenses 252.00
mileage, tolls, copying 108.00

Total Due \$8587.55

Thank you.

3804072229

BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

INVOICE

February 14, 1984

TO: Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional services through January 31, 1984.

Last invoice with billable time until period beginning August 1, 1984 as stipulated in our letter of December 6, 1983. Invoices for period of February 1, 1984 through July 31, 1984 will outline the total number of hours spent (at no charge) with the only cost being expenses associated with this project.

Telephone discussion with Chip Reid regarding AT&TIS contract and meeting to be held January 4th (.5 hours @ \$120).....	\$ 60.00
Preparation for meeting to be held January 4th in Washington (7 hours; 2 @ \$120, 5 @ \$90).....	690.00
Meeting with Walker, Blaser, Denning and Reid regarding AT&T and Cache of Technological services (2 hours @ \$120).....	240.00
Internal project meeting to review scope and potential suppliers (2.5 hours; 1.25 @ \$120, 1.25 @ \$90)..	262.50
Scheduling of meetings with Cellular Mobile Phone Suppliers, Insource, Kodak, Rapicom, AT&T Communications, EPS (4 hours @ \$90).....	360.00
Further telephone conversations with Chip Reid regarding AT&TIS System 85 and pending contract (.5 hours @ \$120).....	60.00
Coordination meeting with Southwestern Bell representatives Steve Gravitt and Joe Cooper to discuss service requirements, proper notification to Southwestern Bell by RNC and deposit required (3 hours; 1.5 @ \$120, 1.5 @ \$50).....	255.00

(continued)

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R 3 0 4 0 7 2 2 3 1

Meeting with EPS to discuss graphics services for RNC while in Dallas in exchange for designation (3 hours; 1.5 @ \$120, 1.5 @ \$90).....	315.00
Telephone discussions with City of Dallas telecommunications personnel regarding possible use of existing Exhibitions system rather than System 85. (1 hour @ \$120).....	120.00
Telephone discussions with Frank Poe regarding Convention Center system (.5 hours @ \$120).....	60.00
Telephone discussions and subsequent meetings with Rapicom, AT&T Communications, Insource, Kodak (4.5 hours; 2.25 @ \$120, 2.25 @ \$90).....	472.50
Meeting with Jim Baker (Airport, Cork n' Cleaver and Hotel) to discuss communications requirements (2 hours @ \$120).....	240.00
Meeting with Insource to discuss videotext for convention and for key personnel hotel rooms (2.5 hours; 1.25 @ \$120, 1.25 @ \$90).....	262.50
Telephone conversations with Southwestern Bell regarding modification of required service for February 13th (1.25 hours @ \$50).....	62.50
Meeting with Frank Poe at DCCC to discuss requirements (1.5 hours; .75 @ \$120, .75 @ \$50).....	127.50
Meeting with Kodak to discuss possible relationship (1 hour; .5 @ \$120, .5 @ \$90).....	105.00
Meeting with AT&T Communications re: Automated Message Center (1 hour; .5 @ \$120, .5 @ \$90).....	105.00
Coordination meeting with AT&TIS, Carl Dietz and staff to discuss RNC requirements (1.5 hours @ \$120).....	180.00
Meeting with Carl Dietz to clarify RNC requirements (2 hours @ \$120).....	240.00
Meeting with Scott Watson and Cindy Geest of Southwestern Bell to review recommendation to RNC (1 hour @ \$120).....	120.00
Implementation coordination for installation of 220-1984 and associated equipment (2.5 hours @ \$50).....	125.00

(continued)

83040722232

Planning assistance relating to temporary service including numerous discussions with both DCCC's Frank Poe and Southwestern Bell's Steve Gravitt (3 hours @ \$75)..... 225.00

Meetings with Jim Callaway, Phil Howard and other Southwestern Bell Mobile Systems upper management to secure commitment for RNC (3.5 hours; 1.75 @ \$120, 1.75 @ \$90)..... 367.50

Meeting with VMX to secure additional voice mailboxes and discuss RNC needs (1.5 hours; .75 @ \$120, .75 @ \$90)..... 157.50

Meeting with Frank Poe of DCCC to provide equipment room specifications (2 hours; 1 @ \$120, 1 @ \$50)..... 170.00

Initial preparation and planning for meeting with Dan Denning and staff to review possible systems suppliers (8 hours; 2 @ \$120, 6 @ \$90)..... 780.00

Further coordination with AT&TIS and Southwestern Bell representatives to issue service (6 hours; 2 @ \$75, 4 @ \$50)..... 350.00

Meet Jim Baker at DFW Airport and discuss status of communications and attend meeting at DCCC with Baker (2.25 hours @ \$120)..... 270.00

Meeting with AT&T and Southwestern Bell and Jim Baker at DCCC to clarify questions (4.5 hours; 1.5 @ \$120, 1.5 @ \$75, 1.5 @ \$50)..... 367.50

Sub Total \$7,150.00

Miscellaneous expenses
Federal Express Charges 84.50
Telephone Expenses 180.37
Mileage, Coping, etc. 110.45

Total currently due \$7,525.32

* 30 days 8,587.55

Total due \$16,112.87

Thank you.

* Please disregard if invoice of January 18th has been processed.

BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

INVOICE

March 6, 1984

TO: Mr. Ron Walker
Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional services through February 29, 1984.

Hours spent associated with communications
requirements for month of February 1984
(38 hours; 20 @ \$120, 18 @ \$75)..... \$ †

Hours spent associated with computer related
projects including cellular radio, graphics
systems, automated message center, mini computer
application, etc.
(59 hours; 27 @ \$120, 20 @ \$90, 12 @ \$75)..... †

Miscellaneous expenses
Federal Express..... 96.50
Telephone expenses..... 132.67
Dinner Conference..... 219.56
Mileage, copying etc..... 84.00

Total currently due \$ 523.73

* 30 days 7,525.32

* 60 days 8,587.55

Total due \$16,645.60

Thank you.

† The hours spent in February totalling \$9,690 in fees
are provided in exchange for value received from
designation.

* Please disregard if attached invoices of January 18th
and February 14th have been processed.

83040722233

BLYTHE·NELSON



INFORMATION
SYSTEMS
CONSULTING

INVOICE

April 4, 1984

TO: Mr. Ron Walker
Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional services through March 31, 1984.

Hours spent associated with communications requirements for month of March 1984 (51 hours; 35 @ \$120, 16 @ \$75)..... †

Hours spent associated with computer related projects (29 hours; 18 @ \$120, 6 @ \$90, 5 @ \$75).... †

Miscellaneous expenses	
Federal Express.....	\$ 87.00
Telephone Expenses.....	316.12
Mileage, copying, miscellaneous, etc.....	<u>108.50</u>

Total due \$511.62

Thank you.

† The hours spent in March totalling \$8,475 in fees are provided in exchange for value received from designation.

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BLYTHE·NELSON



INFORMATION
SYSTEMS
CONSULTING

INVOICE

May 3, 1984

TO: Mr. Ron Walker
Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Professional services through April 30, 1984.

Hours spent associated with communications
requirements for month of April 1984
(94 hours; 41 @ \$120, 15 @ \$90, 38 @ \$75)..... †

Hours spent associated with computer related projects
(48 hours; 38 @ \$120, 10 @ \$100)..... †

Miscellaneous expenses

Airfare and travel expenses.....	\$ 922.76
Federal Express expenses.....	79.50
Telephone expenses.....	295.50
Mileage, copying, miscellaneous.....	<u>145.00</u>

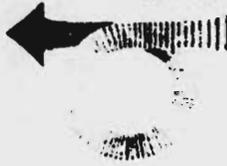
Total due \$1,442.76

Thank you.

† The hours spent in April totaling \$14,680
in fees are provided in exchange for value
received from designation

3304072235

BLYTHE·NELSON



INFORMATION
SYSTEMS
CONSULTING

INVOICE

June 6, 1984

TO: Mr. Ron Walker
Republican National Convention
Dallas Convention Center Office
650 South Griffin
Dallas, Texas 75201

FOR: Professional services through May 31, 1984.

Hours spent associated with communications
requirements for month of May 1984.
(38 hrs., 6 @ \$120, 32 @ \$75)..... †

Hours spent associated with computer related
projects and miscellaneous projects.
(85 hrs., 30 @ \$120, 55 @ \$90)..... †

Miscellaneous expenses..... \$205.36

Federal Express	58.50
Telephone expenses	98.86
Mileage, copying, misc.	48.00

Total Due \$205.36

Thank you.

† The hours spent in May totaling \$11,670 in fees are provided in exchange for value received from designation. For the months of February through May 1984, Blythe-Nelson has provided \$44,515 in consulting services at no charge.

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BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

INVOICE

August 14, 1984

TO: Mr. Ron Walker
Republican National Convention
Dallas Convention Center Office
650 South Griffin
Dallas, Texas 75201

FOR: Professional services for June and July 1984.

Hours spent associated with communications require-
ments for months of June and July 1984. (260 hours,
60 @ \$120, 200 @ \$90)..... †

Hours spent associated with computer related projects
for months of June and July 1984.
(129 hours @ \$120)..... †

Miscellaneous Expenses

Courier Expenses.....	\$ 96.50
Telephone Expenses.....	385.43
Mileage, Copying, etc.....	<u>275.50</u>

Total Due \$ 757.43

Thank you.

- The hours spent in June and July totaling 340,680 in
fees are provided in exchange for value received from
designation. For the months of February through July
1984, Blythe-Nelson has provided 885,195 in consulting
services at no charge.

33040722237

BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING

INVOICE

August 24, 1984

TO: Mr. Ron Walker
Republican National Convention
Dallas Convention Center Office
650 South Griffin
Dallas, Texas 75201

FOR: Professional services for period August 1 through
August 24, 1984 relating to communications and com-
puter systems consulting.

Assigned
Professional

Communications system management and consulting.

Bell
Nelson
Blythe

(199.5 hours
12 @ \$150..... N/C
10 @ \$120..... N/C
177.5 @ \$90, 88.75 billable @ \$90)..... \$ 7,987.50

Sub total \$ 7,987.50

Nelson
Blythe

Computer and computer related consulting and coordi-
nation, including assistance with Spectradyne,
Inc., American Network Services, AT&T Communica-
tions and Compucorp Electronic Mail planning and
coordination and numerous interviews on behalf of
the RNC with local and national media.

(213 hours
144 @ \$150, 72 billable @ \$150..... \$10,800.00
69 @ \$120, 34.5 billable @ 120)..... 4,140.00

Sub total \$14,940.00

Miscellaneous expenses..... \$ 313.50

Total Due \$23,241.00

Thank you.

INVOICE

September 6, 1984

TO: Mr. Ron Walker
Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Administrative support services from August 13
through August 22, 1984.

Platform Committee (August 13-17, 1984)

3 staff (7 hrs. for 3 days)..... n/c
2 staff (7 hrs. for 2 days)..... n/c

Official Proceedings (August 16-22, 1984)

Debbie Ryan (24 hrs. @ \$11.42)..... \$274.08
Overtime (time and a half)
(3.5 hrs. @ \$17.13)..... 59.96
Kathleen Russian (24 hrs. @ \$7.14)..... 171.36
Overtime (time and a half)
(18.25 hrs. @ \$10.71)..... 195.46
Miscellaneous expenses..... 76.99

Total Due \$777.85

Thank you.

38040722239

BLYTHE-NELSON

INFORMATION
SYSTEMS
CONSULTING



INVOICE

October 4, 1984

TO: Mr. Ron Walker
Republican National Committee
310 First Street S.E.
Washington, D.C. 20003

FOR: Administrative support services from August 13
through August 22, 1984.

* 30 days..... \$777.85

Total due \$777.85

* Please disregard if invoice of September 6th (attached)
has been processed.

38040722240

HAND DELIVERED
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

6004951

RICOH

67 DEC 15 AM 10:40

RICOH CORPORATION
Five Dedrick Place
West Caldwell, NJ 07006
Phone: 201-882-2000
Fax: 201-882-5840
Telex: 752930 ROA-UD

December 14, 1987

VIA AIRBORNE EXPRESS

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 DEC 16 AM 10:42

Jonathan Levin, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, NW - Room 659
Washington, DC 20463

RE: MUR 2171 - Rapicom, Inc.

Dear Mr. Levin:

Enclosed, pursuant to the Interrogatories and Request for Production of Documents propounded by the Federal Election Commission, is Ricoh's Response to Interrogatories and Production of Document Request. It is Ricoh's belief that the responses and documents submitted herein conclusively prove that no violation of the FEC Rules has occurred and that this matter should finally be closed.

Should the Office of General Counsel feel that additional factual information is needed in order that a proper conclusion of this matter can be reached and a finding that there is no probable cause to believe that a violation has occurred by Ricoh Corporation, please do not hesitate to contact me at your convenience. I am available at any time at your convenience to meet with you in Washington, D.C., to discuss this matter further.

Sincerely yours,

RICOH CORPORATION

David R. S. Kennedy
David R. S. Kennedy
General Counsel
Office Products Business

/rh
cc: J. Sheehan

8804072241



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:

Rapicom, Inc.

)
) MUR 2171
)

**RESPONSE TO INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

TO: Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission

Ricoh Corporation (formerly Rapicom, Inc.,) hereby responds to "Interrogatories and Request for Production of Documents" as follows:

PRELIMINARY STATEMENT

On November 13, 1986, the General Counsel of the Federal Election Commission (hereafter "FEC") advised Ricoh Corporation, formerly Rapicom, Inc., (hereafter "Ricoh") that the FEC had reason to believe that Ricoh had violated 2 USC Section 441b. Ricoh has previously provided information to the Office of General Counsel which it believes proves beyond a reasonable doubt that no violation of 2 USC Section 441b occurred.

In response to the formal Interrogatories and Request for Production of Documents propounded by the FEC, a second investigation was immediately initiated. This investigation is not yet complete and Ricoh is not yet prepared to provide a formal response to the FEC. As such Ricoh's responses to the Interrogatories and Request for Production of Documents are given without prejudice to its rights to produce evidence of any and all subsequently discovered facts and to otherwise assert factual and legal contentions as additional facts are ascertained, analyses made and legal research is completed.

Ricoh reserves all objections to the relevancy and admissability of any information in documents provided. The identification of or production of any document or the supply of any information does not constitute an admission by Ricoh that such document or information is relevant to the pending investigation.

38040722242

GENERAL OBJECTIONS

1. Ricoh objects to "Instruction" No. 5 at Page 1 since it constitutes an attempt to propound continuing interrogatories.

2. Ricoh objects to "Definition" No. 5 at Page 2 insofar as it contains a statement pertaining to conjunctive and disjunctive questions and purports to require the disclosure of information outside of the custody, possession or control of Ricoh.

SPECIFIC RESPONSES AND OBJECTIONS

Interrogatory No. 1:

State the amount paid by the Committee on Arrangements for equipment and services provided by Rapicom in connection with the 1984 Republican National Convention.

Response to Interrogatory No. 1:

In the June 22, 1984, letter from William Manzon of Ricoh to Mr. Guy Hatfield of the Republican National Convention it is stated that the charges to the Committee on Arrangements will be as follows:

	<u>R-6300</u>	<u>R-3300</u>
Rental	No Charge	No Charge
Shipping	\$165.00	\$ 0.00
Installation	\$150.00	\$ 0.00
Installation and Freight	\$ 0.00	\$150.00
Removal	\$100.00	\$100.00
Paper (1 carton)	\$104.00	\$ 96.00
Toner (1 carton)	\$ 88.00	\$ 0.00
TOTAL	\$657.00	\$346.00

A diligent search of Ricoh's invoices and payment records for calendar years 1984 and 1985 has been attempted but such records are not complete, some having been lost, destroyed or misplaced when Ricoh's Communications Products Group moved its offices in late 1985. Ricoh will continue to search such files as are available and agrees to supplement this Response if appropriate.

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With regards to the amount paid by the Committee on Arrangements it is assumed that since Ricoh had received Request for Purchase Order No.'s 207 and 208 (photocopies attached) from the Committee on Arrangements which were subsequently confirmed to be Purchase Orders by the Committee on Arrangements (see August 8, 1984 telex photocopy attached) that an invoice or invoices totalling \$1,003.00 was generated to the Committee on Arrangements on or after the date the Rapicom facsimile equipment was removed.

While Ricoh's records do not show either the invoice(s) or the receipt of payment from the Committee on Arrangement, it is assumed that the invoice(s) was (were) paid in accordance with its (their) terms.

Interrogatory 2a:

State the standard full fair market charge for each of the equipment rentals, supplies, and services provided to the Committee on Arrangements.

Response to Interrogatory 2a:

As of the time period in question, Ricoh's published pricing for the models R-3300 and R-6100 was as follows:

	<u>R-6100</u>	<u>R-3300</u>
Rental Rates	\$270.00/month	\$235.00/month

The Ricoh model R-6100 was installed at the Committee on Arrangements offices for the period May 30, 1984 through August 30, 1984, approximately four (4) months.

The Ricoh model R-3300 was installed at the Committee on Arrangements offices for the period August 15, 1984 through August 30, 1984, approximately one half (1/2) month.

R-6100 Rental Value: 4 (\$270.00) = \$1,080.00.

R-3300 Rental Value: .5 (\$235.00) = \$ 117.50

Total Rental Value: \$1,197.50

Total Other Charges: \$1,003.00

TOTAL \$2,200.50

9 8 0 4 0 7 2 2 2 4 4

Interrogatory 2b:

If the sum of the charges listed in response to question 2a differs from the total standard fair full market charge, state that total charge and the reason for the difference (e.g., package deal).

Response to Interrogatory 2b:

The sum of the charges listed in response to Interrogatory 2a does not differ from the total standard fair market value charge.

Interrogatory 3:

In a letter to Jim Blythe, dated February 7, 1984, William R. Manzon, Southwest Regional Manager of Rapicom, listed the charges for supplies to be sold to the Committee on Arrangements and then stated that "[r]ental charges for the equipment would be waived as a contribution from Rapicom, Inc." State the circumstances surrounding this statement. Your response should include, but should not be limited to, statements by others in Rapicom or the Committee on Arrangements to this effect or pertaining to this assertion, and responses to the statement.

Response to Interrogatory 3:

On or about February 8, 1984, William Manzon was contacted, in response to his letter of February 7, 1984 addressed to Mr. Jim Blythe, by Mr. Blythe. The essential substance of that conversation was that Mr. Blythe advised Mr. Manzon that the statement "...contribution from Rapicom, Inc." might be construed as a statement of actual intent rather than what it actually was which was an intention to waive rental charges in exchange for the ability to have Rapicom designated as the "Official Facsimile Vendor" of the Republican National Convention.

On or about February 9, 1984, Mr. Manzon, in direct response to Mr. Blythe's request redrafted the February 7, 1984 letter and created a new letter which superseded the February 7, 1984 letter and indicated, in pertinent part, "Rapicom proposes to waive these rental charges. ...".

8304072245

Standard rental charges (on a monthly basis) were approximately \$210.00 per month. The value of one carton of paper would have been \$88.00.

3. One (1) Ricoh model R-120 was installed at the Johnson Space Center in Houston, Texas, for use by American Broadcast Corporation News during a space shot which occurred during the month of November 1984.

The unit was provided rental free for a one month period with one carton of paper at no charge. ABC News was charged \$125.00 for installation.

4. One (1) Ricoh model R-120 was installed for a one month period at the Holiday Inn in Charleston, South Carolina, for use by International Paper Company (a major account customer of Ricoh). It is not clear from Ricoh Corporation's records whether the machine was installed for use during Union negotiations or if for the Company's annual meeting. The installation took place on or about March 1, 1985.

The unit was provided rental free for the one month period with one carton of paper at no charge. International Paper Company was not charged for installation of this unit.

5. One (1) Ricoh model R-120 facsimile transceiver was installed at the International Paper Company location in Moss Point, Mississippi, for a one month period for use during Union negotiations in the month of March, 1985.

The unit was provided completely free of charge for rental, paper, or installation.

6. One (1) Ricoh model R-120 facsimile transceiver was installed in the Hilton Hotel in Minneapolis, Minnesota, for use by the ABC news program "Good Morning America" for three days in August of 1985.

The unit was provided completely free of charge for the three day period.

NOTE: Photocopies of Ricoh's records related to transactions 1-6 above are attached.

Interrogatory 5:

State how often the types of transaction described in response to question 4 have occurred. In answering this question, state the frequency of such transactions (e.g., number of times per year) and the percentage of such transactions as a percentage of all transactions on a similar scale.

8304072246

Response to Interrogatory 5:

As part of the ordinary conduct of its business, Ricoh provides certain of its office products, including facsimile transceivers, to events which attract the attention of the national news media; to the national news media; and to certain large corporations and other commercial and government entities which require the products for a relatively short period of time at a heavily discounted or on a rental free basis. As noted in Response 4 the only charges normally billed to the customers fitting this category are shipping, installation and removal fees and supplies for the products.

Since these transactions, conducted in the ordinary course of Ricoh's business, are approved on a case-by-case basis, it is difficult to determine the frequency of such transactions or the percentage of such transactions as a percentage of all transactions on a similar scale.

Transactions of this nature conducted in the ordinary course of Ricoh's business and any rental revenues forgone are charged internally as advertising and product promotion expenses.

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STATEMENT REGARDING EXECUTION
OF RESPONSES TO FOREGOING INTERROGATORIES

David R. S. Kennedy, on behalf of Ricoh Corporation (formerly Rapicom, Inc.) hereby executes the foregoing Responses to the Federal Election Commission's Interrogatories and Request for Production of Documents.

DATED: December 14, 1987

RICOH CORPORATION

By: David R. S. Kennedy

Name: David R. S. Kennedy

Title: General Counsel -
Office Products Bus.

3304072248



RAPICOM, Inc.
7878 Grow Lane, Suite 124
Houston, TX 77040
Phone: (713) 462-7553
Fax: (713) 462-0393

February 9, 1984

Mr. Jim Blythe
Blythe-Nelson Co.
8700 N. Stemmons
Suite 301
Dallas, TX 75247

Dear Mr. Blythe:

Pursuant to our discussions with you and Marlene English, Rapicom is pleased to be considered as a potential supplier of facsimile equipment for use during the Republican National Convention.

Rapicom proposes the placement of three (3) R-6100 facsimile units. Two (2) of these units would be installed in Dallas and the third in Washington D.C.

The Rapicom 6100 is a high-speed (9600 BPS) digital facsimile unit that uses a dry toner process. This is in contrast to the thermal printing process that is in wide-spread use by most facsimile vendors, including Rapicom. Our recommendation, however, is made with the thought of providing the Committee with archival quality documents. As you know, thermal processed documents are subject to fading over time.

We feel that permanency is an important factor in your anticipated use of facsimile equipment.

Normal rental of the above equipment is \$270.00 per month. By extension, the total charges would be \$4860.00.

Rapicom proposes to waive these rental charges. In consideration of the no-charge use of the equipment during the convention, Rapicom would be designated as the Official Facsimile Vendor. This designation would include, but is not limited to:

3304072250

Mr. Jim Blythe
February 9, 1964

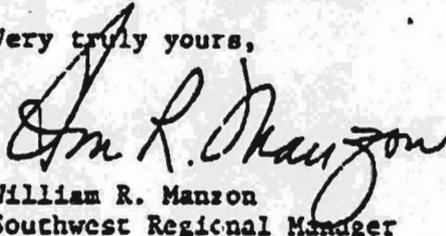
Page -2-

1. Use of this title in any advertising in which Rapicom opts to utilize this designation.
2. Case history representation.
3. Feature articles to be published in various magazines.
4. Use of this designation in the full range of advertising and promotional materials.

Should the above meet with your approval, normal installation, removal and supply costs for the equipment as we have previously outlined would apply to this offer.

We sincerely look forward to serving you.

Very truly yours,



William R. Manson
Southwest Regional Manager

WRM/ld

Approved _____

Title _____

Date _____

330407 2251

REQUEST FOR PURCHASE ORDER



Committee on Arrangements
for the 1984 Republican
National Convention

00207

VENDOR

RICOH Corporation
7878 Grow Lane
Suite 124
Houston, TX. 77040

DEPT.

DALLAS CONVENTION CENTER

THIS IS A REQUEST-
NOT AN APPROVED PURCHASE ORDER.

MARK PACKAGES:

F.O.B.	Routing	Date Required	Terms	Date Prepared	Quotation Prices
				6/25/84	
Summary of Quotations Obtained:	Vendors				
Quantity	Description	List Price	Discount%	Net Unit Price	Extended Price
1	R-6800 Facsimile machine:				
2	Shipping				165 00
2	Installation				150 00
2	Removal				150 00
1	Ctn. of Paper				104 00
1	Ctn. of Toner				88 00
0					
4					
0					
8					
0					
4					
Remarks/Special Instructions:				SUBTOTAL	
				TAX, IF APPLICABLE	
				NET TOTAL	
				657	00
Account Number	Requested By	Approved By	Financial Approval		
2520		<i>[Signature]</i>			

REQUEST FOR PURCHASE ORDER



Committee on Arrangements
for the 1984 Republican
National Convention

00208

VENDOR

DEPT.

RICOH Corporation
7878 Grow Lane
Suite 124
Houston, TX. 77040

DALLAS CONVENTION CENTER

THIS IS A REQUEST.
NOT AN APPROVED PURCHASE ORDER.

MARK PACKAGES:

F.O.B.	Routing	Date Required	Terms	Date Prepared	Quotation Prices
	Vendors			6/25/84	
Summary of Quotations Obtained:					
Quantity	Description	List Price	Discount%	Net Unit Price	Extended Price
1	R-3300 or R-3100 fax unit				
2	Rental				No charge
2	Installation & Freight				150 00
2	Removal				100 00
1	Ctn. of Paper				96 00
Remarks/Special Instructions:				SUBTOTAL	
				TAX, IF APPLICABLE	
				NET TOTAL	
				346 00	
Account Number	Requested By	Approved By	Financial Approval		
2520					

CONTRACT # 576041 PO # ORDER DATE 8/16/85 SALESPERSON O'BRIEN SLS # 671 BIA PERIOD FREE CUST IDENT # PAGE ___ OF ___

BILL TO # CUSTOMER NAME (BILL TO) ADDRESS ATTN: CITY STATE ZIP PO # TEL NO

ABC
1330 6TH P.O. Box 1177 RADIO CITY STATION
CHESTER K. BELLAIRS
N.Y. N.Y. 10019

SHIP TO # TX # CUSTOMER NAME (SHIP TO) ADDRESS FLOOR ROOM STA # CITY STATE ZIP CONTACT TEL NO DUE DATE

GOOD MORNING AMERICA CO HILTON HOTEL
1330 INDUSTRIAL BLVD
GOVERNOR'S SUITE
MINNEAPOLIS MINN
Tom Wilson TEL NO 331-1700 612 DUE DATE 8/20

Removal 8/23

MACHINE/ACCESSORIES				MACHINE/ACCESSORIES				MACHINE/ACCESSORIES			
PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE
M 120	R 120	N/C	N/C	M				M			
A 1246	TT PHONE	N/C	N/C	A				A			
A				A				A			
A				A				A			
A				A				A			
A				A				A			

SUPPLIES/OTHER				SUPPLIES/OTHER				SUPPLIES/OTHER			
PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN
S P80	1	PAPER	N/C	S				S			
S				S				S			
S				S				S			

COMMUNICATE WITH: CONTACT: T DOLAN TEL NO: 887C 6249 CUSTOMER ACCEPTANCE: TITLE/DATE

DO NOT COUNT
HJM
[Signature]

NOV 23 '87 11:53 N.E. REGION BRANCH OFFICE (PINK) ACCOUNTING/GREEN; CUSTOMER/YELLOW; O.P.R./WHITE

PLEASE PRESS FIRMLY — YOU ARE MAKING COPIES

Region	Branch	Salesman's #	Salesman - Name	SIC Code	Customer P.O. Number
110	111	671	O'BRIEN		

RICOH RENTAL AGREEMENT

S 76041

ABC (Customer) agrees to rent from Ricoh Corporation (RICOH) of 6 Dedrick Place, West Caldwell, New Jersey and Ricoh agrees to sell to Customer subject to the terms and conditions of this Agreement, the Ricoh equipment and accessories in the quantities, models and prices designated below for a FREE month rental period.

Division and Company <u>ABC</u>	INITIAL SUPPLY ORDER
Attention of/Department	1 CTN FAXPAPER @ <u>N/C</u> CTN
Street <u>1330 AVE OF THE AMERICAS</u>	CTN FAXMIX @ _____ /CTN
City, State, Zip Code <u>N.Y., N.Y. 10019</u>	

This document, together with the terms and conditions set forth on the reverse hereof and Ricoh's Order Form, shall constitute the entire Agreement between Customer and Ricoh ("Agreement"). The terms and conditions of this Agreement shall supersede any inconsistent terms and conditions contained in Customer's purchase orders and/or other documents unless such purchase orders and/or other documents have been accepted, in writing, by a duly authorized officer of Ricoh. This Agreement may not be changed or amended without the prior written approval of an authorized officer of Ricoh and an authorized representative of the Customer.

EQUIPMENT ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit*
<u>M120</u>	<u>R120</u>	<u>1</u>	<u>N/C</u>	<u>N/C</u>

*Monthly base rental includes NORMAL equipment maintenance and parts.

ACCESSORY ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit

If customer is tax exempt, check box and attach copy of Exemption Certificate

If no Purchase Order is required by Customer, check box and sign _____

(Customer)

ABC

(Customer)

RICOH CORPORATION

By _____ Date _____
Authorized Signature

Print J. DOLAN TELECOMM.
Name and Title

By _____ Date _____
Authorized Home Office Acceptance

Print _____
Name and Title

SEE REVERSE SIDE OF AGREEMENT FOR TERMS AND CONDITIONS
HOME OFFICE-OPERATIONS DEPT — Golden Rod, Customer Copy A — Canary, Customer Copy B — Blue,
HOME OFFICE-ACCOUNTING DEPT — Green, Branch Office Copy — Pink

66505
MP-3

NOV 23 87 11:56 N E REGION

1-800-440-4400
 CATALOGUE ORDER

Date: 8/16 Customer: ABC c/o HILTON HOTEL

Contact: Tom Wilson Home No.: 612 331 1900

Number of Units in Network: _____ Number of Units to be Contracted: _____

Initial Contract Contract No. _____

Including Renewal

Upgrade Contract No. _____

Use _____

Label	Machine S/N	Inst. #	Inst. #	Cont. #	City & State	Contract No.	Telephone No.	City and State
<u>R100</u>						<u>SAME AS ABOVE</u>		<u>MINN. MINN</u>

Reason for _____

Application Discontinued _____

Low Volume _____

Part of National Account _____

Cutback in Budget _____

Facility Closed _____

Equipment Leasing _____

Other _____

Replaced by Competitor _____

Employment of other method (not fax) _____

Has Contract Expired? yes no

Designation: SPECIAL GMA ORDER # 576041

Current Supervisor: [Signature]

Checkbook to: [Signature]

Regional Manager: [Signature]

Dist. Sales Manager: _____

for MT

NOV 23 '87 11:56 N E REGION

RICOH CORPORATION

MACHINE/ACCESSORY ORDER FORM

CONTRACT # S56614	PO #	ORDER DATE 3/6/85	SALES PERSON McNANARA	SLS # 1098	R/A PERIOD 30 DAY FREE	CUST IDENT #	PAGE 1 of 4
-----------------------------	------	-----------------------------	---------------------------------	----------------------	----------------------------------	--------------	---------------------------

BILL TO #	BILL TO #	BILL TO #
CUSTOMER NAME (BILL TO) WT'L Paper Co.	CUSTOMER NAME (BILL TO)	CUSTOMER NAME (BILL TO)
ADDRESS 6901 GRIERSON RD.	ADDRESS	ADDRESS
ATTN CHARLIE BRANCH	ATTN	ATTN
CITY MOSS POINT (MS)	CITY	CITY
STATE MS	STATE	STATE
ZIP 39563	ZIP	ZIP
PO #	TEL NO	TEL NO

Does NOT COUNT

30 DAY FREE

SHIP TO #	SHIP TO #	SHIP TO #
CUSTOMER NAME (SHIP TO) (Same)	CUSTOMER NAME (SHIP TO)	CUSTOMER NAME (SHIP TO)
ADDRESS	ADDRESS	ADDRESS
FLOOR	FLOOR	FLOOR
ROOM	ROOM	ROOM
STA #	STA #	STA #
CITY	CITY	CITY
STATE	STATE	STATE
ZIP	ZIP	ZIP
CONTACT	CONTACT	CONTACT
TEL NO (601) 475-3451	TEL NO	TEL NO
DUE DATE 3/14/85	DUE DATE	DUE DATE

File

MACHINE/ACCESSORIES				MACHINE/ACCESSORIES				MACHINE/ACCESSORIES			
PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE
M 120	R-120	M/C	N/C	M				M			
A 1012	ITMU	M/C	N/C	A				A			
A				A				A			
A				A				A			
A				A				A			
A				A				A			

SUPPLIES/OTHER				SUPPLIES/OTHER				SUPPLIES/OTHER			
PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN
SP 80	1	paper	M/C	S				S			
S				S				S			
S				S				S			

COMMUNICATE WITH Webster	CONTACT Charlie Branch	TEL NO (601) 475-3451	CUSTOMER ACCEPTANCE	TITLE/DATE
------------------------------------	----------------------------------	---------------------------------	---------------------	------------

NOV 23 '87 12:17 N E REGION
 O.P.R./Wine; CUSTOMER/Yellow; ACCOUNTING/Great; BRANCH OFFICE /Pink
 P.22

PLEASE PRESS FIRMLY — YOU ARE MAKING COPIES

Region	Branch	Salesman's #	Salesman - Name	SIC Code	Customer P.O. Number
110	111	1101918	McNAMARA	111	

RAPICOM RENTAL AGREEMENT

8 56614

INT'L Paper Co.

(Customer) agrees to rent from Rapicom, Inc. (RAPICOM) of 7 Kingsbridge Road, Fairfield, New Jersey and Rapicom agrees to sell to Customer subject to the terms and conditions of this Agreement, the Rapicom equipment and accessories in the quantities, models and prices designated below for a 30 DAY PERIOD month rental period.

Division and Company <u>International Paper Co.</u>	INITIAL SUPPLY ORDER
Attention of Department <u>ROSA WILLIAMS</u>	<u>1</u> CTN FAXPAPER @ <u>N/C</u> /CTN
Street <u>77 W. 45TH ST</u>	CTN FAXMIX @ _____ /CTN
City, State, Zip Code <u>NY NY 10036</u>	

This document, together with the terms and conditions set forth on the reverse hereof and Rapicom's Order Form, shall constitute the entire Agreement between Customer and Rapicom ("Agreement"). The terms and conditions of this Agreement shall supersede any inconsistent terms and conditions contained in Customer's purchase orders and/or other documents unless such purchase orders and/or other documents have been accepted, in writing, by a duly authorized officer of Rapicom. This Agreement may not be changed or amended without the prior written approval of an authorized officer of Rapicom and an authorized representative of the Customer.

EQUIPMENT ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit*
<u>R-120</u>	<u>M-120</u>	<u>1</u>	<u>N/C</u>	<u>N/C</u>

*Monthly base rental includes NORMAL equipment maintenance and parts.

ACCESSORY ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit
<u>A-1012</u>	<u>TI NCU</u>	<u>1</u>	<u>N/C</u>	<u>N/C</u>

If customer is tax exempt, check box and attach copy of Exemption Certificate

If no Purchase Order is required by Customer, check box and sign

International Paper Co.
(Customer)

RAPICOM, INC.

X By _____
Authorized Signature Date

By _____
Authorized Home Office Acceptance Date

Print _____
Name and Title

Print _____
Name and Title

SEE REVERSE SIDE OF AGREEMENT FOR TERMS AND CONDITIONS
HOME OFFICE-OPERATIONS DEPT. — Golden Rod. Customer Copy A — Canary Customer Copy B — Blue.
HOME OFFICE-ACCOUNTING DEPT. — Green. Branch Office Copy — Pink

**RICOH
CORPORATION**

Memorandum

to Leslie Conklin

from KEVIN McNamara

date 3/6/85

subject IPLO EXPIDITE

refer to

leslie -

05072250

IPLO is conducting union negotiations for a one month period in Mississippi and needs a unit. they need it for the start of negotiation on Friday March 15. Please expedite this order.

Thank you

Kevin

RICOH CORPORATION 08

MACHINE/ACCESSORY ORDER FORM

CONTRACT # Stell 53 PO # 2127185 ORDER DATE 11/3/85 SALESPERSON MCH AMARA SLS # 1098 BILL PERIOD 30 PREP DOE VOT PAGE 1 of 1
 BILL TO # 77 W. 45TH ST. CUSTOMER NAME (BILL TO) Bruneaux Paper Co. ADDRESS POB Feke CITY New York STATE NY ZIP 10036 TEL NO (912) 536-6000

CUSTOMER NAME (SHIP TO) HILL'S HOUSE HOLIDAY INN ADDRESS 115 Medman + Queens St. CITY Charleston STATE S.C. ZIP 29401 TEL NO 577-2400 FAX # 4/3/85

MACHINE/ACCESSORIES
 PRODUCT # R-120 DESCRIPTION n/c AMOUNT n/c UNIT CHANGE
 PRODUCT # A102 DESCRIPTION ITW AMOUNT n/c UNIT CHANGE

SUPPLIERS
 SUPPLIER # 1 SUPPLIER NAME paper CITY n/c STATE n/c ZIP n/c

CONTRACT # Default CONTRACT # PBS Feke TEL NO (912) 536-6000 CUSTOMER ACCEPTANCE
 TITLE/DATE

NO.	PRODUCT #	QTY	DESCRIPTION	PRICE/ACTN	STATUS	NO.	PRODUCT #	QTY	DESCRIPTION	PRICE/ACTN	STATUS
1	R-120		n/c			1	A102		ITW	n/c	
2						2					
3						3					
4						4					
5						5					

PLEASE PRESS FIRMLY -- YOU ARE MAKING COPIES

Region	Branch	Salesman's #	Salesman - Name	SIC Code	Customer P.O. Number
110	111	1101918	McNAMARA	111	

RICOH RENTAL AGREEMENT

61153

INTERNATIONAL PAPER CO. (Customer) agrees to rent from Ricoh Corporation (RICOH) of 7 Kingsbridge Road, Fairfield, New Jersey and Ricoh agrees to sell to Customer subject to the terms and conditions of this Agreement. the Ricoh equipment and accessories in the quantities, models and prices designated below for a 30 DAY FREE month rental period.

Division and Company <u>International Paper Co.</u>	INITIAL SUPPLY ORDER
Attention of Department <u>MR. BOB FELSKE</u>	<u>1</u> CTN FAXPAPER @ <u>MC</u> /CTN
Street <u>77 W. 45TH ST.</u>	CTN FAXMIX @ _____ /CTN
City, State, Zip Code <u>New York, NY 10036</u>	

This document, together with the terms and conditions set forth on the reverse hereof and Ricoh's Order Form, shall constitute the entire Agreement between Customer and Ricoh ("Agreement"). The terms and conditions of this Agreement shall supersede any inconsistent terms and conditions contained in Customer's purchase orders and/or other documents unless such purchase orders and/or other documents have been accepted, in writing, by a duly authorized officer of Ricoh. This Agreement may not be changed or amended without the prior written approval of an authorized officer of Ricoh and an authorized representative of the Customer.

EQUIPMENT ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit*
<u>M-120</u>	<u>R-20</u>	<u>ONE</u>	<u>N/C</u>	<u>N/C</u>

*Monthly base rental includes NORMAL equipment maintenance and parts.

ACCESSORY ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit
<u>A1012</u>	<u>TTN20</u>	<u>ONE</u>	<u>N/C</u>	<u>N/C</u>

If customer is tax exempt, check box and attach copy of Exemption Certificate

If no Purchase Order is required by Customer, check box and sign

International Paper Co.
(Customer)

RICOH CORPORATION

By _____
Authorized Signature Date

Print _____
Name and Title

By _____
Authorized Home Office Acceptance Date

Print _____
Name and Title

SEE REVERSE SIDE OF AGREEMENT FOR TERMS AND CONDITIONS
HOME OFFICE-OPERATIONS DEPT. - Green Rod, Customer Copy A - Canary, Customer Copy B - Blue;
HOME OFFICE-ACCOUNTING DEPT. - Green, Branch Office Copy - Pink

RAPICOM MACHINE/ACCESSORY ORDER FORM

CONTRACT # 559019	PO #	ORDER DATE 11/2/84	SALES PERSON O'BRIEN	SLS #	R A PERIOD FREE MO	CUST IDENT #	PAGE ___ OF ___
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BILL TO #	BILL TO #	BILL TO #
CUSTOMER NAME (BILL TO) ABC	CUSTOMER NAME (BILL TO)	CUSTOMER NAME (BILL TO)
ADDRESS PO Box 1177 Radio City St	ADDRESS	ADDRESS Does Not Count
ATTN DEPT CHESTER R. BELLAIRS	ATTN DEPT	ATTN DEPT
CITY STATE ZIP N.Y. N.Y. 10019	CITY STATE ZIP	CITY STATE ZIP
PO # TEL NO	PO # TEL NO	PO # TEL NO

SHIP TO #	SHIP TO #	SHIP TO #
CUSTOMER NAME (SHIP TO) ABC NEWS TRAILER	CUSTOMER NAME (SHIP TO)	CUSTOMER NAME (SHIP TO)
ADDRESS JOHNSON SPACE CTR. NASA COMPLEX	ADDRESS	ADDRESS
FLOOR ROOM STA # 2101 NASA ROAD CTR	FLOOR ROOM STA #	FLOOR ROOM STA #
CITY STATE ZIP HOUSTON TX 77053	CITY STATE ZIP	CITY STATE ZIP
CONTACT TEL NO DUE DATE DAVE KELLY 887 6061 11/8/84	CONTACT TEL NO DUE DATE	CONTACT TEL NO DUE DATE

MACHINE/ACCESSORIES				MACHINE/ACCESSORIES				MACHINE/ACCESSORIES			
PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE
M 120	R 130	FREE	\$125	M				M			
A 1245	TT PHONE	N/C	N/C	A				A			
A				A				A			
A				A				A			
A				A				A			
A				A				A			

SUPPLIES/OTHER				SUPPLIES/OTHER				SUPPLIES/OTHER			
PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN
S P 80	1	PAPER	\$92	S				S			
S				S				S			
S				S				S			

COMB. FACILE WITH	CONTACT	TEL NO	CUSTOMER ACCEPTANCE	TITLE/DATE
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NOV 23 '87 12:13 N E REGION
 BRANCH OFFICE/Pink
 ACCOUNTING/Green
 CUSTOMER/Yellow
 CONTROL/White
 P. 17

SPECIAL

PLEASE PRESS FIRMLY -- YOU ARE MAKING COPIES

Region	Branch	Salesman's #	Salesman - Name	SIC Code	Customer P.O. Number
10	11	671	O BRIEN		

RAPICOM RENTAL AGREEMENT

S 59019

ABC (Customer) agrees to rent from Rapicom, Inc. (RAPICOM) of 7 Kingsbridge Road, Fairfield, New Jersey and Rapicom agrees to sell to Customer subject to the terms and conditions of this Agreement, the Rapicom equipment and accessories in the quantities, models and prices designated below for a FREE month rental period.

Division and Company <u>AMERICAN BROADCASTING CO</u>	INITIAL SUPPLY ORDER
Attention of/Department	<u>1</u> CTN FAXPAPER @ <u>92</u> /CTN
Street <u>1330 AVE OF THE AMERICAS</u>	CTN FAXMIX @ _____ /CTN
City, State, Zip Code <u>NEW YORK, N.Y. 10019</u>	

This document, together with the terms and conditions set forth on the reverse hereof and Rapicom's Order Form, shall constitute the entire Agreement between Customer and Rapicom ("Agreement"). The terms and conditions of this Agreement shall supersede any inconsistent terms and conditions contained in Customer's purchase orders and/or other documents unless such purchase orders and/or other documents have been accepted, in writing, by a duly authorized officer of Rapicom. This Agreement may not be changed or amended without the prior written approval of an authorized officer of Rapicom and an authorized representative of the Customer.

EQUIPMENT ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit*
<u>720</u>	<u>R 120</u>	<u>1</u>	<u>\$ 125</u>	<u>FREE</u>

*Monthly base rental includes NORMAL equipment maintenance and parts.

ACCESSORY ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit

UNIT WILL BE PURCHASED AFTER SPECIAL

If customer is tax exempt, check box and attach copy of Exemption Certificate

If no Purchase Order is required by Customer, check box and sign _____

(Customer)

By ABC (Customer)
 By [Signature] 11/2/84
 Authorized Signature Date
 Print Dan [Signature] Mac Data Comm
 Name and Title

RAPICOM, INC.
 By _____
 Authorized Home Office Acceptance Date
 Print _____
 Name and Title

SEE REVERSE SIDE OF AGREEMENT FOR TERMS AND CONDITIONS
 HOME OFFICE-OPERATIONS DEPT. -- Golden Rod, Customer Copy A -- Canary, Customer Copy B -- Blue,
 HOME OFFICE-ACCOUNTING DEPT. -- Green, Branch Office Copy -- Pink

RAPICOM MACHINE/ACCESSORY ORDER FORM

CONTRACT #		PO #		ORDER DATE 8/1/83		SALESPERSON O BRIEN		SLS #		R/A PERIOD FREE		CUST IDENT #		PAGE ___ OF ___			
BILL TO #				BILL TO #				BILL TO #				Does Not count special per Kob					
CUSTOMER NAME (BILL TO) NBC				CUSTOMER NAME (BILL TO)				CUSTOMER NAME (BILL TO)				CUSTOMER NAME (BILL TO)					
ADDRESS 30 ROCKEFELLER PLAZA				ADDRESS				ADDRESS				ADDRESS					
ATTN: DEPT:				ATTN: DEPT:				ATTN: DEPT:				ATTN: DEPT:					
CITY N.Y.		STATE N.Y.		ZIP 1002		CITY		STATE		ZIP		CITY		STATE		ZIP	
PO #				TEL NO				PO #				TEL NO					
SHIP TO #				TX #				SHIP TO #				TX #					
CUSTOMER NAME (SHIP TO) NBC Press Trailer				IMN #				CUSTOMER NAME (SHIP TO) Kertz - Signed				IMN #					
ADDRESS KENNEDY SPACE CENTER				ADDRESS				ADDRESS				ADDRESS					
FLOOR		ROOM		STA #		FLOOR		ROOM		STA #		FLOOR		ROOM		STA #	
CITY CAPE CANAVERAL, FLA		STATE		ZIP		CITY		STATE		ZIP		CITY		STATE		ZIP	
CONTACT A. MYERS		TEL NO. A. ANDERSON		DUE DATE 6/4-3/4/83		CONTACT		TEL NO		DUE DATE		CONTACT		TEL NO		DUE DATE	
MACHINE/ACCESSORIES				MACHINE/ACCESSORIES				MACHINE/ACCESSORIES				MACHINE/ACCESSORIES					
PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST CHARGE		
M 3100	R-3100	FREE	150	M				M				M					
A 1013	ROTARY	N/C	N/C	A	SITE IS READY			A				A					
A	NCH			A				A				A					
A				A				A				A					
A				A				A				A					
A				A				A				A					
S/N				STATUS				S/N				STATUS					
SUPPLIES/OTHER				SUPPLIES/OTHER				SUPPLIES/OTHER				SUPPLIES/OTHER					
PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN		
S P 60	1	PAPER	\$80	S				S				S					
S				S				S				S					
S				S				S				S					
PO #				PO #				PO #				PO #					
COMMUNICATE WITH NBC				CONTACT:				TEL NO 64677				CUSTOMER ACCEPTANCE					
												TITLE/DATE					

NOV 23 '87 11:57 AM REGION
 BRANCH OFFICE/PINK
 ACCOUNTING/Green
 CUSTOMER/Yellow
 CONTROL/White

PRINT FIRMLY - YOU ARE MAKING COPIES

Special
Customer Form Number
NOT counted

Branch 11	Salesman - Name O'BRIEN	NO Code	Customer Form Number NOT counted
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RAPICOM RENTAL AGREEMENT

56339

NBC (Customer) agrees to rent from Rapicom, Inc. (RAPICOM) of 7 Kingsbridge Road, Fairfield, New Jersey and Rapicom agrees to sell to Customer subject to the terms and conditions of this Agreement, the Rapicom equipment and accessories in the quantities, models and prices designated below for a FREE month rental period.

Customer and Company <u>NATIONAL BROADCASTING Co</u>	INITIAL SUPPLY ORDER
Attention of Department	<u>1</u> CTN FAXPAPER @ <u>90</u> /CTN
Street <u>30 ROCKEFELLER PLAZA</u>	CTN FAXMIX @ _____ /CTN
City, State, Zip Code <u>N.Y. N.Y. 10020</u>	

This document, together with the terms and conditions set forth on the reverse hereof and Rapicom's Order Form, shall constitute the entire Agreement between Customer and Rapicom ("Agreement"). The terms and conditions of this Agreement shall supersede any inconsistent terms and conditions contained in Customer's purchase orders and/or other documents unless such purchase orders and/or other documents have been accepted, in writing, by a duly authorized officer of Rapicom. This Agreement may not be changed or amended without the prior written approval of an authorized officer of Rapicom and an authorized representative of the Customer.

EQUIPMENT ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit*
<u>M-3100</u>	<u>R-3100</u>	<u>1</u>	<u>\$150.00</u>	<u>FREE</u>

*Monthly base rental includes NORMAL equipment maintenance and parts.

ACCESSORY ORDER SCHEDULE

Product Number	Model	Quantity	Installation Charge Per Unit	Monthly Base Rental Per Unit

If customer is tax exempt, check box and attach copy of Exemption Certificate

If no Purchase Order is provided by Customer, check box and sign

NBC

RAPICOM, INC.

Authorized Signature _____ Date _____ By _____ Date _____

AGREEMENT FOR TERMS AND CONDITIONS



NBC

National Broadcasting Company, Inc.

Thirty Rockefeller Plaza
New York N.Y. 10020 212-664-4444

July 29, 1983

Mr. Kevin O'Brien
Rapicom, Inc.
1114 Avenue of the Americas
New York, N.Y. 10036

Dear Kevin:

Please provide a Rapifax 3100 for a one month minimum to be used at Kennedy Space Center, Cape Canaveral, Florida. The machine should be installed August 18, 1983, at the NBC Press Trailer. Your contact will be Beatrice Myers. I do not yet have a telephone number for Ms. Myers.

Please include one carton of paper with the machine. Contact me if you have any questions. Thank you.

Very truly yours,

Barbara Anderson

Barbara Anderson
Manager, Special Communications

33040722257

TTI, RTI, TCR, CIP & POLLING PROGRAMMING SHEET

CUSTOMER NBC PRESS TRAILER DATE 8/1/83

CUSTOMER ADDRESS KENNEDY SPACE CTR
CAPE CANAVERAL, FLA

PRODUCT (CIRCLE ONE ONLY)

- | | | | |
|---------------|---|---------|----------------------------------|
| R-1000 | TTI Optional | R-6100 | TTI, RTI, TCR Optional/Poll STD |
| R-1500 | TTI Optional | R-6300 | TTI, RTI, CIP Optional/Poll STD |
| R-1850 | TTI Optional | R-6350T | TTI, RTI, CIP Optional/Poll STD |
| R-3100 | TTI STD/(RTI, TCR, Poll n/a¹) | R-6300R | TTI*, RTI, CIP Optional/Poll STD |
| R-3300 | TTI, RTI, TCR & Poll Standard | | |

¹n/a: not available

*Note: TTI must be ordered in order for RTI and/or CIP to operate on the R-6300R. Programming of the R-6300R's TTI is not required.

TTI² MAX 32 CHARACTERS

CODE

ADDRESS	00	01	02	03	04	05	06	07	08	09	0A	0B	0C	0D	0E	0F
CSD USE/CODE																
CHARACTER	N	B	C		C	A	P	E		C	A	N	A	V	E	R
ADDRESS	10	11	12	13	14	15	16	17	18	19	1A	1B	1C	1D	1E	1F
CSD USE/CODE																
CHARACTER	A	L														

Polling² (Polling code to be filled in by CSD)

ADDRESS	00	01	02
CSD USE/CODE			7F

Check if a SECURE POLLING ID is required at additional charge

RTI², TCR² & CIP² MAX 16 CHARACTERS

ADDRESS	0C	0D	0E	0F	10	11	12	13	14	15	16	17	18	19	1A	1B	1C
CSD USE/CODE																	FF
CHARACTER																	

²The identification/address code, once programmed, will not be LATER changed, per customer request, without additional PROM and service installation charges.

MACHINE INSTALL DUE DATE _____

CUSTOMER SIGNATURE _____

SALES REPRESENTATIVE SIGNATURE _____

RAPICOM MACHINE/ACCESSORY ORDER FORM

CONTRACT # _____ PO # _____ ORDER DATE _____ SALESPERSON Tischler SLS # _____ R/A PERIOD 2 WKS CUST IDENT # _____ PAGE _____ OF _____

BILL TO #	BILL TO #	BILL TO #
CUSTOMER NAME (BILL TO) <u>NBC</u>	CUSTOMER NAME (BILL TO)	CUSTOMER NAME (BILL TO)
ADDRESS <u>30 Rockefeller Plaza</u>	ADDRESS	ADDRESS
ATTN: DEPT. <u>Barbara Anderson</u>	ATTN: DEPT.	ATTN: DEPT.
CITY STATE ZIP <u>N.Y. NY 10020</u>	CITY STATE ZIP	CITY STATE ZIP
PO # TEL NO	PO # TEL NO	PO # TEL NO

SHIP TO #	TX #	SHIP TO #	TX #	SHIP TO #	TX #
CUSTOMER NAME (SHIP TO) <u>NBC - Trailer</u>	IMN #	CUSTOMER NAME (SHIP TO)	IMN #	CUSTOMER NAME (SHIP TO)	IMN #
ADDRESS <u>William + Mary College New Campus Dr.</u>	ADDRESS	ADDRESS	ADDRESS	ADDRESS	ADDRESS
FLOOR ROOM STA # <u>William + Mary Field House</u>	FLOOR ROOM STA #				
CITY STATE ZIP <u>Williamsburg Va.</u>	CITY STATE ZIP				
CONTACT TEL NO DUE DATE <u>Sonya Dollison 5/18</u>	CONTACT TEL NO DUE DATE				

MACHINE/ACCESSORIES				MACHINE/ACCESSORIES				MACHINE/ACCESSORIES			
PRODUCT #	DESCRIPTION	AMOUNT	INST. CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST. CHARGE	PRODUCT #	DESCRIPTION	AMOUNT	INST. CHARGE
<u>M3100</u>	<u>R-3100</u>	<u>-</u>	<u>150</u>								
<u>A1013</u>	<u>Rotary</u>	<u>n/c</u>	<u>n/c</u>								
<u>A</u>											
<u>A</u>	<u>NO TTI</u>										
<u>A</u>											

SUPPLIES/OTHER				SUPPLIES/OTHER				SUPPLIES/OTHER			
PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN	PRODUCT #	QTY	DESCRIPTION	PRICE/CTN
<u>S960</u>	<u>1</u>	<u>Paper</u>	<u>- -</u>								
<u>S</u>											
<u>S</u>											

COMMUNICATE WITH: Self CONTACT: Barbara Anderson TEL NO: 212-664-3438 CUSTOMER ACCEPTANCE: L O B I TITLE/DATE: _____

NOV 23 1977 12:02 P.M. REGION: P. 8
 ACCOUNTING/Green: CUSTOMER/Yellow: O.P. CONTROL/White:

to Steve Joerg
 from Marty Tischler
 subject N.B.C.

date 5/11/83
 refer to

Attached is an order for a R3100. NBC needs the unit for a two week period to be used for the Economic Summit in Virginia.

I told them we will charge only \$ 150.00 for installation and delivery.

I am requesting that this be approved as a good will gesture on our part. NBC has grown in the last year quite a bit, and I think this is a way of saying thank you.

Please approve! The unit must be installed in Virginia on May 19th. Please expedite.

Marty
 Marty Tischler

MT/kc
 Enclosure

13040744271



NBC National Broadcasting Company, Inc.

Thirty Rockefeller Plaza
New York, N.Y. 10020 212-684-4444

May 10, 1983

Mr. Marty Tischler
Rapicom, Inc.
1114 Avenue of the Americas
New York, N.Y. 10036

Dear Marty:

A few corrections and additions to my letter of May 4 concerning a facsimile machine for the Economic Summit at Williamsburg.

The machine is to be located at the NBC Trailer B, William and Mary Field House, New Campus Drive. The contact will be Sonja Dollison.

I failed in my original letter to ask for a carton of two rolls of paper for the machine. But I'm sure you already thought of it. I understand from our conversation that the installation/delivery cost will be \$150.00.

Many congratulations on your new position. We will miss you on our day-to-day contacts, but know you won't be too far should we need you. Good luck.

Very truly yours.

Barbara

Barbara Anderson
Manager, Special Communications

13040764272

P.001

MAY 10 83 11129

P.11

NOV 23 '87 12:08 N E REGION



NBC

National Broadcasting Company, Inc.

Thirty Rockefeller Plaza
New York, N.Y. 10020 212-684-4444

May 4, 1983

Mr. Marty Tischler
Repicom
1114 Avenue of the Americas
New York, N.Y. 10036

Dear Marty:

As we discussed, please provide a model 3100 facsimile machine for use by Nightly News at the Economic Summit to be held in Williamsburg, Virginia. The machine should be installed May 19, 1983, and removed June 1, 1983.

Location will be the NBC Trailer located at the William and Mary Field House. Contact will be Elizabeth Board. I do not yet have a telephone number for Ms. Board.

Please contact me as soon as possible if there are any problems or questions. As always, thanks for your help.

Very truly yours,

Barbara

Barbara Andersen
Manager, Special Communications

13040742273

482-4

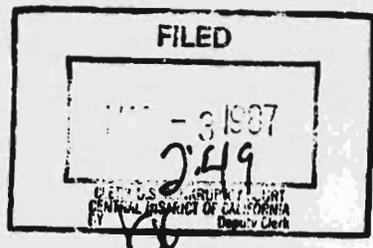
CCC # 4971

RECEIVED
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20541

87 DEC 21 AM 10:23
MUR 2171

1 JOSEPH A. EISENBERG, a Member of
2 LEVENE & EISENBERG,
3 a Professional Corporation
4 1900 Avenue of the Stars
5 Suite 1440
6 Los Angeles, California 90067
7 (213) 551-1010

8 Attorneys for Debtor



9 UNITED STATES BANKRUPTCY COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 In re) CASE NO. LA 86-17550-CA
12) Chapter 11
13 COMPUCORP, INC.,)
14 a California corporation,) STATEMENT OF AFFAIRS OF
15 Debtor.) DEBTOR ENGAGED IN
16) BUSINESS
17 I.D. No. 95-2551123)

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 DEC 21 PM 1:06

18 COMPUCORP, INC., a California corporation, Debtor herein,
19 files its Statement of Affairs of Debtor Engaged in Business.

20 DATED: March 2, 1987

21 COMPUCORP, INC.,
22 a California corporation

23 By: *Joseph A. Eisenberg*
24 JOSEPH A. EISENBERG, a Member of
25 LEVENE & EISENBERG,
26 a Professional Corporation
27 Attorneys for Debtor

28 87 DEC 21 PM 1:09

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

38040722274

(CLERK'S STAMP)

JOSEPH A. EISENBERG, a Member of
LEVENE & EISENBERG,

Name _____
a Professional Corporation
Address 1900 Avenue of the Stars
Suite 1440
Los Angeles, California 90067

Telephone (213) 551-1010
Attorney or Assistant or Representative for Debtor(s)

UNITED STATES BANKRUPTCY COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA

In re
COMPUCORP, INC.,
A California corporation

Case No. LA 86-17550-CA
STATEMENT OF FINANCIAL AFFAIRS
FOR DEBTOR(S) ENGAGED IN BUSINESS

Social Security No. _____
Social Security No. _____

Debtor(s)
(Get form for all debts, including
state taxes, owed by debtor within
last 6 years.)

Debtor's Employer's Tax Identification No. 95-2551123

(If this form is used by joint debtors wherever questions require separate answers for Husband (H), Wife (W) or Joint (J) precede the answer with the appropriate symbol. If the word "debtor" or words referring to debtor are used they shall be read as if in the plural.)

(Each question shall be answered or the failure to answer explained. If the answer is "none" or "not applicable" so state. If additional space is needed for the answer to any question, a separate sheet, properly identified and made a part hereof, should be used and attached.

If the debtor is a partnership or a corporation, the question shall be deemed to be addressed to, and shall be answered on behalf of, the partnership or corporation; and the statement shall be certified by a member of the partnership or by a duly authorized officer of the corporation.

The term, "original petition," used in the following questions, shall mean the petition filed under Rule 1002, 1003, or 1004.)

1. Nature, Location, and Name of Business.

a. Under what name and where do you carry on your business?

COMPUCORP, 2211 Michigan Avenue, Santa Monica, CA 90404

b. In what business are you engaged? (If business operations have been terminated, give the date of termination.)

Manufacture and sales of computers, Office systems and supplies.

c. When did you commence the business? July 5, 1968

d. Where else and under what other names have you carried on business within the 6 years immediately preceding the filing of the original petition herein? (Give the street addresses, the names of any partners, joint adventurers, or other associates, the nature of the business, and the periods for which it was carried on.)

See attached Schedule 1(d)

2. Books and Records.

a. By whom, or under whose supervision, have your books of account and records been kept during the 6 years immediately preceding the filing of the original petition herein? (Give names, addresses, and periods of time.)

See attached Schedule 2(a)

b. By whom have your books of account and records been audited during the 6 years immediately preceding the filing of the original petition herein? (Give names, addresses and dates of audits.)

Arthur Anderson & Co., See attached Schedule 2 (b) for audit dates

c. In whose possession are your books of account and records? (Give names and addresses.)

COMPUCORP, 2211 Michigan Avenue, Santa Monica, CA 90404

d. If any of these books or records are not available, explain.

N/A
Have any books, records, or documents relating to the business been destroyed, lost, or otherwise disposed of within the 2 years immediately preceding the filing of the original petition herein? (If so, give particulars, including date of destruction, loss, or disposition, and reason therefor.)

7
3
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0
7

COMPUCORP
 OLD FIELD SALES LOCATIONS
 SCHEDULE-1(B)

BR #	BRANCH NAME	ADDRESS LINE 1	ADDRESS LINE 2	CITY	ST	ZIP	CURRENT STATUS
150	COMPUCORP-NEW YORK BRANCH OFFICE	518 FIFTH AVENUE		NEW YORK	NY	10036	CLOSED
160	COMPUCORP- WASH.DC. BRANCH OFFICE	700 N. FAIRFAX STREET	SUITE 606	ALEXANDRIA	VA	22314	CLOSED
170	COMPUCORP-PITTSBURG BRANCH OFFICE	4232 NORTHERN PIKE	SUITE 104	MONROEVILLE	PA	15146	CLOSED
180	COMPUCORP-BOSTON BRANCH OFFICE	10 POST OFFICE SQUARE	SUITE 1150	BOSTON	MS	02109	CLOSED
330	COMPUCORP-SAN FRANCISCO BR OFFICE	50 CALIFORNIA STREET	SUITE 2955	SAN FRANCISCO	CA	94111	CLOSED
350	COMPUCORP-L.A. BRANCH OFFICE	12233 W. OLYMPIC BLVD	SUITE 258	LOS ANGELES	CA	90064	CLOSED
370	COMPUCORP-ORANGE COUNTY BR OFFICE	2021 EAST FORTH STREET	SUITE 108	SANTA ANA	CA	92705	CLOSED
380	COMPUCORP-SAN DIEGO BRANCH OFFICE	681 ENCINITAS BLVD	SUITE J-1	ENCINITAS	CA	92024	CLOSED
101	COMPUCORP-WESTERN REGIONAL OFFICE	633 LONG RUN ROAD		HCKEESPORT	PA	15132	CLOSED
103	COMPUCORP-EASTERN REGIONAL OFFICE	CORPORATE SQUARE STE-365	7402 N. 56TH STREET	TEMPLE TERRACE	FL	33616	CLOSED
201	COMPUCORP-CENTRAL REGIONAL OFFICE	4229 ROYAL AVENUE	BUILDING 101	OKLAHOMA CITY	OK	73108	CLOSED
203	COMPUCORP-SOUTH REGIONAL OFFICE	8150 N.CENTRAL EXPRESSWAY	CAMPBELL CTR 2,STE M-2001	DALLAS	TX	75206	CLOSED
204	COMPUCORP-CENTRAL REGIONAL OFFICE	8145 WOLCOMB ROAD		CLARKSTON	MI	48016	CLOSED
301	COMPUCORP-WESTERN REGIONAL OFFICE	333 HEGENBERGER ROAD	SUITE 206	OAKLAND	CA	94621	CLOSED
303	COMPUCORP-WESTERN REGIONAL OFFICE	14707 NORTHEAST 178TH ST		WOODINVILLE	WA	98072	CLOSED
102	COMPUCORP-EASTERN ZONE OFFICE	1413 K. STREET N.W.	14TH FLOOR	WASHINGTON	DC	20005	CLOSED
202	COMPUCORP-CENTRAL ZONE OFFICE	676 N. SAINT CLAIR ST.	SUITE 2250	CHICAGO	IL	60611	CLOSED
302	COMPUCORP-WESTERN ZONE OFFICE	6101 N. CENTINELA AVE	PACIFICA PLAZA-3RD FLOOR	CULVER CITY	CA	90230	CLOSED

**SUPERVISION OF BOOKS AND RECORDS
SCHEDULE- 2(A)**

NAME	TITLE	ADDRESS	CITY	ST	ZIP	FROM	TO
JOHN FOSTER	ACCOUNTING MANAGER			CA		6/29/81	10/21/83
STANLEY ENITTERIO	CONTROLLER	9920 SEPULVEDA BLVD	WINDY HILLS	CA	91345	11/01/83	7/28/85
DONALD STEIN	V.P. OF FINANCE	729 EL MEDIO AVE	PAC PALISADES	CA	90272	8/05/85	5/07/86
RANDY J. SMELLING III	CONTROLLER	1050-A THIRD STREET	SANTA MONICA	CA	90403	5/08/86	8/30/86
BOB REISNER	CONTROLLER	6156 CAPISTRANO AVE	WOODLAND HILLS	CA	91367	8/30/86	2/26/87

88040722277

DATES OF CERTIFIED AUDITS
SCHEDULE- 2(B)

NAME	ADDRESS	CITY	ST	ZIP	PERIOD COVERED	AUDIT DATE
ARTHUR ANDERSEN AND CO.	911 WILSHIRE BLVD.	LOS ANGELES	CA	90017	FISCAL YEAR 1979	DECEMBER, 1979
ARTHUR ANDERSEN AND CO.	911 WILSHIRE BLVD.	LOS ANGELES	CA	90017	FISCAL YEAR 1980	DECEMBER, 1980
ARTHUR ANDERSEN AND CO.	911 WILSHIRE BLVD.	LOS ANGELES	CA	90017	FISCAL YEAR 1981	DECEMBER, 1981
ARTHUR ANDERSEN AND CO.	911 WILSHIRE BLVD.	LOS ANGELES	CA	90017	FISCAL YEAR 1982	DECEMBER, 1982
ARTHUR ANDERSEN AND CO.	911 WILSHIRE BLVD.	LOS ANGELES	CA	90017	FISCAL YEAR 1983	DECEMBER, 1983
ARTHUR ANDERSEN AND CO.	911 WILSHIRE BLVD.	LOS ANGELES	CA	90017	FISCAL YEAR 1984	DECEMBER, 1984

13040752276

ENTERED
SEP 1 1987
CLERK U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In Re; COMPUCORP, INC. A CALIFORNIA CORP.

CASE NUMBER

LA 86-17550CA

Chapter 11

ORDER CLOSING DISMISSED ESTATE

2279
13040

An Order dismissing the case of the debtor(s) named above was entered under Chapter 11, (11 U.S.C., Section 1112(b)), and due notice was provided. Since it appears that no further matters require that this case remain open or that the jurisdiction of this Court continues,

IT IS ORDERED THAT:

1. All acts of the Debtor-in-Possession and/or the trustee, if any are approved;
2. The bond of the Debtor-in-Possession or the trustee, if any, is exonerated; and
3. This case shall be deemed closed.

DATED: September 1, 1987

BY ORDER OF THE U. S. BANKRUPTCY COURT

Jack L. Wagner
Clerk of Court

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES

P-00029

8617550
U.S. BANKRUPTCY COURT
ROOM 906, U.S. COURTHOUSE
312 NO. SPRING ST.
LOS ANGELES, CA 90012-4701

IN RE: CASE NUMBER: LA 86-17550CA
 COMPUCORP, INC., A CALIFORNIA CORP.
 12540 BEATRICE ST. SSN/ID:
 LOS ANGELES, CA 90066-7002 99-9999999

U. S. BANKRUPTCY COURT
ROOM 906, U.S. COURTHOUSE
312 NO. SPRING ST.
LOS ANGELES, CA 90012-4701

1804072280

*** NOTICE OF DISMISSAL OF CASE ***

YOU ARE NOTIFIED THAT AN ORDER WAS ENTERED ON JULY 9, 1987
DISMISSING THE ABOVE-CAPTIONED CASE.

U. S. BANKRUPTCY COURT
ROOM 906, U.S. COURTHOUSE
312 NO. SPRING ST.
LOS ANGELES, CA 90012-4701

DATED JULY 31, 1987 AT LOS ANGELES
FOR THE COURT
JACK L. WAGNER, CLERK OF COURT

-8KV0830, CASE 8617880 SP-3342 TASK 07/28/87-00 NOTICES DATED 07/31/87 SENT TO THE FOLLOWING # 870041 OFFICE 800 PAGE 1
-8KV0830, CASE 8617880 SP-3342 TASK 07/28/87-00 NOTICES DATED 07/31/87 SENT TO THE FOLLOWING # 870041 OFFICE 800 PAGE 1

-8KV0830, CASE 8617880 SP-3342 TASK 07/28/87-00 NOTICES DATED 07/31/87 SENT TO THE FOLLOWING # 870041 OFFICE 800 PAGE 000002
-8KV0830, CASE 8617880 SP-3342 TASK 07/28/87-00 NOTICES DATED 07/31/87 SENT TO THE FOLLOWING # 870041 OFFICE 800 PAGE 000002

-0000084	888 SKYLINE	PO BOX 2208	SEDFORD PARK	IL 80488220
-0000085	MAJORS&D SERVICES	2093 W VENICE BLVD	LOS ANGELES	CA 90008222
-0000086	BARGER AND WOLAN	630 W 5TH ST-5TH FLOOR	LOS ANGELES	CA 90014120
-0000087	COMPUTRON DISPLAY SYSTEMS	638 SONNIE LANE	BLK BROVE VILLAGE	IL 80007322
-0000088	TELEMEDIA INC	310 E MICHIGAN AVE	CHICAGO	IL 80048220
-0000089	SRD STAMPING	13308 HALLDALE AVE	CHICAGO	CA 90248220
-0000090	CPC DELIVERY	122 W 118TH ST	LOS ANGELES	CA 90012410
-0000091	LES DLS&H CO	3244 S 2000 W	SALT LAKE CITY	UT 84118321
-0000092	K & R DELIVERY	12 W 480 FRONTAGE RD	MINDALE	IL 80821822
-0000093	MAJORS&D SERVICES	2093 W VENICE BL	LOS ANGELES	CA 90008222
-0000094	CITY OF LOS ANGELES	ELIAS MARTINEZ CITY CLERK	LOS ANGELES	CA 90012480
-0000095	AT & T	80X 8040	ROLLING MEADOWS	IL 80808400
-0000096	WALNUT COMMUNICATIONS	CREDIT DEPT 5TH FLOOR	CHICAGO	IL 80808400
-0000097	SWIFT-COR	344 W 187TH ST	SARDENA	CA 90248288
-0000098	ELIAS MARTINEZ-CITY CLERK	CITY OF LOS ANGELES	LOS ANGELES	CA 90012
-0000099	VALLEY REPORTING	290 S ARLINGTON AVE	RENO	NV 89501170
-0000100	THE BARWILL PRESS	221 N LABALLE #1200	CHICAGO	IL 80008210
-0000101	DOLLAR RENT-A-CAR	PO BOX 52108	LOS ANGELES	CA 90008210
-0000102	COMPUTER PROD UNLIMITED	2412 BROADWAY	LITTLE ROCK	AR 72208213
-0000103	ARCHITECTURE TECHNOLOGY CORP	SPECIALISTS COMPUTER ARCH	MINNEAPOLIS	MN 55424034
-0000104	UNITED TRADE EXPO	185 W 48TH ST	CHICAGO	IL 80808
-0000105	E GERMANI	13321 BRIDGER AVE	HAWTHORRE	CA 90250482
-0000106	ALVERADO, RUDY	1800 FLAMINGO	BETHANY	OK 73088442
-0000107	DEMOTT BUSINESS SYSTEMS	6743 E SPEEDWAY	TUCSON	AZ 85712802
-0000108	GENERAL ANSWERING SERVICE	30 W WASHINGTON	CHICAGO	IL 80802180
-0000109	HUBBS AIRCRAFT CO	BLDG 541 MIS 5338	LOS ANGELES	CA 90009291
-0000110	SOUTHWESTERN BELL	ACCT #848-8090	OKLAHOMA CITY	OK 73124006
-0000111	CIPRICO INC	2955 KENIUM LANE	MINNEAPOLIS	MN 55441282
-0000112	AERO MAYFLOWER TRANSIT CO IN	PO BOX 1078	INDIANAPOLIS	IN 46208
-0000113	DIRECT DELIVERY SERVICE	ATTN: LAVERNE MOORE	LOS ANGELES	CA 90008116
-0000114	WORD PROCESSING	228 N MARKET #110	WICHITA	KS 67202202
-0000115	BUSINESS PRODUCTS SERVICE	1217 N SALEM DR	TEMPLE	AZ 66281187
-0000116	WICHILON (AMERICA) CORP	8277 S STATE PKWY	SCHAUMBURG	IL 80173482
-0000117	LINCOLN NATIONAL INSURANCE	PO BOX 2286	FORT WAYNE	IN 46813226
-0000118	SMITH, SHAY, FARMER, & WETTA	STE 520, OLIVE WEST	WICHITA	KS 67202301
-0000119	DOTRONIX INC	PO BOX E1414-NCS-08	MINNEAPOLIS	MN 55480141
-0000120	NITCHCOCK PUBLISHING CO	THE NITCHCOCK BLDG	WHEATON	IL 80188208
-0000121	PENTON/IPC	1111 CHESTER AVE	CLEVELAND	OH 44114280
-0000122	ABLE 1 ANSWERING SERVICE	321 E WILLIAMS	WITCHITA	KS 67202438
-0000123	MOTOROLA INC	PO BOX 2853	PHOENIX	AZ 85082286
-0000124	IPC	3481 CHURCH ST	EVANSTON	IL 80203182
-0000125	BROADWAY EXPRESS INC	1077 GEORGE BLVD	AKRON	OH 44308
-0000126	SULLIVAN TRANSFER CO	300 JEFFERSON HWY #1004	JEFFERSON	LA 70121
-0000127	USA WESTERN	PO BOX 1822	STOUT FALLS	SD 87101182
-0000128	DIRECTOR OF EMPLOYMENT SECURIT	0385109-4 PO BOX 2208	SEDFORD PARK	IL 80488220
-0000129	COMDDC	PO BOX 1883	AKRON	OH 44308188
-0000130	YELLOW FREIGHT SYSTEMS	PO BOX 7829	OVERLAND PK	KS 66207082
-0000131	AIR FREIGHT UNLTD INC	PO BOX 1837	ST PAUL	MN 55101083
-0000132	ANIXTER BRDS INC	4711 GOLF RD	SKOKIE	IL 80078127
-0000133	PITNEY BOWES INC	PO BOX 38390	LOUISVILLE	KY 40223428

-0000144	CHERRY ELECTRIC	3800 SUNSET AVE	WAUKEGAN	IL 80087321
-0000145	TRI-STAR AIR FREIGHT	PO BOX 81214	LOS ANGELES	CA 90008121
-0000146	TOM RUSH	C/O CHERRY ELECTRICAL	WAUKEGAN	IL 80087321
-0000147	THE DRAWING BOARD	PO BOX 28820	LOUISVILLE	KY 40223852
-0000148	MIDLODS E	2425 ROYAL DR	LOMBARD	IL 80188532
-0000149	FEDERATED AIRCARGO	PO BOX 91136	LOS ANGELES	CA 90008113
-0000150	SUMMIT ELECTRONICS	865 E COLLINS	RICHARDSON	TX 75081225
-0000151	PITNEY BOWES CREDIT CORP	PO BOX 38480	LOUV	KY 40223846
-0000152	ADVANCED ASSOCIATES	PO BOX 786	RICHARDSON	TX 75080
-0000153	DIRECT DELIVERY	PO BOX 91180	LOS ANGELES	CA 90008116
-0000154	CULWELL & SON	3805 INWOOD RD	DALLAS	TX 75208862
-0000155	PITNEY BOWES	PO BOX 38390	LOUISVILLE	KY 40223838
-0000156	THE FREEMAN COMPANY	1300 WYCLIFF AVE	DALLAS	TX 75207820
-0000157	FEDERATED CARTAGE	PO BOX 90817	LOS ANGELES	CA 90008081
-0000158	PROFESSIONAL SUITES OF DALLAS	8150 N CENTRAL EXPRESSW	DALLAS	TX 75208
-0000159	SHELL OIL CO	C/O CJ JAYNES	TULSA	OK 74102000
-0000160	MARTHA BRIDGE	8180 N CENTRAL EXPRESSW	DALLAS	TX 75208180
-0000161	DATAPRODUCTS (HONG KONG) LTD	PO BOX 38335	LOS ANGELES	CA 90008280
-0000162	DATAMARC INC	PO BOX 38335	DALLAS	TX 75238033
-0000163	SHELL OIL COMPANY	CARD #884-825-800	TULSA	OK 74102000
-0000164	RUTISHAUSER	10348 BROCKWOOD ST	DALLAS	TX 75238165
-0000165	LONDON TEMP SERVICES	3250 WILSHIRE BLVD STE 1403	LOS ANGELES	CA 90010180
-0000166	INTERPHASE CORPORATION	2925 MERRELL RD	DALLAS	TX 75228480
-0000167	SHERATON-DALLAS HOTELS & TWR	SOUTHLAND CENTER	DALLAS	TX 75201400
-0000168	EXHIBIT HOUSE INC	10537 KING WILLIAM DR	DALLAS	TX 75220241
-0000169	UNIVERSAL MAIL DELIVERY	PO BOX 92872	LOS ANGELES	CA 90008297
-0000170	COLLMER SEMI-CONDUCTOR INC	14352 PROTON RD	DALLAS	TX 75244351
-0000171	NITSCHKE CONVENTION FLORIST	1014 BEAVER CREEK	DUNCANVILLE	TX 75137373
-0000172	INNOVATIVE OFFICE SYSTEMS INC	3863 BELTLINE RD	DALLAS	TX 75248220
-0000173	RODDEL CORRAL	CUSTOMSHOUSE BROKER	LOS ANGELES	CA 90008127
-0000174	BOB MCGRATH AND CO INC	9481 LBJ FREEWAY #220	DALLAS	TX 75243453
-0000175	US WEST FINANCIAL SERVICES	PO BOX 12788	OVERLAND PK KS	KS 66212074
-0000176	AMERICAN AIRLINES	PO BOX 70536	CHICAGO	IL 80673
-0000177	DAILY JOURNAL	210 SD SPRING ST	LOS ANGELES	CA 90012371
-0000178	J PHILLIP INDUSTRIES INC	PO BOX 88112	CHICAGO	IL 80880111
-0000179	AT & T INFORMATION SYSTEMS	PO BOX 27-820	KANSAS CITY	MO 64180
-0000180	ELECTROVERT USA CORP	PO BOX 9812	CHICAGO	IL 80683
-0000181	ALEXANDER AND ALEXANDER OF C	3650 WILSHIRE BLVD	LOS ANGELES	CA 90010240
-0000182	ATA	PO BOX 27-850	KANSAS CITY	MO 64180
-0000183	ARROWHEAD PURITAS WATERS INC	CUST#3233360019-FILE 8176	LOS ANGELES	CA 90012151
-0000184	AT&T/CONSUMER PRODUCTS DIV	PO BOX 27-820	KANSAS CITY	MO 64180
-0000185	LA TIMES	TIMES MIRROR SQUARE	LOS ANGELES	CA 90012
-0000186	ELECTROVERT	PO BOX 458	CAMDENTON	MD 85020045
-0000187	LOS ANGELES COUNTY TAX COLLECT	PO BOX 2102 TERM ANNEK	LOS ANGELES	CA 90012
-0000188	AT & T INFORMATION SYSTEM	720 OLIVE	ST LOUIS	MO 83101233
-0000189	AC EDWARDS AND SONS INC	1 NORTH JEFFERSON	ST LOUIS	MO 83103222
-0000190	TYNESHARE INC	PO BOX 14847-F	ST LOUIS	MO 83160
-0000191	MCDONNELL DOUGLAS INFORMATION	PO BOX 14847-F	ST LOUIS	MO 83160
-0000192	GREYHOUND EXPOSITION SER	PO BOX 88616	CHICAGO	IL 80683
-0000193	EXHIBITGROUP CHICAGO	LOCK BOX 98174	CHICAGO	IL 80683

-0000184	ILLINOIS DEPT OF REVENUE	BILL PAYMENT CENTER		SPRINGFIELD	IL 62748
-0000188	ILLINOIS BELL	7323 SOUTHWEST HWY #800	ARENA ONE BLDE	CHICAGO	IL 606886000
-0000188	PEROMSEL RESULTS INC	11323 PASEMILL DR		HOUSTON	TX 77074201
-0000187	MALCOLM ELECTRONICS	48 MARLENE DR		DALLAS	TX 75248230
-0000188	WASNER, A	42-01 NORTHERN BLVD		SYOSSET	NY 11791112
-0000200	ALL-STATE VEHICLES INC	717 2ND ST NE #101		LONG ISLAND	NY 111011123
-0000200	POTAMAC DEVLPMNT CORP	PS BOX 371700M		WASHINGTON	DC 20002430
-0000201	TEKTRONIX INC	PS BOX 844		PITTSBURGH	PA 15281
-0000202	SEYOBLO PUBLICATIONS INC	4231 NORTHERN PIKE		MEDIA	PA 18082883
-0000203	CORAL FLORAL SHOPPE	3100 WESLAYAN BLD 277		MONROEVILLE	PA 15148280
-0000204	CONVENTION FLORIST SERVICE	PO BOX 512204	OPW AIRPORT	HOUSTON	TX 77027878
-0000205	DISTRIBUTION BY AIR	48 S SERVICE RD		DALLAS	TX 75281238
-0000206	GLOBAL COMPUTER SUPPLY	8 CHOKO CHERRY RD		PLAINVIEW	NY 11802410
-0000207	SIDNEY	2024 W VIRGINIA AVE NE		ROCKVILLE	MD 20850408
-0000208	W B JENKINS	TWO BAYVIEW CENTER		WASHINGTON	DC 20002182
-0000208	PEOPLES NATURAL GAS	PO BOX 8900		PITTSBURGH	PA 15280000
-0000210	CONTINENTAL RESOURCES INC	1120 CONNECTICUT N W		PHILADELPHIA	PA 19101880
-0000211	GOVERNMENT DATA PUBLICATIONS	DRAWER 88048		WASHINGTON	DC 20032880
-0000212	MCI MAIL	4724 PINE HILL CIR		FT WORTH	TX 76188
-0000213	BRIDGE, MARTHA	87 TERMINAL DRIVE		DALLAS	TX 75282
-0000214	BUSINESS RESEARCH PUBLICATION	927 E 106TH ST		PLAINVIEW	NY 11802238
-0000216	WINETSKY, A	517 10TH ST S E		BROOKLYN	NY 11232260
-0000216	COLUMBIA SERVICES GROUP INC	24 BLVD OF THE ALLIES		WASHINGTON	DC 20002280
-0000217	PITTSBURGH PRESS CO	PO BOX 13683		PITTSBURGH	PA 15222130
-0000218	POWELL ELECTRONICS INC	800 BUFFALO AVE		PHILADELPHIA	PA 19101288
-0000218	MOORE BUSINESS FORMS	DRAWER 88128		PIAORA FALLS	NY 14302139
-0000220	MCI AIRSIGNAL INC	18901 DALLAS PKWY STE-30		FORT WORTH	TX 76188
-0000221	PHILLIPS INFORMATION SYSTEMS	PO BOX 1888		DALLAS	TX 75248482
-0000222	UNEMPLOYMENT INSURANCE	Y S BOX 1888		ALBANY	NY 12201188
-0000223	INTERTEL	6110 EXECUTIVE BL STE 280		ROCKVILLE	MD 20852380
-0000224	COURTESY ASSOCIATES	865 18TH ST N W #300		WASHINGTON	DC 20008570
-0000225	SELISLE, S	1275 CEDAR BLVD		MT LEBANON	PA 18228101
-0000228	DAY-TIMERS INC	PO BOX 8188	4555 EVERLOOK AVE S W	ALLENTOWN	PA 18001818
-0000227	ARA SERVICES INC	NAV RESCH LAB-CODE 9038		WASHINGTON	DC 20032834
-0000228	TEXAS EMPLOYMENT COMMISSION	889893-0 PS BOX 2908		AUSTIN	TX 78788280
-0000228	GLYNS-NEELSON	8700 N STEMMONS FWY STE 301		DALLAS	TX 75247371
-0000230	COMPONENTS DIRECT INC	1777 VETERANS HWY		CENTRAL ISLIP	NY 11722160
-0000231	UNIVERSAL BELLOWS CO	28 MARSE AVE		FREEPORT	NY 11820480
-0000232	COMPUTERWORLD	BOX 1017		SOUTHEASTERN	PA 19388101
-0000232	MELLOS BANK	SECURITIES SECTION	PO BOX 928	PITTSBURGH	PA 15230092
-0000234	EMERY WORLDWIDE	PO BOX 1888		SCRANTON	PA 18518
-0000235	XEROX CORPORATION	XCS ADMIN/CONTROL	XEROX SQUARE--003	ROCHESTER	NY 14655
-0000236	OMN OFFICE SYSTEMS INC	1837 W TYLER #1		HARLINGEN	TX 78580583
-0000237	OVERSTREET, CHARLES	PO BOX 801324		DALLAS	TX 75380132
-0000238	NEWS DAY	235 PINELAWN RD	STE 208	MELVILLE	NY 11747428
-0000239	NATIONAL TRADE PRODUCTIONS I	8414 ANNAPOLIS ROAD		LANHAM	MD 20768300
-0000240	AMERICAN ACCEPTANCE CORP	1 MONTGOMERY PLAZA	STE 211	MORRISTOWN	PA 18041481
-0000241	STETSON CONVENTION SERVICE	8180 PERRY HIGHWAY		PITTSBURGH	PA 15237823
-0000242	PILOT AIR FREIGHT CORP	PO BOX 87		LIMA	PA 18037008
-0000243	W D CAMPBELL CO	1120 20TH ST NW		WASHINGTON	DC 20038340

-0000244	PEAKLOAD	PO BOX 37		BARKER	TX 77413003
-0000245	STARNET CORPORATION	DEPT 3001		DALLAS	TX 75284
-0000246	SALEX	275 BRAD HOLLOW RD		MELVILLE	NY 11747480
-0000247	KOLLER, KURT	5104 WINDHAM RD		LAUREL	MD 20707843
-0000248	C AND M MARKETING	1204 WYOMING HILL RD		DOVER	DE 19801872
-0000249	CENTER OFFICE SUPPLIES	1009 SECC RD		MONROEVILLE	PA 15148144
-0000250	CONVENTION SERVICES INC	CHURCH LANE & CHESTER AVE		YEADON	PA 19050288
-0000251	THE COMPUTING CENTER	410 E UPLAND RD		ITHACA	NY 14850288
-0000252	HARPERWOOD ELECTRONICS CO	PO BOX 3043		HOUSTON	TX 77253304
-0000253	PURULATOR COURIER	PO BOX 84034		DALLAS	TX 75284
-0000254	STANDARD MICROSYSTEMS	35 MARCUS BLVD		HAUPPAUGE	NY 11768377
-0000255	TECHNICOM	8043P RENN RANDALL PL		UPPER MERLBORD	MD 20772
-0000256	WASHINGTON CONVENTION CENTER	800 8TH ST NW		WASHINGTON	DC 20001442
-0000257	JAMES C LERIDOTIS	4232 NORTHERN PIKE		MONROEVILLE	PA 15148273
-0000258	THAMP, D	4834 HARRISON CITY RD		IRWIN	PA 15342841
-0000258	INFORMATION HANDLING	1980 M ST		WASHINGTON	DC 20038340
-0000260	GIBSON DUNN & CRUTCHER	1801 CALIFORNIA ST STE 4200		DENVER	CO 80202288
-0000261	US SPRINT	PO BOX 820088		DALLAS	TX 75282
-0000262	PROFIT FREIGHT SYSTEMS	PO BOX 388		VALLEY STREAM	NY 11682038
-0000263	DOYLE PRINTING & OFFSET CO	8911 OLD LANDOVER RD		LANDOVER	MD 20785160
-0000264	MCCOLLISTER'S MOVING & STORA	PO BOX 7740-1286		PHILADELPHIA	PA 19101778
-0000265	HOWARD JOHNSON MOTOR LODGE	MOSSIDE BLVD		MONROEVILLE	PA 15148
-0000265	MOORE-FLESHER TRUCKING & CO	RD #1 PO BOX 226		ZELIENOPLE	PA 15083860
-0000267	SYSTEMS SUPPLIES INC	800 N BELL AVE		CARNEGIE	PA 15106430
-0000268	JEC-INTEGRATED ELECTRONICS C	PO BOX 8888		DENVER	CO 80201888
-0000268	RADIO SHACK	PO BOX 1052		FORT WORTH	TX 76101108
-0000270	PROFIT FREIGHT SYSTEMS	C S 2008		VALLEY STREAM	NY 11682
-0000271	TEMPS & CO	1828 JEFFERSON PL NW		WASHINGTON	DC 20038280
-0000272	BELL OF PENNSYLVANIA	ONE PARKWAY 18TH FLOOR		PHILADELPHIA	PA 19102188
-0000273	PALUMBO PRINTING	8804 VERONA ST		VERONA	PA 18147313
-0000274	ELKE ENTERPRISES	3310 MARKET ST		CAMP HILL	PA 17011442
-0000276	PARKING MNGMT INC	1728 DESALES ST N W STE 300		WASHINGTON	DC 20038440
-0000276	MERCHANT'S FAST MOTOR LINES	PO BOX 2588		ABILENE	TX 79804288
-0000277	DIGITECH INFO SYSTEMS	EAST OAKS PARK IN 30 E	PO BOX 934	SULPHUR SPRINGS	TX 75462083
-0000278	TELEX-VERLAG JAEGER & WALDMANN	UNIVERSAL MEDIA DIV/SHAMC	212 BROADWAY PO BOX 45	BETHPAGE	NY 11714370
-0000278	COPY WORLD	1114 21ST ST N W		WASHINGTON	DC 20038330
-0000280	PRENTICE-HALL INC	PO BOX 7247-8886		PHILADELPHIA	PA 19170000
-0000281	OSKIN, DOROTHY	2221 CYPRESS DR		MCKESSPORT	PA 15131180
-0000282	PA DEPT OF REVENUE	BUREAU OF RECEIPTS & CONT	PO BOX 3789	HARRISBURG	PA 17105378
-0000283	FW MEYERS AND CO INC	MYERS BLDG		ROUSES PT	NY 12975
-0000284	D S AGENCY	1805 8TH ST STE 101		LUBBOCK	TX 79401260
-0000285	DIGITECH INFORMATION SYSTEMS	PO BOX 934		SULPHUR SPRINGS	TX 75462083
-0000286	PRODUCTS CORP	80 EMUAY BLVD		BRENTWOOD	NY 11717330
-0000287	PATTON, BOGGS AND BLOW	2580 M ST N W		WASHINGTON	DC 20037320
-0000288	AMP PRODUCTS CORP	PO BOX 1776		SOUTHEASTERN	PA 18388177
-0000288	H B SOUTH PRINTER	428 EDAN PARK BLVD	MAYVIEW RD AT PARK DR	MCKESSPORT	PA 15132770
-0000280	BLACK BOX CORPORATION	PO BOX 12800	1815 M ST NW STE 1100	PITTSBURGH	PA 15241060
-0000281	APPLE COURIER INC	FEDERAL BAR BUILDING		WASHINGTON	DC 20008360
-0000282	US WEST FINANCIAL SERVICE	DEPT 367		DENVER	CO 80271
-0000283	US TELECOM	PO BOX 87288		DALLAS	TX 75287

-0000284	PURDLATOR COURIER CORP	2322 NEW HYDE PARK RD	NEW HYDE PARK	NY 11042120
-0000285	SUPERINTENDENT OF DOCUMENTS	US GOVT PRINTING OFFICE	WASHINGTON	DC 20402
-0000286	SEVOLD PUBLICATIONS INC	PO BOX 844	MEDIA	PA 18082803
-0000287	IMPRESSIONS INC	PO BOX 180	GAKHONY	PA 18128202
-0000288	US LEASING CORP	A DIVISION OF USLC	PITTSBURGH	PA 15250
-0000289	SUFFOLK OFFICE SYSTEMS	1217 MARLEN RD	SUFFOLD	NY 14206180
-0000290	DEPT OF EMPLOYMENT SERVICES	OFFICE OF UNEMPLOYMENT	COMPENSATION PD BOX 1852	
-0000291	BALMAR INC	1028 17TH ST S W	WASHINGTON	DC 20012188
-0000292	D C TREASURER	DEPT OF FINANCE/REVENUE	WASHINGTON	DC 20012752
-0000293	J C TOWER & SON	120 SEABOARD ST	SUFFALO	NY 14207218
-0000294	JMC	1100 8TH ST SW	WASHINGTON	DC 20024282
-0000295	ARENT, PDM, KINTNER, PLOTKIN, KA	1050 CONNECTICUT	WASHINGTON	DC 20028233
-0000296	MAOTC	1738 K ST #200	WASHINGTON	DC 20008150
-0000297	C J TOWER & SON	128 SEABOARD ST	SUFFALO	NY 14207319
-0000298	APPLE COURIER INC	FEDERAL BAR BUILDING	WASHINGTON	DC 20008280
-0000299	CONTAMPOARIES INC	1140 10TH ST	WASHINGTON	DC 20028589
-0000300	MAVER, BROWN & PLATT	3000 PENNSYLVANIA AVE NW	WASHINGTON	DC 20008181
-0000301	NEW YORK STATE INCOME TAX	PD BOX 1870	ALBANY	NY 12201187
-0000302	APPLE COURIER INC	FEDERAL BAR BLDG	WASH	DC 20008280
-0000303	MATTHEW BENDER & CO	1275 BROADWAY	ALBANY	NY 12208202
-0000304	ALBANY INFORMATION SYS INC	1237 CENTRAL AVE	ALBANY	NY 12208330
-0000305	FAIR-RITE PRODUCTS	PO BOX J	ALBANY	NY 12208330
-0000306	STANDARD COFFEE SERVICE	PO BOX 814	WALKKILL	NY 12848028
-0000307	ROLLING CROSS INC	112 W JEFFERSON ST	WESTMINSTER	VA 22048247
-0000308	CLARKE, V	8833 HEATHERWAY CT	ALEX	VA 22103263
-0000309	GURNEYS OFFICE PRODUCTS	1111 N HIGHLAND ST	ARLINGTON	VA 22201289
-0000310	INTERLAN	PD BOX 4782	BOSTON	MA 02101478
-0000311	EASTERN AIR FREIGHT	MIAMI INT'L AIRPORT	MIAMI	FL 33148
-0000312	FEDERAL EXPRESS	3875 AIRWAYS BLVD BLDG N-4	MEMPHIS	TN 38118348
-0000313	PETERSON BUSINESS SERVICE	5505 GUCKENBORN RD	GREENSBORO	NC 27410321
-0000314	C ION ELECTRONICS	C/O AMERICAN CR & INDMNTY	BALTIMORE	MD 21202212
-0000315	AMERICAN PRODUCTION & INVNTN	CONTROL SSC INC	FALLS CHURCH	VA 22048422
-0000316	C BTH	C/O BSH	ALEXANDRIA	VA 22304281
-0000317	COMPUTER LAW ADVISERS	8100 LORCEN CT	SPRINGFIELD	MA 01152132
-0000318	H ELECTRONICS	PO BOX 8848	BOSTON	MA 02101484
-0000319	COMPUTERLAND	1088 BARTER ST PO BOX 8288	ATHENS	GA 30608831
-0000320	FEDERAL EXPRESS CORP	ACCT #0604-4372-0	MEMPHIS	TN 38184000
-0000321	NEW BOSTON STATIONERS	246-248 SALES ST	MEMPHIS	MA 02188336
-0000322	GOODFRIEND TEMPORARY SERVICES	PO BOX 15841	BALTIMORE	MD 21283
-0000323	INTERFACE CONVERSION SERVICE	INC	FALLS CHURCH	VA 22048321
-0000324	WORD PROCESSING ASSOC INC	801 S HIGHLAND ST	ARLINGTON	VA 22204241
-0000325	KIMMEY, NELSON JR	7704 SHOOTING STAR DR	SPRINGFIELD	VA 22152310
-0000326	FEDERAL OFFICE INTY INC	PO BOX E	WAYLAND	MA 01778000
-0000327	ELSEVIER SCOUTDIA S A	PO BOX 851	SWITZERLAND	FL 32043085
-0000328	CORPORATE SQUARE LTD	7402 N 58TH ST #800	TAMPA	FL 33617773
-0000329	SCIARDONE, LORRAINE	100-B 83RD ST	VIRGINIA SCH	VA 22451180
-0000330	ITT DIALCOM INC	1108 SPRING ST	SILVER SPRING	MD 20810400
-0000331	VIRGINIA PACKAGING SUPPLY CO	12500 PARK CENTER RD	HERNDON	VA 22071322
-0000332	VISIONS PARATECHNICAL	2704 S NELSON ST	ARLINGTON	VA 22208234
-0000333	METROPOLITAN RIBBON & CARBO	7708-A FULLERTON RD	SPRINGFIELD	VA 22152281

-0000344	NEW ENGLAND WORD PROCESSING	84 CUMMINGS PK	WOBURN	MA 01801210
-0000345	SOUTHERN COPY PRODUCTS INC	1534 N W 53RD AVE	GAINESVILLE	FL 32608225
-0000346	DJANKA INDUSTRIES INC	PO BOX 22807	TAMPA	FL 33623360
-0000347	GREEN SPACE INC	217 CALIFORNIA ST	NEWTON	MA 02158100
-0000348	HOGAN, P	307 RECKFORD RD	FALLSTON	MD 21047244
-0000349	GALAXY CONFERENCES INC	7415 GROVE RD	FREDERICK	MD 21701721
-0000350	HDLT, TERENCE	5803 MT EARLE DR #1110	ALEXANDRIA	VA 22303253
-0000351	TDI	182C ALINE AVE	VIENNA	VA 22180280
-0000352	OFFICES UNLIMITED INC	308 ANDOVER ST	LAWRENCE	MA 01842225
-0000353	APPLIED CONCEPTS	883 E ALAMONTE DR	ALTAMONTE SPRINGS	FL 32701500
-0000354	GENERAL TELEPHONE OF FLORIDA	PO BOX 30350	TAMPA	FL 33630335
-0000355	MECO SECURITY LOCKS	US 11 AT ALLEGHENY DR	SALEM	VA 24153107
-0000356	GLOSTYEN, DIANE	103-M N CHARTER RD	GLEN BURNIE	MD 21081181
-0000357	FAIRFAX PLAZA OFFICE BLOC	C/O GATES & HUDSON & ASS INC	FAIRFAX	VA 22031222
-0000358	GUEST QUARTERS	100 S REYNOLDS ST	ALEXANDRIA	VA 22304319
-0000359	SYSTEMS HARDWARE SUPPORT	1492 CHAIN BRIDGE RS STE 100	MCLEAN	VA 22101572
-0000360	HUB PACKAGE SERVICE	5 CARMEL ST	WILMINGTON	MA 01887185
-0000361	INSTALLATION & DISMANTLE	1482 KELTON DR	STONE MT	GA 30083180
-0000362	HANNA TRANSFER CO SOUTH	5100 W HANNA AVE	TAMPA	FL 33634802
-0000363	DMR ASSOCIATES	87 RIVER ST	WELLESLEY HILLS	MA 02181200
-0000364	DIANE S GOLDSTEIN	103-N NORTH CHARTER RD	GLEN BURNIE	MD 21081181
-0000365	TECHNITRUX INC	2800-N DORR AVE	FAIRFAX	VA 22031185
-0000366	HOOPER, NANCY	2001 N ADAMS ST #802	ARLINGTON	VA 22201375
-0000367	TDI	PO BOX 841	MCLEAN	VA 22101084
-0000368	THE PUBLIC SPIRIT/PUBL CO	83 FITCHBURG RD	AYER	MA 01422100
-0000369	OFFICE EQUIPMENT CYR OF ATLANT	9 GURWOODY PARK STE 104	ATLANTA	GA 30338871
-0000370	DELTA AIR LINES INC	DEPT 7056	MIAMI	FL 33185
-0000371	DEPT OF TAXATION VA	DEPT OF TAXATION	RICHMOND	VA 23212141
-0000372	ADH SOFTWARE INC	10708 LADY SLIPPER TER	ROCKVILLE	MD 20852340
-0000373	MARCEY-WOLFE INC	PO BOX 1886	FALLS CHURCH	VA 22041085
-0000374	NANCY HOOPER	2001 N ADAMS ST APT 802	ARLINGTON	VA 22201375
-0000375	IPTA	2800 BERRYLAND DR	DAKTON	VA 2212484
-0000376	MULTI PRODUCTS	18 BEACON ST	FARMINGHAM	MA 01701480
-0000377	US CUSTOMS SERVICE	PO BOX 100788	ATLANTA	GA 30348076
-0000378	MICROTEL	7100 W CAMINO REAL STE 100	BCCA RATON	FL 33433485
-0000379	FIRST PHONE INC	ACCT #003-01825-A	BOSTON	MA 02118642
-0000380	DYKE, FRESMAN K	4305 CROSSWAY CT	ROCKVILLE	MD 20853
-0000381	AMERICAN TELESERVICES INC	PO BOX 18872	BALTIMORE	MD 21283
-0000382	C&P TELEPHONE CO	200 N GLOBE RD	ARLINGTON	VA 22203372
-0000383	JOE RAGAN'S COFFEE	PO BOX 125	SPRINGFIELD	VA 22150012
-0000384	MANAGEMENT DEVELOPMENT ASSOC	ONE SPREN ST	FRAMINGHAM	MA 01701481
-0000385	SOUTHERN BELL	85 ANNE	ATLANTA	GA 30386000
-0000386	EBANKS, T	514 STILLVIEW CR	BRANDON	FL 33511
-0000387	CARPENTER PACKAGING CO	PO BOX 27205	RICHMOND	VA 22281720
-0000388	SUMMIT RESEARCH CORP	DKE WEST DEER PARK RD	GAITHERSBURG	MD 20877175
-0000389	TRT TELECOMMUNICATIONS	PO BOX 18880	BALTIMORE	MD 21283
-0000390	HICKEY, P	135 N PARK DR	ARLINGTON	VA 22203262
-0000391	SOFTWARE SERVICES UNLIMITED	PO BOX 182	LEESBURG	VA 22075115
-0000392	SOFTWARE NEWS	5 KANE INDUSTRIAL DR	NUSSON	MA 01748280
-0000393	DATAPRODUCTS	PO BOX 65582	CHARLOTTE	NC 28265

-SKY0930, CASE 861780 SP-3083 TASK 07/28/87-00 NOTICES DATED 07/31/87 SENT TO THE FOLLOWING. # 870041 OFFICE 900 PAGE0000

-0000304	DEAN WHITTER REYNOLDS INC	6900 W EXPRESS ST	TAMPA	FL 33607178
-0000306	DAY STATE TELEPHONE	1328 WASHINGTON ST	BOSTON	MA 02112110
-0000308	INTERMEDIA DIGITAL CONY INC	2614 PLYMOUTH HILL RD	KENNINGTON	MD 20852281
-0000309	CONTROLLER OF THE TREASURY	MARYLAND INCOME TAX DIV	ANNAPOLIS	MD 21401
-0000310	INNOVATIVE TRAINING ASSOCIAT	2616 SLEIGHTS DRIVE	VIENNA	VA 22180883
-0000311	TEMPEST TECHNOLOGIES	11411 ISAAC NEWTON SQUARE	S RESTON	VA 22080800
-0000312	FEDERAL EXPRESS CORP	PO BOX 727	MEMPHIS	TN 38184000
-0000313	AT & T INFORMATION SYSTEMS	PO BOX 70006	CHARLOTTE	NC 28284
-0000314	AMERICAN PASTEROR/COMPONENTS	2301 BELLE AVE	CASSELBERRY	FL 32708298
-0000315	C & P TELEPHONE	PO BOX 27272	RICHMOND	VA 23272000
-0000316	MUTICOM	6600 FRIENDSHIP BLVD	CHEVY CHASE	MD 20815728
-0000317	PRESTIGE TRUCKING	151 EASTON BLVD	RESTON	VA 22081184
-0000318	LUND, P	6631 ACORN CIRCLE	RESTON	VA 22150700
-0000319	COMSEARCH INC	11720 SUNRISS VALLEY DR	VIENNA	VA 22180800
-0000320	AWARD CO PD AMERICA	PO BOX 2025	RESTON	VA 22080800
-0000321	MODERN OFFICE MACHINES	400 HAYWOOD RD	TUSCALOOSA	AL 35402202
-0000322	DATASOURCE INC	405 NOVA LN	GREENVILLE	SC 29607342
-0000323	AEMCO OFFICE PRODUCTS	610 E 2ND ST	APOPKA	FL 32712382
-0000324	ARATA EXPOSITIONS INC	648 LOPSTRAND LANE	S RESTON	VA 22081140
-0000325	CAMEL ELECTRONICS CO	11 SWYNNE MILL COURT	ROCKVILLE	MD 20850131
-0000326	BENCHMARK SYSTEMS	2000 CLARENDON BLVD	OWINGS MILLS	MD 21117281
-0000327	COMSEARCH APPLIED TECHNOLOGY	11720 SUNRISS VALLEY DR	ARLINGTON	VA 22201290
-0000328	INFOCORP INC	PO BOX 1331	RESTON	VA 22081140
-0000329	MCLEAN TRUCKING CO	PO BOX 213	AUDURN	AL 36821123
-0000330	DELTA BUSINESS SYSTEMS	4160 JOHN YOUNG PARKWAY	WINSTON SALEM	NC 27102021
-0000331	WESTERN UNION	ACCT #CWAS1208	ORLANDO	FL 32804282
-0000332	ZIG CAL INC	15 BRADSHAW FIELDS PL	RICHMOND	VA 23281000
-0000333	AMERICAN SPEEDY PRINTING CNT	OF OLD TOWN ALEXANDRIA	BRISTOW	MA 02128110
-0000334	AMERICAN SPEEDY PRINTING CNT	87 BOSTON	ALEXANDRIA	VA 22314311
-0000335	VIRGINIA EMPLOYMENT COMM	BOX 1355	BOSTON	MA 02109290
-0000336	NEW ENGLAND TELEPHONE	246 STATE ST RM 210	RICHMOND	VA 23211138
-0000337	VIRGINIA EMPLOYMENT COMMISSIO	PO BOX 1355	ROSTON	MA 02109280
-0000338	HAMILTON	PRINTING & GRAPHICS	RICHMOND	VA 23211138
-0000339	DEPT OF TAXATION	VA DEPT OF TAXATION	ROSTON	MA 02109290
-0000340	FREQUENCY SOURCES INC	SEMICONDUCTOR DIVISION	RICHMOND	VA 23212141
-0000341	MOAN, C	8235 FRESH LN	BOSTON	MA 02110
-0000342	PHOENIX COMPUTER PRODUCTS C	820 NORWOOD PARK S	ALEXANDRIA	VA 22309283
-0000343	RICHARD THIESSEN	4211 BIRCHLAKE CT	NORWOOD	MA 02052653
-0000344	INTERLAN	PO BOX 4795	ALEXANDRIA	VA 22309120
-0000345	SANTA MONICA WATER DIVISION	PO BOX 1882	BOSTON	MA 02101479
-0000346	LA LITHOGRAPHICS	1841 20TH ST	SANTA MONICA	CA 90408188
-0000347	APPLE ONE	1323 LINCOLN BLVD	SANTA MONICA	CA 90404281
-0000348	GARY UEDA	C/O COMPUTORP	SANTA MONICA	CA 90401179
-0000349	PLASTIGLIDE REPLACEMENT PROD	PO BOX N	SANTA MONICA	CA 90404280
-0000350	MOTOROLA INC	SEMICONDUCTOR GROUP	HAWTHORNE	CA 90280
-0000351	SEC ELECTRONICS	27520 HAWTHORNE BLVD	MARINA DEL REY	CA 90281
-0000352	E & E CASERTA CO	308 W ELLIS AVENUE	ROLLING HILLS EST	CA 90274387
-0000353	CYNTHIA WELLS	A LAW CORPORATION	INGLEWOOD	CA 90302110
-0000354	ESTES, CLIFF	1433 HARVARD AVE #6	SANTA MONICA	CA 90405213
-0000355	KERNS, JAYNEE	1128 LINCOLN BLVD #4	SANTA MONICA	CA 90404211
			SANTA MONICA	CA 90403223

-SKY0930, CASE 861780 SP-3742 TASK 07/28/87-00 NOTICES DATED 07/31/87 SENT TO THE FOLLOWING. # 870041 OFFICE 900 PAGE0010

-0000444	GEORGE LE	C/O COMPUTORP	2211 MICHIGAN AVE	SANTA MONICA	CA 90404280
-0000445	AZON CORPORATION WEST	13771 S GRAMERCY PL	PO BOX 8809	CARDENA	CA 90248248
-0000446	GUEST TRANSPORTATION SYSTEMS	714 SO ISIS AVE		INGLEWOOD	CA 90301281
-0000447	ATLAS TESTING LABORATORIES	SUBSIDIARY OS ANALYSTS IN	PO BOX 2206	ROLLING HILLS	CA 90274019
-0000448	CONTINENTAL JET FREIGHT	LOS ANGELES ACCOUNTING		LOS ANGELES	CA 90037198
-0000449	BLAKE WIRE & CABLE	18505 PACIFIC GATEWAY DRV		TORRANCE	CA 90502111
-0000450	SALINGER EDUCATIONAL MEDIA	1835 TWELFTH ST		SANTA MONICA	CA 90404278
-0000451	WILSHIRE WEST STATIONERS	3027 WILSHIRE BL		SANTA MONICA	CA 90403228
-0000452	MCCROSKY, STUART	2411 ARIZONA AVE		SANTA MONICA	CA 90404140
-0000453	WIENG, VETH	4203 W COMPTON BLVD		LAWDALE	CA 90280183
-0000454	LOCKRIDGE, ROBERT	4111 LINCOLN BL #301		MARINA DEL REY	CA 90282551
-0000455	RICHARD JABLONSKI	2872 HYATT RD		RANCHO PALMS VERD	CA 90274224
-0000456	E & E CASERTA CO	308 W ELLIS AVE		INGLEWOOD	CA 90302110
-0000457	MAINTENANCE CORP OF AMERICA	22505 SOUTH NORMANDIE		TORRANCE	CA 90501482
-0000458	J CARMAN	C/O COMPUTORP	2211 MICHIGAN AVE	SANTA MONICA	CA 90404280
-0000459	BUDGE, RENT A CAR	2422 WILSHIRE BL		SANTA MONICA	CA 90403650
-0000460	CASTLE SIGNS	1808 BROADWAY		SANTA MONICA	CA 90404281
-0000461	TRAN, C	14617 PONTMILL AVE		HAWTHORNE	CA 90280845
-0000462	PAUL M POSNER ATTORNEY TRUST	330 WASHINGTON ST STE 400		MARINA DEL REY	CA 90282514
-0000463	MELTON, MIRIAM	904 SILVER SPUR RD N-181		ROLLING HILLS EST	CA 90274380
-0000464	ELITE COMMUNICATION SYSTEMS	6757 WILSHIRE BL #M103		LOS ANGELES	CA 90036350
-0000465	JON THOMAS TRUCKING	20900 LASALLE AVE		TORRANCE	CA 90501282
-0000466	A HANDSCHUMACHER	C/O COMPUTORP	2211 MICHIGAN AVE	SANTA MONICA	CA 90404280
-0000467	CIANNATASIO, DLGA	1041 LINCOLN BLVD		SANTA MONICA	CA 90403401
-0000468	BETTY MORITA	C/O COMPUTORP	2211 MICHIGAN AVE	SANTA MONICA	CA 90404280
-0000469	STALEY MACHINE	13738 S PRAIRIE AVE		HAWTHORNE	CA 90280735
-0000470	WEST COAST ENG SVCS	216 W FLORENCE AVE		INGLEWOOD	CA 90301121
-0000471	CETEC ELECTRONICS	ATTN DEBBIE BURKE	5510 W IMPERIAL HWY	SOUTH GATE	CA 90280742
-0000472	RETEX	1847 NINTH ST		SANTA MONICA	CA 90401270
-0000473	TECH SER	2325 BORDER AVE		TORRANCE	CA 90501351
-0000474	ELECTRO RENT CORP	3340 OCEAN PARK BLVD STE 1000		SANTA MONICA	CA 90405220
-0000475	FROMINS	1832 WILSHIRE BLVD		SANTA MONICA	CA 90403581
-0000476	STUART MCCROSKY	2411 ARIZONA AVE		SANTA MONICA	CA 90404140
-0000477	GERMAN, ELVIRA	13321 GRIDER AVE		HAWTHORNE	CA 90280482
-0000478	SECURICOR	1010 W HILLCREST BL	INGLEWOOD	LOS ANGELES	CA 90301202
-0000479	RYAN-MCFARLAND CORP	809 DEEP VALLEY DR		ROLLING HILLS	CA 90274382
-0000480	SPARKLETT	4800 YORK BLVD		LOS ANGELES	CA 90401329
-0000481	CYPRUS ELECTRONICS INC	2720 MONTEREY ST	STE 404	TORRANCE	CA 90503720
-0000482	S M LOCK AND SAFE	2208 RICO BLVD		SANTA MONICA	CA 90404280
-0000483	DAVERN, SANDY	1135 24TH ST		SANTA MONICA	CA 90405735
-0000484	WORDSMITH INC	1731 21ST ST		SANTA MONICA	CA 90404281
-0000485	C BELCHER	1455 MANHATTEN BCH BLVD		MANHATTEN BEACH	CA 90286614
-0000486	CORLAND CO	327 SO ISIS AVE		INGLEWOOD	CA 90301202
-0000487	TRANSCON LINES	01 BOX 98230		MARINA DEL REY	CA 90281
-0000488	BISNO & SAMBERG	701 SANTA MONICA BL STE 200		SANTA MONICA	CA 90401280
-0000489	KEYMARC INC	3888 CARSON ST #110		TORRANCE	CA 90503670
-0000490	PONY EXPRESS	3021 OCEAN PARK BL STE 12		SANTA MONICA	CA 90405300
-0000491	OSBORN, TY	844 6TH ST #3		SANTA MONICA	CA 90403272
-0000492	PACIFIC ENVIRONMENTAL	1930 14TH ST		SANTA MONICA	CA 90404489
-0000493	K & S BUSINESS FORMS	8277 PRONODSA DR		MALIBU	CA 90285310

-SKY0930. CASE 8817580 BP-3702 TASK 07/29/87-00 NOTICES DATED 07/31/87 SENT TO THE FOLLOWING # 870041 OFFICE 800 PAGE0011

-0000484	ARTEC FORWARDING INC	321 S EUCALYPTUS	INGLEWOOD	CA 9020281
-0000485	FLYING TIGERS	PO BOX 88888	MARINA DEL REY	CA 90291
-0000486	SPARKLETS	PO BOX 41000	LOS ANGELES	CA 90041338
-0000487	URDA GARY	20812 RAYMOND AVE	TORRANCE	CA 90503163
-0000488	PLUMBING DOCTOR	3501 PICO BLVD	SANTA MONICA	CA 90408171
-0000489	MANGREPTEN, MARIA	1081 PRINCETON ST	SANTA MONICA	CA 90403470
-0000500	SENTRY STATIONERS	2214 SANTA MONICA BLVD	SANTA MONICA	CA 90404208
-0000501	SYSTEM DISPLAYS	11822 LOUISE AVE	LYNWOOD	CA 90262389
-0000502	GUEST TRANS SVS (USA) INC	714 S 1818 AVE	INGLEWOOD	CA 90201281
-0000503	SMISER FREIGHT SERVICE	6810 SO ATLANTIC	SOOUTH GATE	CA 90280280
-0000504	GENERAL TELEPHONE	PAYMENT PROCESSING	INGLEWOOD	CA 90213000
-0000505	MIYUSHISHI ELECTRONICS	881 KNOX ST	TORRANCE	CA 90502100
-0000506	SANTA MONICA CONSUMERS	CREDIT UNION	SANTA MONICA	CA 90408141
-0000507	PIER SITTERS	C/D COMPUTORP	1044 PICO BL	
-0000508	ELEC-U-MAIL	1850 21ST ST	3211 MICHIGAN AVE	
-0000509	DITTS DATA	PO BOX 7000-24	SANTA MONICA	CA 90404381
-0000510	PROFESSIONAL COLLECTION	428 W KELSEY ST	RANCHO PALOS VERDES	CA 90274028
-0000511	CASTILLO TRUCKING	PO BOX 1484	INGLEWOOD	CA 90201283
-0000512	SPARKLETS	PO BOX 41000	BOUNTCATE	CA 90280148
-0000513	SMITH, T	18822 PALMA AVE	LOS ANGELES	CA 90041339
-0000514	BATASCAN	3715 OCEAN PARK BLVD STE 1060	TORRANCE	CA 90504201
-0000515	L WISIECKI	C/D COMPUTORP	SANTA MONICA	CA 90408520
-0000516	BERNABINE BILLUM	C/D COMPUTORP	SANTA MONICA	CA 90404380
-0000517	A SEMARI	423 ABRAMAM AVE	SANTA MONICA	CA 90403380
-0000518	BILLIUM, BERNAOTINE	823 E 87TH ST #3	PACIFIC PALISADES	CA 90272421
-0000519	SAWERS, S	15 CAYAMARAN AVE #8	INGLEWOOD	CA 90201438
-0000520	GENERAL TELEPHONE	PAYMENT PROCESSING	MARINA DEL REY	CA 90292878
-0000521	TOIA, MICHAEL J	17809 BLENHURST AVE	INGLEWOOD	CA 90213000
-0000522	TRANSACTION TECHNOLOGY INC	3100 OCEAN PK BL	TORRANCE	CA 90504602
-0000523	MARIA MANGREPTEN	C/D COMPUTORP	SANTA MONICA	CA 90408303
-0000524	WESTSIDE PROCESSING	1523 25TH ST	SANTA MONICA	CA 90404380
-0000525	CALIFORNIA RIBBON & CARBON	8818 PINE AVENUE	SANTA MONICA	CA 90404380
-0000526	SANTOYA, ERNESTO	4087 W 102ND ST	MAYWOOD	CA 90270283
-0000527	JONES WILLIE	745 VERNON AVE	INGLEWOOD	CA 90204182
-0000528	THE MOSLER SAFE CO	9445 FLOTILLA ST	VENICE	CA 90281273
-0000529	TECHNICAL DEVICES CO	850 ALASKA AVE	LOS ANGELES	CA 90401171
-0000530	CITY OF SANTA MONICA UTILITY	PO BOX 2200	TORRANCE	CA 90503380
-0000531	BHELLING, RANDY	1050-A 3RD ST	SANTA MONICA	CA 90408220
-0000532	UNITED WESTERN NEWSPAPERS	1820 COLORADO AVE	SANTA MONICA	CA 90404381
-0000533	WASH, KIM	1632 8TH ST	MANHATTEN BEACH	CA 90286835
-0000534	BITTERS, PIER	10821 CASIMIR AVE	INGLEWOOD	CA 90303281
-0000535	PATTERSON, JUDI	661 VERNON AVE	VENICE	CA 90281273
-0000536	MICO CAMERA	1288 SANTA MONICA MALL	SANTA MONICA	CA 90401130
-0000537	COOKSON, S	12237 DOLAN AVE	DOWNNEY	CA 90242384
-0000538	AVNET ELEC C/OFISHER-BROWNEL	10880 WASHINGTON BLVD	CULVER CITY	CA 90232402
-0000539	CHARTER EQUIPMENT LEASING CO	4383 WILSHIRE BLVD	BEVERLY HILLS	CA 90211240
-0000540	GENISCO TECHNOLOGY CORP	18435 SUSANA RD	RANCHO DOMINGUEZ	CA 90221888
-0000541	VOLY	PO BOX 45088	LOS ANGELES	CA 90048008
-0000542	CADUSCH, WILLIE	2304 CARMELINA AVE #8	LOS ANGELES	CA 90084103
-0000543	STANLEY PAPER CO	3130 LEONIS BLVD	LOS ANGELES	CA 90089301

-SKY0930. CASE 8817580 BP-3642 TASK 07/29/87-00 NOTICES DATED 07/31/87 SENT TO THE FOLLOWING # 870041 OFFICE 800 PAGE0012

-0000544	RUDOLFO CORRAL	8821 BELLARCA AVE #218	LOS ANGELES	CA 90048441
-0000545	MICRTEK LAB	15801 S WESTERN AVE	GARDENA	CA 90247821
-0000546	HAMILTON ELECTRO SALES	C/D FISHER BROWNELL	CULVER CITY	CA 90232402
-0000547	WOLFSON, PHILLIP	805 NC CAMDEN DR	BEVERLY HILLS	CA 90210302
-0000548	PACIFIC ALARM SYSTEMS	4444 SEPULVEDA BL	CULVER CITY	CA 90230488
-0000549	ELITE COMMUNICATION SYSTEMS	PO BOX 45088	LOS ANGELES	CA 90048008
-0000550	SOUTHWEST LEASING & RENTAL	PO BOX 84741	LOS ANGELES	CA 90084074
-0000551	BUSINESS TAX CREDIT CORP	10801 NATIONAL BLVD #202	LOS ANGELES	CA 90084412
-0000552	COPY SPOT INC	712 WILSHIRE BLVD	SANTA MONICA	CA 90401170
-0000553	MANGARRIZ, VIRGINIA	13824 SO MARIPOSA AVE	GARDENA	CA 90247200
-0000554	CARY, MANDEL PROMOTIONAL CONC	8743-A WASHINGTON BLVD	CULVER CITY	CA 90232234
-0000555	BERNARD KATZ	3001 ROXBURY DR	BEVERLY HILLS	CA 90210324
-0000556	BROWN'S ENTERPRISES INC	11823 TEALE ST	CULVER CITY	CA 90230831
-0000557	ALLEN, HERBERT	8134 BLACKBURN AVE	LOS ANGELES	CA 90048442
-0000558	PURCELL, EMPLOYMENT SYS	11845 W OLYMPIC BLVD	LOS ANGELES	CA 90048808
-0000559	ROGON INDUSTRIES INC	201 W 138TH ST	LOS ANGELES	CA 90081100
-0000560	MICHAEL LISA TRUCKING	8735 W 88TH ST	LOS ANGELES	CA 90048864
-0000561	WYLE DISTRIBUTION GROUP	WDC/LOS ANGELES	EL SEGUNDO	CA 90248093
-0000562	TRANSFORMER SERVICES	8867 MIGUERA ST	CULVER CITY	CA 90232283
-0000563	RALPH ENRENPREIS	9801 WILSHIRE BLVD	BEVERLY HILLS	CA 90210820
-0000564	SALAZAR, M	8021 S SLAUSON	CULVER CITY	CA 90230863
-0000565	MASON CONCEPTS AGENCY	8380 WILSHIRE BLVD #1000	LOS ANGELES	CA 90048801
-0000566	LIEBERMAN, S	3857 BUTLER AVE	LOS ANGELES	CA 90084
-0000567	BUNDY PROPERTIES INC	12233 W OLYMPIC BL	LOS ANGELES	CA 90084103
-0000568	CITY OF SANTA MONICA	1888 MAIN ST	SANTA MONICA	CA 90401320
-0000569	WASSCO	410 S DOUGLAS ST	EL SEGUNDO	CA 90248488
-0000570	E V ROBERTS & ASSOC	8800 STELLER DR	CULVER CITY	CA 90232242
-0000571	REIFMAN & ALTMAN	8777 WILSHIRE BL	BEVERLY HILLS	CA 90212180
-0000572	CARDILLO TRAVEL SYSTEMS INC	8710 MANNUM AVE	CULVER CITY	CA 90230681
-0000573	SEGARI, MARTY	8108 HAAS AVE	LOS ANGELES	CA 90047132
-0000574	POLYTECH	2820 SAN FERNANDO RD	LOS ANGELES	CA 90085132
-0000575	TAK MORIMOTO	2753 BUTLER AVE	LOS ANGELES	CA 90084380
-0000576	NAT'L STATIONARY STORES	8818 SEPULVEDA BLVD	LOS ANGELES	CA 90048488
-0000577	BARDN-BLAKESLEE	BOX 2783 TERMINAL ANNEP	LOS ANGELES	CA 90051075
-0000578	FISHER-BROWNELL	10880 WASHINGTON BLVD	CULVER CITY	CA 90232402
-0000579	MEYDENICH, TATIYANA	328 S REKFOR DR #6	BEVERLY HILLS	CA 90212486
-0000580	WAHL INSTRUMENTS	8750 MANNUM AVE	CULVER CITY	CA 90230860
-0000581	SJORA ANLEN	11870 SUNSET BLVD	BRENTWOOD	CA 90048206
-0000582	W DUKE	2899 OVERLAND AVE #214	LOS ANGELES	CA 90094424
-0000583	SECURITY SERVICE SYSTEMS	2317 COTNER AVE	LOS ANGELES	CA 90084180
-0000584	PACIFIC SHORE MOTEL	1818 OCEAN AVE	SANTA MONICA	CA 90401321
-0000585	GUSTIN, SOLO & BRACIN	11726 SAN VICENTE BL	LOS ANGELES	CA 90089800
-0000586	TIME ELECTRONICS	10880 WASHINGTON BLVD	CULVER CITY	CA 90232402
-0000587	XEROX CORP	8885 WILSHIRE BL STE 810	BEVERLY HILLS	CA 90212250
-0000588	BROWNS ENTERPRISES INC	11823 TEALE ST	CULVER CITY	CA 90230831
-0000589	GUNTHER, SHERI	11889 DOROTHY ST	LOS ANGELES	CA 90088830
-0000590	VALDEZ, ELENA	2456 GRANVILLE AVE	W LOS ANGELES	CA 90084133
-0000591	SOUTHWEST LSC & RENTAL, INC	PO BOX 84741	LOS ANGELES	CA 90084074
-0000592	TRI-STAR AIR FREIGHT	8341 W 104TH ST	LOS ANGELES	CA 90048800
-0000593	COURT TRUSTEE	PO BOX 8844 TERMINAL AN	LOS ANGELES	CA 90055154

-0000884	LA COUNTY OFFICE OF EDUCATION	DIV OF INTL BUS MGMT	8200 S IMPERIAL HWY	DOWNY	CA 90242
-0000885	THE BANK OF BEVERLY HILLS	WILSHIRE/SPALDING	8700 WILSHIRE BLVD	BEVERLY HILLS	CA 90212122
-0000886	TRAN, TSAN A	5287 BARRYMAN AVE		CULVER CITY	CA 90230838
-0000887	MCMASTER CARR SUPPLY CO	PD BOX 84880		LOS ANGELES	CA 90054088
-0000888	CROSS, CAROLE	4400 BRANDVIEW BL		LOS ANGELES	CA 90068823
-0000889	CARMACK, CAROL	2644 COTNER AVE		LOS ANGELES	CA 90064311
-0000890	1783 CLOVERFIELD LTD	631 WILSHIRE #202A		SANTA MONICA	CA 90401181
-0000891	EMPLOYMENT DEVELOPMENT DEPT	PD BOX 84887		LOS ANGELES	CA 90054088
-0000892	API ALARM SYSTEMS	PO BOX 1901		CULVER CITY	CA 90232180
-0000893	FRAM FABRICATORS OF CALIF	1810 S SANTA FE AVE		COMPTON	CA 90221831
-0000894	VAN NEEL, ANDRE	6880 BUCKINGHAM PKWY #513		CULVER CITY	CA 90230873
-0000895	BANK OF AMERICA	NATIONAL TRUST & SAVINGS	PO BOX 3141 TERMINAL ANN	LOS ANGELES	CA 90051114
-0000896	SAMSON INDUSTRIES INC	PD BOX 85286		LOS ANGELES	CA 90058023
-0000897	SUNDY PROPERTIES INC	13232 W OLYMPIC BLVD STE #2		LOS ANGELES	CA 90054103
-0000898	LEVINE, M	607-3/4 MARTEL AVE		LOS ANGELES	CA 90048780
-0000899	SEC ELECTRONICS INC	1188 W WALNUT ST		COMPTON	CA 90220811
-0000900	API ALARM SYSTEMS	CUST # K1107110	PO BOX 1901	CULVER CITY	CA 90232180
-0000901	MORIMO, YOK	3753 BUTLER		LOS ANGELES	CA 90054380
-0000902	MESSENGER EXPRESS	4481 S SEPULVEDA BLVD		CULVER CITY	CA 90230484
-0000903	PACIFICA HOTEL	6181 CENTINELA AVE		CULVER CITY	CA 90230830
-0000904	SCHULEY, L	4400 BRANDVIEW BLVD		LOS ANGELES	CA 90058823
-0000905	TAK MORIMOTO	2782 BUTLER AVE		LOS ANGELES	CA 90054380
-0000906	GRUNFIELD & BRANDY INC	1480 4TH ST STE 308		SANTA MONICA	CA 90401232
-0000907	DIGITAL EQUIPMENT	8101 W CENTINELA		CULVER CITY	CA 90230833
-0000908	PERCE ELECTRONICS	908 HAWAII		EL SEGUNDO	CA 90245481
-0000909	PAYROLL TAX CONTRL CORP	10801 NATIONAL BLVD STE 202	PO BOX 3200	LOS ANGELES	CA 90054415
-0000910	PACIFICA HOTEL	6181 CENTINELA AVENUE	ATTN: KAREN ROMAR	CULVER CITY	CA 90230830
-0000911	DIGITAL EQUIPMENT	8101 W CENTINELA		CULVER CITY	CA 90230833
-0000912	R MONAHAN	1423 4TH ST		LOS ANGELES	CA 90068
-0000913	BUSINESS TAX CREDIT CORP	10801 NATIONAL BL		LOS ANGELES	CA 90064412
-0000914	AMERICAN AIRLINES FREIGHT SV	8808 AVION DR		LOS ANGELES	CA 90048882
-0000915	JOHN R RUSSO TRUCKING	1410 E GRAND AVE		EL SEGUNDO	CA 90248432
-0000916	WORLD WIDE TRAVEL AGENCY	5201 SLAUSON BOX 2788		CULVER CITY	CA 90230841
-0000917	WYMAN, SAUTZER, ROTHMAN KUCHEL	AND SILBERT	2048 CENTURY PARK EAST	LOS ANGELES	CA 90007318
-0000918	PACIFIC SHORE HOTEL	1818 OCEAN AVE		SANTA MONICA	CA 90401322
-0000919	SARON BLAKESLEE INC	880 SO SEPULVEDA BL		EL SEGUNDO	CA 90248471
-0000920	RAINS, E	10818 OREGAN AVE		CULVER CITY	CA 90232372
-0000921	ALFORD, J	3804 COLLISSE AVE		LOS ANGELES	CA 90058800
-0000922	FLYING TIGERS	7401 WORLD WAY WEST		LOS ANGELES	CA 90048853
-0000923	COMMERCE BUSINESS DAILY	PD BOX 1328		LOS ANGELES	CA 90058
-0000924	KERON COMPUTER SERVICES	CUSTOMER #1281	PO BOX 88924	LOS ANGELES	CA 90058892
-0000925	STANLEY TULCHIN ASSOCIATES	10000 SANTA MONICA BLVD		LOS ANGELES	CA 90057700
-0000926	IRELL & MANELLA	1800 AVE OF THE STARS STE 800		LOS ANGELES	CA 90057427
-0000927	TEXAS INSTRUMENTS INC	1000 W TEMPLE FILE 1008		LOS ANGELES	CA 90074
-0000928	AUDIOTRONICS	DEPARTMENT 11328		LOS ANGELES	CA 90088
-0000929	PACIFICARE	DEPT NO 13488		LOS ANGELES	CA 90088
-0000930	IBM	PD BOX 78818		LOS ANGELES	CA 90078081
-0000931	IBM	PD BOX 78804		LOS ANGELES	CA 90078080
-0000932	THE DAVID JAMISON CARLYLE CO	DJCC DEPT 93774		LOS ANGELES	CA 90088
-0000933	BURLINGTON NORTHERN AIRFREIGHT	DEPT 88-2348		LOS ANGELES	CA 90088

-0000844	FURDLATOR COURIER CORP	DEPT #80477		LOS ANGELES	CA 90088
-0000845	CARPENTER/OFFUTT PAPER	DEPT 42377		LOS ANGELES	CA 90088
-0000846	MORAN, GERARD	3438 VINTON AVE #4		LOS ANGELES	CA 90034473
-0000847	KEY SYSTEMS	11803 MISSISSIPPI AVE		LOS ANGELES	CA 90028611
-0000848	LLOYDS BANK OF CALIFORNIA	ATTN M REDFORD	812 S FLOWER ST	LOS ANGELES	CA 90017288
-0000849	WESTWOOD STATIONERS	10940 SANTA MONICA BL		LOS ANGELES	CA 90025458
-0000850	DATA SOURCES	PD BOX 5845		CHERRY HILL	NJ 08034051
-0000851	MERRILL LYNCH, PIERCE,	PENNER & SMITH INC	80X 12251 CHURCH ST STA	NEW YORK	NY 10248000
-0000852	MANHATTAN TELECOMMUNICATIONS	17 WEST 48TH ST STE 804		NEW YORK	NY 10038480
-0000853	RPS ELECTRONICS	8230 DESCANSO AVE		BUENA PK	CA 90620105
-0000854	DAKWOOD APARTMENTS	3838 S SEPULVEDA BL		W LOS ANGELES	CA 90034880
-0000855	CARRILL, S	1443 S BUNDY DR #4		W LOS ANGELES	CA 90028213
-0000856	BURDGE INC	1418 WEST 7TH ST		LOS ANGELES	CA 90017238
-0000857	SOUTHERN CALIFORNIA DISPOSAL	PD BOX 28888		LOS ANGELES	CA 90025088
-0000858	DATAPAC RESEARCH CORP	1805 UNDERWOOD BLVD		DELRAE	NJ 08078123
-0000859	PRUDENTIAL-SACHE SECURITIES	100 GOLD ST		NEW YORK	NY 10282000
-0000860	SPORTS ILLUSTRATED	TIME AND LIFE BLDG		NEW YORK	NY 10038
-0000861	SEIKO INSTRUMENTS USA	298C W LOMITA BLVD		TORRANCE	CA 90805510
-0000862	BOTTI, MICHAEL E	3725 GLENDON AVE #108		LOS ANGELES	CA 90034622
-0000863	ANTHEM ELECTRONICS INC	FILE #11278		LOS ANGELES	CA 90028
-0000864	CAREER CONSULTANTS, INC	1088C WILSHIRE BLVD	SUITE 400	LOS ANGELES	CA 90024410
-0000865	BRDCKS, MARK	1423 SO SALTAIN AVE #8		LOS ANGELES	CA 90028211
-0000866	BYTE	PD BOX 888		MARTINVILLE	NJ 08838059
-0000867	ELECTRONIC NEWS	PC BOX 2088		MANHATTAN	NY 10841708
-0000868	FORTUNE MAGAZINE	TIME AND LIFE BLDG		NEW YORK	NY 10038
-0000869	JEFFRIES BANKNOTE COMPANY	1330 W PICO BLVD		LOS ANGELES	CA 90018242
-0000870	COLOGRAPHICS INC	150 N MYERS ST		LOS ANGELES	CA 90032119
-0000871	GEORGE E WILHELM	PC BOX 888	1800 N LABREA	LOS ANGELES	CA 90028890
-0000872	GRAPHIC CONCEPTS	3280 E OLYMPIC BLVD		LOS ANGELES	CA 90023370
-0000873	WESTWOOD PRINTING	2101 S BARRINGTON AVE		LOS ANGELES	CA 90025832
-0000874	ZIYAD CORP	100 FORD RD		DEWILLE	NJ 07834131
-0000875	C C COMPONENTS INC	100 MIDLAND AVE		PORT CHESTER	NY 10873484
-0000876	MFC HANDOVER TRUST CO	600 FIFTH AVE 3RD FL	ATTN PROXY DEPARTMENT	NEW YORK	NY 10020230
-0000877	MACDONALD, HALSTED & LAYBOURNE	ATTORNEYS AT LAW	1200 WILSHIRE BL	LOS ANGELES	CA 90017559
-0000878	KANBACH, M	8814 REGENT ST #5		LOS ANGELES	CA 90034812
-0000879	LAM, TANDUNG	1848 N HOBART ST #218		HOLLYWOOD	CA 90027484
-0000880	CALDRILL	3120 E PICO BLVD		LOS ANGELES	CA 90023360
-0000881	MORITA, BETTY	1734 GRANVILLE AVE		LOS ANGELES	CA 90028180
-0000882	EMC PROPRIETARY SYSTEMS	PD BOX 0800		BASKING RIDGE	NJ 07820060
-0000883	LIFEBAT ASSOCIATES	1851 THIRD ST		NEW YORK	NY 10128382
-0000884	AMERICAN MANAGEMENT ASSOC	135 W 50TH ST		NEW YORK	NY 10020120
-0000885	CLAYBROOKS MARILYN	8228 1/2 W 20TH ST		LOS ANGELES	CA 90018132
-0000886	ENADI, SHAREM	3430 SEPULVEDA BL #312		LOS ANGELES	CA 90034804
-0000887	DWF	PC BOX 30334		LOS ANGELES	CA 90030033
-0000888	TRIEU, NU	421 S BERENDD #2		LOS ANGELES	CA 90020210
-0000889	SYS DELI & RESTAURANT	12041 WILSHIRE BLVD		BRENTWOOD	CA 90025120
-0000890	FURDLATOR COURIER	131 MORRISTOWN RD		BASKING RIDGE	NJ 07820165
-0000891	P R NEWSWIRE	150 E 86TH ST		NEW YORK	NY 10158008
-0000892	TRUCRAFT	31 W 48TH ST		NEW YORK	NY 10038415
-0000893	HCLT2M2N OFFICE FURNITURE CO	1417 S FIGUERA ST		LOS ANGELES	CA 90018248

-870080, CASE 8017800 SP-2002 TASK 07/20/87-00 NOTICED DATED 07/21/87 SENT TO THE FOLLOWING. # 870041 OFFICE 800 PAGE00018

-0000894	MONTENOTTE, RAFFAEL	2184 IVY ST	LOS ANGELES	CA 90034321
-0000895	KENNEDY	FILE #7308	LOS ANGELES	CA 90038
-0000896	FRILICH, MORNAKER, ROSEN, FE	10080 WILSHIRE BLVD	LOS ANGELES	CA 90034370
-0000897	FURBERG, E	11787 IOWA AVE #10	LOS ANGELES	CA 90035188
-0000898	BUN & BRADSTREET COMM COLL	RE: HOTEL MERCURE	FLORHAM PK	NJ 07932180
-0000899	PR NEWSWIRE	180 E 85TH ST	NEW YORK	NY 10188003
-0000900	VENTURE MAGAZINE INC	38 W 45TH ST	NEW YORK	NY 10036880
-0000901	ZIDE, ZIDE, SWEDLOW	1200 W OLYMPIE ST# 403	LOS ANGELES	CA 90018390
-0000902	R LEBLOND	1234 BACKYHRE ST	LOS ANGELES	CA 90034
-0000903	JACK WADEL CD	FILE 8882	LOS ANGELES	CA 90038
-0000904	FRILICH, MORNAKER, WASSERMAN	10080 WILSHIRE BL	LOS ANGELES	CA 90034370
-0000905	NORWAY TOOL	2110 PONTIUS AVE	LOS ANGELES	CA 90035772
-0000906	PRESTIGE EXP'S INC	C/O JOHN SWILOR	HACKENSACK	NJ 07801700
-0000907	C T CORPORATION	PO BOX 1844	NEW YORK	NY 10183184
-0000908	CHURCHILL COMPUTER CORP	800 EIGHTH AVE	NEW YORK	NY 10018980
-0000909	FRANKS NURSERY	C/O PREMIUM COLLECTION BV	LOS ANGELES	CA 90017110
-0000910	PEPCO	C/O MORTON V DICKER	LOS ANGELES	CA 90035130
-0000911	THE REGISTER	FILE NO 1483	LOS ANGELES	CA 90038
-0000912	DEL AIR CAMERA	1025 WESTWOOD BLVD	LOS ANGELES	CA 90024200
-0000913	FRIBLEY, CANDACE	1438 CENTINELA AVE #10	LOS ANGELES	CA 90025282
-0000914	GREAT BEAR SPRING COMPANY	GREAT BEAR PLAZA	TETERBORO	NJ 07868111
-0000915	MSA INC	150 BRADWAY RM 1003	NEW YORK	NY 10028408
-0000916	ARTHUR COX & CO	51 WEST 81ST ST	NEW YORK	NY 10018980
-0000917	ARTHUR ANDERSON & CO	811 WILSHIRE BL	LOS ANGELES	CA 90017340
-0000918	NORTH AMERICAN CREDIT UNION	8019 W PICO BL #1200	LOS ANGELES	CA 90035270
-0000919	NAT'L WIRE & CABLE CO	138 SAN FERNANDO RD	LOS ANGELES	CA 90031178
-0000920	ASHESSESIAN, ARMAND	1724 BARRY AVE #4	LOS ANGELES	CA 90028403
-0000921	WESTWOOD STATIONERS	10840 SANTA MONICA BL	LOS ANGELES	CA 90028488
-0000922	PLASTIMATIC INC	388 CHESTNUT ST	NORWOOD	NJ 07862208
-0000923	SEAR, STEARNS & CO	PROXY DEPT	NEW YORK	NY 10041008
-0000924	EINZIG PHOTOGRAPHERS	333 W 87TH ST	NEW YORK	NY 10018310
-0000925	SARWA BANK	512 S FLOWER ST	LOS ANGELES	CA 90017328
-0000926	SGARD, SHERYL	3848 MENTONE AVE #3	LOS ANGELES	CA 90034888
-0000927	MASTER PROTECTION ENT	2884 LACY ST	LOS ANGELES	CA 90031183
-0000928	ALVIDREZ, M	11884 ISARD #8	LOS ANGELES	CA 90028287
-0000929	ALLEN, BJORN	11787 IOWA AVE #10	LOS ANGELES	CA 90035188
-0000930	OFFICE ADMINISTRATION AND	AUTOMATION, BEYER-MCALLIST	LOS ANGELES	CA 90031112
-0000931	NEW YORK TELEPHONE	C P O BOX 811	DOVER	NJ 07801112
-0000932	TIME MAGAZINE	TIME LIFE BLDG	NEW YORK	NY 10118091
-0000933	WESTERN UNION	745 S FLOWER ST	NEW YORK	NY 10020130
-0000934	SINDER PRODUCTS	2614 CLEARWATER ST	LOS ANGELES	CA 90017378
-0000935	RAJJOHN WATER COOLERS INC	PO BOX 31310	LOS ANGELES	CA 90039280
-0000936	DISC	2138 PONTIUS AVE	LOS ANGELES	CA 90031338
-0000937	MUZAK	2917 W TEMPLE ST	LOS ANGELES	CA 90028458
-0000938	AM MULTIGRAPHICS	PO BOX 18181	NEWARK	NJ 07181000
-0000939	SYSTEMS STRATEGIES INC	225 W 34TH ST	NEW YORK	NY 10122000
-0000940	CLAPP & POLIAC (CEG)	708 THIRD AVENUE	NEW YORK	NY 10017410
-0000941	MULTIPLE PHOTOS	3521 W WASHINGTON BLVD	LOS ANGELES	CA 90014119
-0000942	KENNEDY CD	FILES 7380	LOS ANGELES	CA 90038348
-0000943	MEMOREX CORP	PO BOX 20888	LOS ANGELES	CA 90030088

-870080, CASE 8017800 SP-4042 TASK 07/20/87-00 NOTICED DATED 07/21/87 SENT TO THE FOLLOWING. # 870041 OFFICE 800 PAGE00018

-0000744	PETROSIAN, SHANEM	1828 SO COLBY AVE #6	LOS ANGELES	CA 90025542
-0000745	WESTWOOD STATIONERS	CUST ACCT #7382	LOS ANGELES	CA 90025458
-0000746	NYNEX	PO BOX 18304	NEWARK	NJ 07182000
-0000747	NEW YORK TELEPHONE	ATTN MS SMALLWOOD	NEW YORK	NY 10036118
-0000748	M LANDSBERG STATIONERS	380 MADISON AVE	NEW YORK	NY 10017312
-0000749	TSA	700 WILSHIRE BL	LOS ANGELES	CA 90017371
-0000750	GRAPHIC SCANNING	PO BOX 14042	NEWARK	NJ 07184000
-0000751	DILCILVY & MATHER	380 MADISON AVE 3RD FLR	NEW YORK	NY 10017336
-0000752	FEDERAL FINING AND MFG	288 12TH AVE	ROSELLE	NJ 07203278
-0000753	ASAP MESSENGERS LTD	180 EAST 28 STREET	NEW YORK	NY 10018315
-0000754	COMBINED PROCESSES INC	3805 KENNEDY RD	S PLAINFIELD	NJ 07080180
-0000755	DALLEK	289 MADISON AVE	NEW YORK	NY 10018823
-0000756	ITT WORLD COMMUNICATIONS INC	100 PLAZA DR	SECAUCUS	NJ 07084380
-0000757	ASAP MESSENGER LTD	150 E 28TH ST	NEW YORK	NY 10018815
-0000758	THE STAR-LEDGER	STAP LEDGER PLAZA	NEWARK	NJ 07101
-0000759	LANDMARK STATIONERS INC	380 MADISON AVE	NEW YORK	NY 10017312
-0000760	THE NEW YORK TIMES	PO BOX 18228	NEWARK	NJ 07181000
-0000761	818 5TH AVE	10 W 20TH ST 10TH FL	NEW YORK	NY 10011421
-0000762	OFFICE PUBLICATIONS	1800 SUMMER ST PO BOX 1231	STAMFORD	CT 08805512
-0000763	GAURDIAN CLEANING IND	140 W 22ND ST	NEW YORK	NY 10011242
-0000764	RICOH CORP	8 DEDRICK PL	WEST CALDWELL	NJ 07088830
-0000765	THE CITY OF NEW YORK	DEPT FINANCE-BUR TAX DP	NEW YORK	NY 10013330
-0000766	LUCKY GOLDSTAR INT'L (AMERIC	1080 WALL ST WEST	LYNDHURST	NJ 07071361
-0000767	LIN COMMUNICATIONS	280 MADISON AVE	NEW YORK	NY 10018248
-0000768	AT&T BELL LABORATORIES	101 JOHN KENNEDY PARKWAY	SHORT HILLS	NJ 07082270
-0000769	KALS, VOORNIS & CO	MEMBERS NEW YORK STOCK EX	NEW YORK	NY 10005280
-0000770	TYLER COOPER & ALDRON	ONE AMERICAN ROW	HARTFORD	CT 06103342
-0000771	THE CHASE MANHATTAN BANK	1 CHASE MANHATTAN PLAZA	NEW YORK	NY 10005140
-0000772	BBP	24C ROPE FERRY RD	WATERFORD	CT 08388280
-0000773	GPD COURIER CORP	80 WEST ST	NEW YORK	NY 10006103
-0000774	BRUCE LOSTY OFFICE SYSTEMS INC	211 SCHRAPPYS DR	WATERBURY	CT 08705322
-0000775	GEYERS DEALER TOPICS	61 MADISON AVE	NEW YORK	NY 10010160
-0000776	HARBOR ELECTRONICS	880 OANBURY RD	BRIDGEFIELD	CT 08877278
-0000777	REALWORLD CORP	DOVER RD	CHICHESTER	NE 03288
-0000778	MCAULIFF INC	PO BOX 372	BURLINGTON	VT 05402037
-0000779	ROYAL BUSINESS MACHINES	600 DAY HILL RD	WINDSOR	CT 06088171
-0000780	NATION'S LONG DISTANCE PHONE C	PO BOX 8010	MA 02208901	
-0000781	REAL ESTATE COMMUNICATIONS I	332 CONGRESS STREET	BOSTON	MA 02210171
-0000782	THOMSON & THOMSON	PO BOX 8182	BOSTON	MA 02212
-0000783	GULTON	PO BOX 1381	PROVIDENCE	RI 02801139
-0000784	EAGLE COFFEE INC	352 MANCOCK ST	BRAINTREE	MA 02184750
-0000785	DICTRONICS INC	PO BOX 403	NEEDHAM	MA 02192000
-0000786	THE INTERFACE GROUP INC	AL ARONSON	NEEDHAM	MA 02194270
-0000787	THE COMMONWEALTH OF MASS	MASS DEPT OF REVENUE	BOSTON	MA 02204
-0000788	IRVING SALSBERG & ASSOC INC	318 HARVARD ST	BROOKLINE	MA 02148281
-0000789	PAINE WEBBER, JACKSON & CURTIS	25 BROAD ST	NEW YORK	NY 10004251
-0000790	WINIECKI, LEONARD	832 SO FOURTH AVE	ARCADIA	CA 91008421
-0000791	KIERLUFF ELECTRONICS	10824 HOPE ST	CYPRUS	CA 90830521
-0000792	SHERWOOD, GARY	17444 S LAKEWOOD BL #37	BELLYFLOWER	CA 90706628
-0000793	ERYTECH INC	31121 VIA COLINAS #1003	WESTLAKE VILLAGE	CA 91362392

-SKY0930. CASE 8817550 SP-4002 TASK 07/28/87-00 NOTICES DATED 07/31/87 SENT TO THE FOLLOWING. # 870041 OFFICE 800 PAGE0017

-0000784 PRODUCTION TRAVEL AND TOURS 3888 LANKERSHIM BL UNIVERSAL CITY CA 91004241
-0000785 SAN'S U DRIVE PO BOX 113 VAN NUYS CA 91400011
-0000786 LE GEORGE 18001 BLENHOP DR VALENCIA CA 91764881
-0000787 LEWIS SECURITIES CORP 2 BROADWAY NEW YORK NY 10004220
-0000788 WELLS B 2828 MONDRAM AVE LONG BEACH CA 90801533
-0000789 NOLAN PAPER CO PO BOX 8008 SUENA PARK CA 90822800
-0000800 HOSPITAL PHYSICIANS BUSINESS 8 PO BOX 3060 LAKEWOOD CA 90711204
-0000801 TELE SERVICES ENGINEERING CO 30041 W ABBURA RD STE 202 WESTLAKE VIL CA 91361481
-0000802 ROY TRUCKING PO BOX 878 N HOLLYWOOD CA 91603087
-0000803 ROBERT S ALLEN CO INC PO BOX 4008 VAN NUYS CA 91412408
-0000804 SYKES, M 648 E FOOTHILL BLVD GLENDALE CA 91740282
-0000805 OF KING AND CO, INC 60 BRAD ST NEW YORK NY 10004230
-0000806 GUTERBAUSH, LANCE 259 BLENDON CT SD PASADENA CA 91202212
-0000807 NOLAN PAPER CO PO BOX 8008 CA 90822800
-0000808 EUGENE M SIEGAL 11911 CARSON ST MONTEBELLO CA 90724217
-0000809 REISNER, BOB 6180 CAPITRAN NEW YORK NY 10004220
-0000810 BOUTH S SIMSON 10880 RIVERSIDE DR BOX 7045 HAWAIIAN GARDENS CA 90715112
-0000811 DAILY NEWS 14520 SYLVAN ST WOODLAND HILLS CA 91092225
-0000812 HOSTEK CORPORATION PO BOX 51188 VAN NUYS CA 91411238
-0000813 DONALDSON, LUPKIN & JENNETTE 140 BROADWAY EL MONTE CA 91735
-0000814 KISSNER, LAWRENCE 268 ST ALBANO AVE NEW YORK NY 10005110
-0000815 SUNCLIPSE INC 88A KENT M LANGBERS CO SD PASADENA CA 91202288
-0000816 RAPID FREIGHT SYSTEMS 7701 ROSECRAN AVE MONTEBELLO CA 90840852
-0000817 DATA MEMORY CORP 6120 VARIEL AVE PARAMOUNT CA 90723253
-0000818 ELECTRONIC HARDWARE LTD 13287 SATICOV ST WOODLAND HILLS CA 91307278
-0000819 SHELLEY ELECTRONICS 18530 VENTURA BLVD N HOLLYWOOD CA 91606348
-0000820 MARSHALL INDUSTRIES PO BOX 8170 ENCINO CA 91428200
-0000821 KIDDER & PEABODY CO 2 BROADWAY EL MONTE CA 91734217
-0000822 EUBANKS ENGINEERING 1507 S MYRTLE AVENUE NEW YORK NY 10004220
-0000823 UNDERDALE, RICHARD 12488 CHESHIRE ST NEW YORK NY 91018418
-0000824 GTE DIRECTORIES CORP PO BOX 3800 NEWARK CA 90850885
-0000825 GROUP J INC 18730 VENTURA BLVD STE 28 LOS ALAMITOS CA 90720038
-0000826 ALATEC PRODUCTS 12747 SATICOV ST WOODLAND HILLS CA 91364288
-0000827 ZIP TEMP PERSONNEL SVCS 16258 VENTURA BL STE 1118 N HOLLYWOOD CA 91606380
-0000828 ARROWHEAD PURITAS WATERS 25 CUPANIA CIRCLE ENCINO CA 91428230
-0000829 STANDARD & PDR'S CORP MONTEREY PK CA 91784740
-0000830 MEGATAPE 25 BROADWAY NEW YORK NY 10004101
-0000831 UNITED PARCEL SERVICE PO BOX 317 QUARTE CA 91010031
-0000832 PERMAE PACIFIC CORP PO BOX 2084 MONTEBELLO CA 90840104
-0000833 KURT KOLLER 10831 HUMBOLDT ST LOS ALAMITOS CA 90720244
-0000834 AD IND OF CALIF 8838 CEDROS AVE PANDRAMA CITY CA 91402102
-0000835 CAL-AM SWITCH ATTN: DANIEL DEROUIS 4855 CHERMAK ST N HOLLYWOOD CA 91508258
-0000836 JONSON LIFT PO BOX 1078 BURBANK CA 91508100
-0000837 D F KING & CO INC 40 BROAD ST INDUSTRY NY 10004230
-0000838 INLAND VALLEY CIRCUITS INC 4827 CHEYENNE WAY CHINO CA 91710851
-0000839 W T BILLARD INC 10281 MATERN PL SANTA FE SPRINGS CA 90670224
-0000840 THE PANDE GROUP 1195 E 230TH ST CARSON CA 90748800
-0000841 PACIFIC BELL VAN NUYS CA 91385
-0000842 TARGET EXPRESS INC CHINO CA 91710207
-0000843 TEE-N-JAY 3875 RIVERSIDE DR BURBANK CA 91502183
-03 E PALM AVE

-SKY0930. CASE 8817550 SP-4142 TASK 07/28/87-00 NOTICES DATED 07/31/87 SENT TO THE FOLLOWING. # 870041 OFFICE 800 PAGE0018

-0000844 ITAL ELECTRONICS SALES INC 15408 PROCTER AVE INDUSTRY CA 91745102
-0000845 DRETEL BURNHAM LAMBERT INC ACCOUNTING DEPT NEW YORK NY 10004228
-0000846 TARGET EXPRESS INC 3875 RIVERSIDE DR STE 202 BURBANK CA 91508100
-0000847 CARRIER CLEARING HOUSE PO BOX 2277 SANTA FE SPRINGS CA 90670027
-0000848 PAN AMERICAN VAN LINES INC PO BOX 823 LONG BEACH CA 90801082
-0000849 SEBOR EQUIP CO 14733 KESWICK ST VAN NUYS CA 91405120
-0000850 DIL-SOLVENT PROCESS CO PO BOX 807-PPP AZUSA CA 91702080
-0000851 ZIP TEMPORARY PERSONNEL SERVIC 18258 VENTURA BL CA 91428230
-0000852 SOUTHERN CALIF GAS COMPANY PO BOX C MONTEREY PARK CA 91784083
-0000853 US TRUST CO OF NEW YORK 770 BROADWAY NEW YORK NY 10003852
-0000854 GEMINI ALUMINUM CORP 2420 TYLER AVE EL MONTE CA 91733271
-0000855 FIRST INTERSTATE BANK OF CA AUTO LEASING DEPT BDR 8200 CERRITOS CA 90702820
-0000856 KIM DAE 24412 MARBELLA AVE CARSON CA 90748840
-0000857 BOWMAN, C 14800 SATICOV #104 VAN NUYS CA 91405137
-0000858 DAILY WHEEL RIBBON CO INC 8375 ARCHIBALD AVE #401 VAN NUYS CA 91750872
-0000859 FRANKLIN ASSOCIATES 11280 MACDOLIA BLVD #102 CUCAMONGA CA 91701370
-0000860 ROSS NAME PLATE CO NUMBER TWO RED PLUM CIRCLE MONTEREY PARK CA 91784741
-0000861 STACLIFF ASSOCIATES 5 HANOVER RD NEW YORK NY 10004261
-0000862 MARK A CATELL TRUCKING 17015 BROOKPORT ST COVINA CA 91722280
-0000863 CALIFORNIA CHASSIS INC 18215 PIUMA AVE CERRITOS CA 90701182
-0000864 DENTAL HEALTH SERVICE 3833 ATLANTIC AVE LONG BEACH CA 90807380
-0000865 PARAGON BUSINESS FORMS 14418 CHASE ST STE-200 PANORAMA CITY CA 91402301
-0000866 HA, PHAT V 814 N LINCOLN AVE UNIT-K MONTEREY PARK CA 91784123
-0000867 SUNSET OFFICE SUPPLY 10538 BURBANK BLVD N HOLLYWOOD CA 91801288
-0000868 SPACE AGE DELIVERY SER INC 2200 E 89TH ST LONG BEACH CA 90805188
-0000869 KIDDER, PEABODY & CO 2 BROADWAY NEW YORK NY 10004220
-0000870 THE MACHINE SHOP 550 W EMPORIA ONTARIO CA 91782376
-0000871 CONTROLLED STATIC 8820 JERSEY AVE ONTARIO CA 91782376
-0000872 BURNS EXPRESS INC PO BOX 17180 SANTA FE SPRINGS CA 90670313
-0000873 CHAZ HABA 8711 VALJEAN LONG BEACH CA 90807003
-0000874 DARBY CIRCUITS INC PO BOX 1301 VAN NUYS CA 91408581
-0000875 TRACEY ELECTRONICS INC 1117 W ISABEL ST ONTARIO CA 91782030
-0000876 AID INTERNATIONAL CUSTOM BROKE 2000 E CARSON BURBANK CA 91508140
-0000877 KIDDER, PEABODY & CO 2 BROADWAY LONG BEACH CA 90810122
-0000878 G I TRUCKING CO NEW YORK NY 10004220
-0000879 OAK PRODUCTS 1844 W 240TH ST LA MIRADA CA 90837080
-0000880 INT'L PRINTING & TYPESETTING HARBRD CITY CA 90710131
-0000881 WELCO ELECTRONICS INC VAN NUYS CA 91405405
-0000882 DALAPRC RESEARCH CORP BURBANK CA 91505100
-0000883 PALMAT INC HADDONFIELD NJ 08033037
-0000884 HUGO E MENDEZ 24003 FRAMPTON AVE HARBRD CITY CA 90710210
-0000885 KRUDSEN, LYNN 645 GAYNDR AVE VAN NUYS CA 91408543
-0000886 MOHAMED, ROBERT 7105 ETHEL ST NO HOLLYWOOD CA 91308472
-0000887 COMPUTER SUPPLIES INTL INC 17130 CELTIC ST GRANADA HILLS CA 91344881
-0000888 JOHN J MASTINES 1355 LAWRENCE DR #109 NEWBURG PARK CA 91320138
-0000889 OPTRONICS SPECIALITY CO 25370 W PLATA LN CALABASS CA 91302251
-0000890 PCA ELECTRONICS 8843 OSD AVE UNIT C CHATSWORTH CA 91311621
-0000891 HEWLETT PACKARD 18789 SCHOENBORN SEPULVEDA CA 91343610
-0000892 VOICECOM SYSTEMS INC DEPT #82124 SAN FRANCISCO CA 94182000
-0000893 KIERULFF ELECTRONICS 855 MONTGOMERY ST STE 420 SAN FRANCISCO CA 94111262
-03 DEPT #1510 PASADENA CA 91800

-0000084	SVS-COM	18720 BURNARD ST	TARZANA	CA 91388148
-0000085	MULTILAYER PROTOTYPES INC	2812 TELLAR RD	NEWBURY PARK	CA 91320222
-0000086	T W MCALLISTER	33001 PARK SORRENTO #204	CALABASAS	CA 91302120
-0000087	SACKAB, RICHARD	10348 GLADE AVE	CHATSWORTH	CA 91311201
-0000088	PROTYPE	8888 TAMARAC AVE	SUN VALLEY	CA 91322287
-0000089	CONTROL DATA CORP	88PT 82179	SAN FRANCISCO	CA 94182000
-0000090	US LEASING CORP	LEASING #89-891888-01	SAN FRANCISCO	CA 94180
-0000091	PANASONIC INDUSTRIES	INDUSTRIAL PRODUCTS DIV	PASADENA	CA 91282
-0000092	MARFRED PAPER CO	12708 GRANFORD ST	SUN VALLEY	CA 91320100
-0000093	COMPUTER PERIPHERAL SERVICES	3735 OLD CONEJO RD	CANOGA PARK	CA 91307100
-0000094	C TOMASZEWSKI	22 APPALOOSA LN	CHATSWORTH	CA 91311880
-0000095	COMPUTER MEMORIES INC	8216 BYON AVE	TARZANA	CA 91388331
-0000096	QUIRO, SUSAN	8427 SEVIER AVE	SAN FRANCISCO	CA 94180
-0000097	FRIDEN/ALCATEL	NO 28780238, FILE #0834	SAN FRANCISCO	CA 94120728
-0000098	SAN FRANCISCO NEWSPAPER ASEN	PO BOX 7388	PASADENA	CA 91080
-0000099	NITSUBISHI	88PT 1472 SCF	TARZANA	CA 91388280
-0000100	BREYHOUND CAPITAL CORP	C/O COLT, SLODOWITH, BURNS	RESEDA	CA 91388121
-0000101	KWILL, S	18748 LAMARK	CANOGA PARK	CA 91304420
-0000102	WEST COAST COMPUTER & OFFICE S	20841 REDCOCK BL	CHATSWORTH	CA 91311810
-0000103	QUALITY FABRICATION INC	21701 PLUMMER ST	TARZANA	CA 91388183
-0000104	MOHSEN FARRY	6030 ETIWANDA AVE #118	FREMONT	CA 94838734
-0000105	DIASLO SYSTEMS INC	ATTN: MARTHA PHO8	SAN FRANCISCO	CA 94180738
-0000106	MICROSCIENCE INTERNATIONAL C	PO BOX 7387	PASADENA	CA 91103388
-0000107	EMPIRE ELECTRONICS DIST IN	37 EAST UNION ST	TARZANA	CA 91388183
-0000108	FARRY, MOHSEN	6030 ETIWANDA AVE #118	PACIFICA	CA 91304601
-0000109	PACIFIC SONOE COMPANY	11248 ILX AVENUE	CHATSWORTH	CA 91313431
-0000110	INDUSTRIAL FINISHING	21345 BEERINE CT	THOUSAND OAKS	CA 91320102
-0000111	SAN-VAL TRUCKING	PO BOX 4218	HAYWARD	CA 94848170
-0000112	SCHROEDER, RBY	3106 APACHE CIRCLE	SAN FRANCISCO	CA 94119379
-0000113	THE PRINTER WORKS	1881 ALPINE WAY	SCF PASADENA	CA 91108189
-0000114	DI SALVO TRUCKING	PO BOX 3788	WESTLAKE VILLAGE	CA 91361611
-0000115	GENIAGRAPHICS CORPORATION	88PT #1370	SAN FERNANDO	CA 91340180
-0000116	BISHOP GRAPHICS INC	8388 STERLING CENTER DR	CHATSWORTH	CA 91311801
-0000117	OPC INC	11228 GLEN SAKE BLVD	CHATSWORTH	CA 91313210
-0000118	FREDERICKS COMPONENTS INT'L	20808 PLUMMER ST	HAYWARD OAKS	CA 94844783
-0000119	TANDON CORP	PO BOX 2107	SAN FRANCISCO	CA 94117201
-0000120	OTTINGER, MARY	1850 WAKEFIELD	PASADENA	CA 91107487
-0000121	GENESIS TECHNOLOGY INC	30883 SAN BENITO COURT	WESTLAKE VILLAGE	CA 91362281
-0000122	ROSEN, D	1889 PAGE ST	SAN FERNANDO	CA 91340287
-0000123	TELASCO C/O SLODOWAN CUK	480 S ROSEMEAD BL #8	CHATSWORTH	CA 91311488
-0000124	THE NETWORK GROUP	31288 VIA COLINAS STE 107	CHATSWORTH	CA 91311201
-0000125	HOOVER, K	322 N HASAR DR APT Y	HAYWARD	CA 94844708
-0000126	MIL-SPEC SUPPLY	8818 VAREL AVE	CHATSWORTH	CA 91311414
-0000127	RICK SAKACS	10348 GLADE AVE	PASADENA	CA 91107486
-0000128	FRIDEN ALCATEL	FILE NO 8834	SAN FRANCISCO	CA 94128
-0000129	FRIDEN ALCATEL	30855 HUNTWOOD AVE	RESEDA	CA 91388282
-0000130	JACON FASTENERS & ELECTRONIC	8839 VASSAR AVE		
-0000131	JOE MARRERO	C/O TESLA		
-0000132	RCA GLOBAL COMMUNICATIONS	FILE NO 1448		
-0000133	VU. VUANTING	7424 CANBY AVE #4		

-0000144	MICRO TECH RESOURCES	20800 NORDHOFF ST	CHATSWORTH	CA 91311811
-0000145	ACORT IND INC	9288 ALABAMA AVE	CHATSWORTH	CA 91311888
-0000146	BARDON & CHESTNEY	1488 BAYSHORE BL	SAN FRANCISCO	CA 94124300
-0000147	DKTEL	1220 PAGE AVE	FREMONT	CA 94838734
-0000148	CALIFORNIA PRECISION	8777 VAREL AVE	CHATSWORTH	CA 91311431
-0000149	R V WEATHERFORD	8821 SAN FERNANDO RD	GLENDALE	CA 91201180
-0000150	SMITH-CORONA	80Y 38043	SAN FRANCISCO	CA 94138000
-0000151	F S I	8801 CANBY ST	RESEDA	CA 91336438
-0000152	DEFINICON SYSTEM	21042 VINTAGE ST	CHATSWORTH	CA 91311305
-0000153	ESMAILPOUR, MOHSEN	4303 GREENWOOD ST	NEWBURY PA	CA 91320523
-0000154	WESTERN UNION INTERNAT'L	ACCT #77526232-0	SAN FRANCISCO	CA 94138
-0000155	CECACI, A	1830-189TH AVE	SAN LEANDRO	CA 94878205
-0000156	SALFAR MFG CO INC	9749 VAREL AVE	CHATSWORTH	CA 91311431
-0000157	MACDONALD & CO	1736 STANDARD AVE	GLENDALE	CA 91201201
-0000158	MOPKINS, A	405 MIGUEL ST	SAN FRANCISCO	CA 94131274
-0000159	INQUIRY HANDLING SER	18540 REXFORD ST	SYLMAR	CA 91342129
-0000160	MICROPOLIS	17328 NORDHOFF AVE	CHATSWORTH	CA 91311889
-0000161	RUSH INDUSTRIES II INC	17200 VENTURA BLVD #117	ENCINO	CA 91318400
-0000162	GENSTAR RENTAL ELECTONICS I	2446 FABER PL STE 20C	PALO ALTO	CA 94303331
-0000163	DUBLIN MULTILAYER INC	8341 SCARLETT COURT	DUBLIN	CA 94888318
-0000164	S D HAUSER ASSOCIATES INC	24009 VENTURA BLVD #200	CALABASAS	CA 91302141
-0000165	AXIOM CORPORATION	1014 GRISWOLD AVE	SAN FERNANDO	CA 91340146
-0000166	GEORGE B WOODCOCK & CO	PO BOX 3008	CHATSWORTH	CA 91313300
-0000167	MILNE TRUCK LINES INC	8869 OWENS DR	PLEASANTON	CA 94888333
-0000168	CARRING, FRANK	320 CALIFORNIA AVE	GLENDALE	CA 91208354
-0000169	PERSON JR, P	18315 GERMAIN ST	MISSION HILLS	CA 91345201
-0000170	ALLKAY ELECTRONICS	PO BOX 3388	CHATSWORTH	CA 91313338
-0000171	DELTA LINES/C M E	PO BOX 2081	OAKLAND	CA 94604208
-0000172	US STOCK TRANSFER CORP	1745 GARDENA AVE	GLENDALE	CA 91204289
-0000173	S BMERIS	8920 SEPULVEDA BLVD	MISSION HILLS	CA 91345284
-0000174	LAI CIRCUITS INC	8345 RESEDA BLVD #203	NORTHridge	CA 9124482
-0000175	CENTRAL BANK LEASING	1480 TREAT BLVD	WALNUT CREEK	CA 94888218
-0000176	NATIONAL COMMERCIAL RECOVERY	1 COMMERCIAL COLLECTION S	CANOGA PARK	CA 91303300
-0000177	QUALITY CAREERS INC	710 LAKEWAY #100	SUNNYVALE	CA 94088401
-0000178	BROKER SERVICE	PROXY DEPT	REDWOOD CITY	CA 94063058
-0000179	MICROSOFT	10700 NORTHPUP WAY	BELLEVUE	WA 98004208
-0000180	CABLE SYSTEMS INC	210 BROADWAY	EVERETT	MC 2148
-0000181	ENTERPRISE SHIPPING	486 CALIFORNIA ST STE 72A	SAN FRANCISCO	CA 94104187
-0000182	VIKING FREIGHT SYSTEM	PO BOX 420-A	SANTA CLARA	CA 95052101
-0000183	THE J-MAR GROUP INC	C/O ROBERT E SHELDON	WALNUT CREEK	CA 94888531
-0000184	MATEL ELECTRONICS	2717 N FIRST ST	SAN JOSE	CA 95134201
-0000185	CLERK OF THE COURT	TRAFFIC BUREAU HALL OF J	SAN FRANCISCO	CA 94102
-0000186	TIFCO PREMIUMS-INC	212 LANDING DR	BEANTLE	CA 94043084
-0000187	LEON A UZEIL	PO BOX 8285	SEATTLE	WA 98109026
-0000188	AMP PRODUCTS CORPORATION	PO BOX 8000	SAN FRANCISCO	CA 94180
-0000189	TAX COLLECTOR	107 CITY HALL	SAN FRANCISCO	CA 9402488
-0000190	PYRAMID ELECTRONICS	2115 DE LA CRUZ BLVC	SANTA CLARA	CA 95053004
-0000191	MIDDLESON, J	2833 BRAGA LN #2	SAN PABLO	CA 94808372
-0000192	ATAS	2075 ZANKER RD	SAN JOSE	CA 95131215
-0000193	WESTERN UNION TELEGRAPH COMP	742 MARKET ST	SAN FRANCISCO	CA 94102289

-0000004	ZAMANA CORP	PO BOX 201840	MOUNTAIN VIEW	CA 94038184
-0000005	SUDDEN PRINTING	PO BOX 81088	SEATTLE	WA 98106108
-0000006	MEXAS, M	5517 LOWMEADWAY RD	YIMONIDM	MD 21093
-0000007	CIRCLE AIR FREIGHT CORP	380 TOWNSEND ST	SAN FRANCISCO	CA 94107178
-0000008	STANDARD APPLIED ENG	340 MARTIN AVE	SANTA CLARA	CA 95050311
-0000009	CALIF CONTINUING EDUC OF THE	2300 SHATTUCK AVENUE	BERKELEY	CA 94784191
-0001000	INTEL CORPORATION	197 WOODHURST RD	FOLSOM	CA 95620470
-0001001	GENERAL OFFICE SYSTEMS CO	825 HOWARD ST	SAN FRANCISCO	CA 94102258
-0001002	SINCS	2158 CRESTWOOD DRIVE	SAN BRUNO	WA 98101214
-0001003	CULP, SWEYER, BUTTERSON & BRAD	2700 ONE UNION SQUARE	LETHAM	NY 12088
-0001004	FRACTRON CLIFTON PARK	209 OLD BIRKAVONA DR	SAN FRANCISCO	CA 94104477
-0001005	BUSINESSWIRE	44 MONTGOMERY STE 2100	SAN JOSE	CA 95131122
-0001006	AIR CARGO DELIVERY SERVICE	680 E TRIMBLE RD STE C	DAKLAND	CA 94523232
-0001007	COMPATH	BUSINESS TELEPHONE SYSTEM	SACRAMENTO	CA 95827000
-0001008	PACIFIC BELL	ACCT #382-2287-900-N	SAN FRANCISCO	CA 94111
-0001009	US LEASING CORP	733 FIRST ST	REDWOOD CITY	CA 94068140
-0001010	ONL AIRWAYS	332 TWIN BOLDWIN DR	SEATTLE	WA 98101314
-0001011	CULP, SWEYER, BUTTERSON & BRAD	277H PL ONE UNION SQ	WOODSTOCK VALLE	CT 08283
-0001012	PUBLIC REGISTR INC	POSTAGE ESCROW ACCT #101	SAN FRANCISCO	CA 94111888
-0001013	WILTON MEYER & CO	1 CALIFORNIA BY STE-2000	SAN JOSE	CA 95131238
-0001014	ANTHEM ELECTRONICS INC	1040 E BRISLAW ST	OAKLAND	CA 94621182
-0001015	WELLS FARGO OFFICE BLDG	332 HESBENDER RD STE 804	SACRAMENTO	CA 95807
-0001016	FRANCHISE TAX BOARD		SAN FRANCISCO	CA 94108289
-0001017	MARRON, REED & SWEENEY	901 CALIFORNIA STE 1200SC	REDWOOD CITY	CA 94063067
-0001018	HOLDSWORTH, J	PO BOX 8571	SEATTLE	WA 98168234
-0001019	PACIFIC NORTHWEST BELL	PO BOX C 11038	DALLAS	TX 75273
-0001020	US TELECOM	PO BOX 720277	SAN FRANCISCO	CA 94108261
-0001021	MARRON, REED, AND SWEENEY	901 CALIFORNIA ST STE 1200	SAN JOSE	CA 95129279
-0001022	COMMUNICATIONS SOLUTIONS INC	882 S SARATOSA	CAMPBELL	CA 95008890
-0001023	DATA TERMINALS & COMMUNICATI	880 DIVISION ST	SACRAMENTO	CA 94117112
-0001024	PHILIP SHED	PO BOX 18800	SUNNYVALE	CA 95058470
-0001025	SHRUE, L	45 LOVALA TERR	SEATTLE	WA 98119170
-0001026	ENHANCY CORP	475 SAKMAS PKWY	DALLAS	TX 75284
-0001027	AIRBORNE FREIGHT CORP	PO BOX 81001	WESTFIELD LN ENG	CA 95109160
-0001028	SOUTHWESTERN BELL	PO BOX 880012	SAN JOSE	CA 95052188
-0001029	S NOVICK	C/D COMPUTCORP LTD	PORTLAND	OR 97209412
-0001030	TULIN CORPORATION	PI BOX 1807	WOODURN	PA 1888
-0001031	NIELSEN FREIGHT LINES	1272 GESSAGE AVE	SUNNYVALE	CA 94088410
-0001032	CF AIR FREIGHT	T E MORTON	BOSTON	MA 01080
-0001033	COMMERCIAL, INC	77 DRABEN CT	PASADENA	CA 91131201
-0001034	VERDAM CORP	323 SBOUQU WAY NO 4-23	NOVATO	CA 94947555
-0001035	SMITH, LEVINSON, AND SMITH	158 STATE ST	PORTLAND	OR 97208412
-0001036	ARROW ELECTRONICS	DEPT #1882	WOODURN	PA 1888
-0001037	VERTEX PERIPHERALS	2150 SERING DR	SUNNYVALE	CA 94088410
-0001038	SUN-FILE CO INC	20 PIMENTEL CT	BOSTON	MA 01080
-0001040	CONSOLIDATED FREIGHTWAYS	PO BOX 8127	SAN JOSE	CA 95131201
-0001042	BLACK MOUNTAIN SPRING WATER	800 ALAMEDA	NOVATO	CA 94947555
-0001043	BUSINESS AUTOMATION SYSTEMS	701 E TUBBS #105	SAN CARLOS	CA 94070378
-0001044	3M PDS283	DEPT 1270	ANCHORAGE	AK 99503744
-0001048	DATAQUEST INC	1280 RIDGE PARK DR	SCF PASADENA	CA 91080
			SAN JOSE	CA 95131230

-0001047	IN CIRCUIT TEST	1084 YOSEMITE DR	MILIPITAS	CA 95035541
-0001048	TEKTRONIX	PO BOX 99 M/S 73-802	SEAVERTON	OR 97077000
-0001050	ADMIRAL CIRCUITS INC	831 BRANSTEN RD	SAN CARLOS	CA 94070320
-0001051	KEYTRONICS	PO BOX 14557	SPokane	WA 99214058
-0001052	DUN S BRADSTREET	DEPT #2074	SCF PASADENA	CA 91081
-0001054	AIR CARGO DELIVERY SERVICE	550 E TRIMBLE RD	SAN JOSE	CA 95131122
-0001055	INFOCORP	20833 STEVENS CREEK BLVD	CUPERTINO	CA 95014218
-0001056	MICROCOM	14258 S W ALLEN BLVD	SEAVERTON	OR 97005440
-0001058	AMP SPECIAL INDUSTRIES	AMP PRODUCTS CORP	SAN FRANCISCO	CA 94101800
-0001059	WINSTON AND CASHATT	SEAFIRST FINANCIAL CENTER	SPokane	WA 99201061
-0001060	SYSTEM	89	SCF PASADENA	CA 91051
-0001062	SISCO INDUSTRIES INC	2085 O'TOOLE AVE	SAN JOSE	CA 95131120
-0001063	INTERNATIONAL MEMORIES INC	10381 BRADLEY DR	CUPERTINO	CA 95014191
-0001064	MICROSOFT	18011 NE 38TH WAY	REDMOND	WA 98052629
-0001065	AETNA LIFE & CASUALTY	PREMIUM COLLECTION-MC33	HARTFORD	CT 06180
-0001066	ADIA SERVICES	FILE NO 4926	SAN FRANCISCO	CA 94101800
-0001067	WYSE TECHNOLOGY		SAN JOSE	CA 95013
-0001068	FIRST PROFESSIONAL BANK	C/D COMPUTCORP		
-0001069	TYLER, COOPER, & ALCORN	CITY PLACE 25TH FLOOR	EMPLOYEE PAYROLL ACCOUNT	
-0001070	NAT'L CONTROLS INC	3220 AIRPORT BLVD	HARTFORD	CT
-0001071	KWIK KOPY PRINTING	3220 SCOTT BLVD	SANTA ROSA	CA 95401100
-0001072	GREEN THUMB	3104-181ST ST SE	SANTA CLARA	CA 95058300
-0001073	LITTON	PO BOX 3407	BELLEVEUE	WA 98005570
-0001074	CID-TELEX	PO BOX 202618	SUNNYVALE	CA 94088340
-0001075	TYMNET NETWORK SYSTEMS CO	2710 ORCHARD PKWY		
-0001076	HELLER FINANCIAL INC	900-106TH AVE NE-1040	D-2000 HAMBURG	
-0001077	SAMSON BELAIR	CP 325	R PC DISTRIBUTION	
-0001078	M DALE	C/D COMPUTCORP LTD	TOUR DE LA BOURSE	
-0001079	OSLER, MOSKIN & HARCOURT	PO BOX 60	MONTEAL OUE	XM42 1M8
-0001080	THOMAS HOUSE COFFEE	2218 KANSAS AVE	LOUEN ENGLAND	
-0001081	THOMAS & BETTS CORP	820 RYE 2028	CANADA	NMSX188
-0001082	LIVINGSTON INTERNATIONAL	6888 AIRPORT RD	SILVER SPRINGS	CA 80910
-0001083	AMATEX ELECTRICAL HARDWARE	445 BLAKE ST	RARITAN	NJ
-0001084	BARCLAY PERSONNEL SERVICES	38 COMMERCIAL WAY	ONTARIO CANADA	NL4 1E7
-0001085	WORLD TELEX EDITION	4 LOWER GROVEVIEW PL	NEW HAVEN	MD 9815
-0001086	CREATIVE MACHINERIES INT'L I	19-12,2-CHOME, SHINJUKU	WOBURN	PA 1801
-0001087	IBM INFORMATION SERVICES	3101 WEST SUFFALO AVE	UNITED KINGDOM	ISWI WDEU
-0001088	SANKYO SIKI MFG LTD	1-17-2, SHINGASHI	TOKYO, 180 JAPAN	
-0001089	BUREAU OF BUSINESS PRACTICE	24 ROPE FERRY RD	TAMPA	CA 30021
-0001090	HUGHES METALCRAFT INC	6100-P AVENIDA ENCINAS	TOS JAPAN	
-0001091	PACSETER ELECTRONICS	5417 E LA PALMA AVE	WATERFORD	MD 8386
-0001092	SEACAST DELIVERY EXPRESS	930 E WALNUT	CARLSBAD	CA 92008440
-0001093	CIRCUIT ASSEMBLY CORP	16 THOMAS ST	ANAHEIM	CA 92807205
-0001094	THE EIA GUIDE	8371 KRAMER AVE -UNIT 1	SANTA ANA	CA 92701642
-0001095	ENGINEERED SYSTEMS & PRODUCT	PO BOX 9388	IRVINE	CA 92718270
-0001096	EXCEL MFG INC	2030 S SUSAN ST	WESTMINSTER	CA 92683591
-0001097	H-TEK CORP	7274 LAMPSON AVENUE	BREA	CA 92622926
-0001098	ROBERT L CITRON TREASURER	ORANGE CNTY TAX COLLECTOR	SANTA ANA	CA 92704441
-0001099	PRODUCT ION READY PROGRAMMING	6200 E LA PALMA	GARDEN GROVE	CA 92702143
-0001100	XEROX CORPORATION	PO BOX 11988	SANTA ANA	CA 92702151
			WOOD W TEMPLE	CA 92711198

-0001101 BRONSBORF, FIELD & COMPANY 8201 JEROME RD IRVINE CA 92718188
-0001102 BURKE, JIM 11208 ARROYO SANTA ANA CA 92708240
-0001103 INDUSTRIAL RESOURCES 2721 SATURN ST BREA CA 92821870
-0001104 TRIK TECHNOLOGY 1430 S C VILLAGE WAY SANTA ANA CA 92706471
-0001105 MEGACAP CORP 11812 KNOTT AVE G-10 GARDEN GROVE CA 92641182
-0001106 ROLM CORPORATION 17771 COWAN IRVINE CA 92714802
-0001107 BATA EXCHANGE 708 VIA ALONDRA CAMARILLO CA 92010871
-0001108 XEROX PD BOX 11088 SANTA ANA CA 92711188
-0001109 FLYING CARPET 10008 L MURLANDS IRVINE CA 92718281
-0001110 SCHWEBER ELECTRONICS 17822 SILLETTE 8030 INDIANA AVE STE 240 RIVERSIDE CA 92514888
-0001111 FRANKLIN PRESS C/O SAGGUR LAW CORP 17822 SILLETTE AVE IRVINE CA 92718281
-0001112 SCHWEBER ELECTRONICS 23187 ALCALDE IRVINE CA 92718281
-0001113 CIRCUIT LABORATORY INC 17881 SKYPARK CIR STE A IRVINE CA 92718281
-0001114 PACIFIC ELECTRIC SYSTEMS 733 ENIGUITA RD LAGUNA HILLS CA 92653140
-0001115 MARCUS, EDGER IRVINE CA 92718281
-0001116 ACACIA DIV OF UNIVAR 18882 MILLIKEN AVE SANTA BARBARA CA 93103242
-0001117 YEMP ASSOCIATED IRVINE CA 92718281
-0001118 SERVICEMASTER 2101 BUSINESS CTR DR #200 IRVINE CA 92718102
-0001119 CONTRANS LTD 24808 POLARIS DR BANA POINT CA 92608177
-0001120 CITY OF SANTA BARBARA 18272 BOLSA CHICA HUNTINGTON BEACH CA 92648124
-0001121 CALIFORNIA WATER PURIFICATION 218 W FIGUEROA SANTA BARBARA CA 93101388
-0001122 EMULEX CORPORATION PD BOX 28277 SANTA ANA CA 92708527
-0001123 AMRITTECH COMMUNICATION 3548 HARDOR BLVD COSTA MESA CA 92626142
-0001124 MULTI-TECH INTD 15181 SPRINGDALE ST HUNTINGTON BEACH CA 92648118
-0001125 BATA TEN INC 4505-2N E INDUSTRIAL ST STINE VALLEY CA 92683248
-0001126 EECST IRVINE CA 92718271
-0001127 CIRTECH INC 15888 ROCKFIELD BLVD COSTA MESA CA 92626231
-0001128 TRULINE 2180 PULLMAN ST ORANGE CA 92668230
-0001129 DUMONT MAGNETIC TECHNOLOGY 908 W MURRAY AVE VISALIA CA 93261442
-0001130 DELOITTE, HASKINS AND SELLS 4 WRIGLEY IRVINE CA 92718271
-0001131 EATON & ASSOCIATES 885 TOWN CENTER DR 12TH FLOOR COSTA MESA CA 92626181
-0001132 TRI-MAC INC 100 QUAIL ST STE 217 NEWPORT BEACH CA 92660
-0001133 EASI FILE CORP 8210 W 808 AVE VISALIA CA 93261828
-0001134 CHEMTRONICS MARKETING 6 WRIGLEY ST IRVINE CA 92718271
-0001135 CERTIFIED INDUSTRIES, INC GARDEN GROVE CA 92641422
-0001136 DMA SYSTEMS ORANGE CA 92668
-0001137 MEXON CA 93118127
-0001138 C R TRANSPORTATION 15222 STEPHANIE GALETA CA 9260881
-0001139 LORAC 10204 NO BATAVIA ST ANAHEIM CA 92840182
-0001140 INT'L PLANNING & COMMUNICATION 182 MISSION DR STE 43 ORANGE CA 92667368
-0001141 LEAR SIEGLER INC 801 E GALL RD ORANGE CA 92668581
-0001142 RUDMAN, MORRIS J 28216 MILES AVE EL YORO CA 92630412
-0001143 IMAGE ELECTRONICS INC 1242 BELL AVE #3A TUSTIN CA 92680044
-0001144 FINANCIAL COMMUNICATIONS BRO 2710 WOODSTOCK RD ANAHEIM CA 9280971
-0001145 CAL CRYSTALS LABS PETER DLSOH ANAHEIM CA 92801140
-0001146 LWL E OANA PT CA 92680
-0001147 ADDED VALUE ELECTRONIC DIST TUSTIN CA 92680888
-0001148 REINHOLTZ, KIRK SAN GABRIEL CA 91776214
-0001149 CALIFORNIA WATER PURIFICATION SANTA ANA CA 92788827
-0001150 NORMAN BRANNIS HUNTINGTON BEACH CA 92648476

-0001151 MR ZIP PRINTING 207 SEAL AVE PLACENTIA CA 92870283
-0001152 SOUTHERN CALIFORNIA EDISON PD BOX 500 ROSEMEAD CA 91770080
-0001153 ETC ELECTRONIC TEST CENTER 4431 E LA PALMA AVE ANAHEIM CA 92807180
-0001154 ROBOTRONICS 7142 ORANGEWOOD AVE GARDEN GROVE CA 92641142
-0001155 TELEPHONE ANSWERING BUREAU PD BOX 4045 SANTA ANA CA 92702408
-0001156 INDUSTRIAL FREIGHT SYSTEMS PC BOX 504 OCEANSIDE CA 92084014
-0001157 SWARM, JAN LEMON GROVE CA 92048274
-0001158 PHASE ONE MANAGEMENT CORP SAN DIEGO CA 92108174
-0001159 SONITROL SAN DIEGO CA 92103420
-0001160 CULVER PERSONNEL AGENCY INC SAN DIEGO CA 92101829
-0001161 KENTER VISTA CA 92083087
-0001162 INDIANA GENERAL FERRITE PROD SAN DIEGO CA 92122122
-0001163 LIEN ENGINEERING SAN DIEGO CA 92121261
-0001164 ACOSTA M SAN DIEGO CA 92120363
-0001165 STORAGE TRAILER SYSTEM FONTANA CA 92338523
-0001166 PSA SAN DIEGO CA 92138538
-0001167 REVCDM INC RIALTO CA 92378024
-0001168 PREMIER METAL PRODUCTS FONTANA CA 92335341
-0001169 TEXAS INSTRUMENTS INCORPORATED 1000 W TEMPLE LOS ANGELES CA 90012181
-0001170 LAWRENCE M SCHWAR 2900 EL CAMINO REAL STE 308 PALO ALTO CA 94308170
-0001171 ZIP TEMPORARY PERSONNEL SVCS C/O LEONARD D BLACK 18255 VENTURA BL STE 318 ENCINO CA 91438230
-0001172 INTERNAL REVENUE SERVICES P O BOX 1431 LOS ANGELES CA 90083148
-0001173 EMPLOYMENT DEV DEPARTMENT 800 CAPITOL MALL-MIC 82 ATTN: BANKRUPTCY GROUP SACRAMENTO CA 95814480
-0001174 EMPLOYMENT DEV DEPARTMENT 800 CAPITOL MALL-MIC 82 ATTN: BANKRUPTCY GROUP SACRAMENTO CA 95814480
-0001175 DELOITTE HASKINS SELLS 333 S BRAND AVE STE 2800 LOS ANGELES CA 90017319
-0001176 DELOITTE HASKINS SELLS 1000 WILSHIRE BLVD STE 1700 LOS ANGELES CA 90017247
-0001177 STUART M MCCROSKY DIV OF LABOR STANDARDS ENFRY ONE MANCHESTER BLVD #804 INGLEWOOD CA 90301175
-0001178 VIRGINIA ANNETTE MANJARREZ DIV OF LABOR STANDARDS ENFRY ONE MANCHESTER BLVD #804 INGLEWOOD CA 90301175
-0001179 JAMES JOSEPH BURKE DIV OF LABOR STANDARDS ENFRY ONE MANCHESTER BLVD #804 INGLEWOOD CA 90301175
-0001180 CULP, DWYER, EUTERSON & GRAGER 2700 ONE UNION SQUARE SEATTLE WA 98101314
-0001181 KIERULFF ELECTRONICS 10824 HOPE STREET CYPRESS CA 90630521
-0001182 VIRGINIA EMPLOYMENT COMMISSION P O BOX 1388 RICHMOND VA 23211135
-0001183 FINZER BUSINESS SYSTEMS INC 18020 NE 40TH REDMOND WA 98082532
-0001184 PACIFIC ALARM SYSTEMS INC 4444 SEPULVEDA BLVD. CULVER CITY CA 90230485
-0001185 SOUTHERN CALIFORNIA GAS P O BOX C MONTEREY PARK CA 91784093
-0001186 GATES, HUDSON & ASSOC INC PROSPERITY PLAZA FAIRFAX VA 22031222
-0001187 DEPT OF INDUSTRIAL RELATIONS DIV OF LABOR STANDARDS ENFRY ONE MANCHESTER BLVD STE 804 INGLEWOOD CA 90301175
-0001188 PHILLIPS INFORMATION SYS INC 15301 DALLAS PARKWAY INGLEWOOD CA 90301175
-0001189 TEXAS NATIONAL LEASING CO SUITE 828, MBANK PLAZA DALLAS TX 75248462
-0001190 ELECTRO RENT CORP 3340 OCEAN PARK BLVD AUSTIN TX 78701282
-0001191 EDWARD W RICKFORD P O BOX 20931 SANTA MONICA CA 90405310
-0001192 FIELDS & SONS, INC 2800 E 1ST PORTLAND OR 97208081
-0001193 AUTOMATED DATA MANAGEMENT L LEON L WICKMAN, ATTY. 18285 VENTURA BL #805 PRATT KS 67124876
ENCINO CA 91438230 1,193 NOTICES

NOTICING CHARGE IS \$555 80
10 POSSIBLE FOREIGN MAILINGS

THE ABOVE REFERENCED NOTICE WAS MAILED TO EACH OF THE ABOVE
ON 07/31/87 I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING
IS TRUE AND CORRECT. EXECUTED ON 07/31/87 BY

Paul A. Washington

0001037 ACERT INDUSTRIES
0001041 NYDOR/PIC NATIONWIDE
0001048 DATA TECH INFO SYSTEM
0001049 DATA ENTERPRISES SERVICE CO
0001053 NELSON RICHNEY
0001057 2M PAPER
0001059 GARDEN OFFICE SUPPLIES

7 NOTICES

88040744293

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES

P-00013

B617550
U.S. BANKRUPTCY COURT
ROOM 906, U.S. COURTHOUSE
312 NO. SPRING ST.
LOS ANGELES, CA 90012-4701

IN RE: COMPUCORP, INC., A CALIFORNIA CORP.
12540 BEATRICE ST.
LOS ANGELES, CA 90066-7002

CASE NUMBER: LA 86-17550CA
CHAPTER: 11
SSN/ID: 99-9999999

U. S. BANKRUPTCY COURT
ROOM 906, U.S. COURTHOUSE
312 NO. SPRING ST.
LOS ANGELES, CA 90012-4701

88040742294

*** NOTICE OF DISMISSAL OF CASE ***

YOU ARE NOTIFIED THAT AN ORDER WAS ENTERED ON JULY 9, 1987
DISMISSING THE ABOVE-CAPTIONED CASE.

U. S. BANKRUPTCY COURT
ROOM 906, U.S. COURTHOUSE
312 NO. SPRING ST.
LOS ANGELES, CA 90012-4701

DATED JULY 21, 1987 AT LOS ANGELES
FOR THE COURT
JACK W. WAGNER, CLERK OF COURT

ORIGINAL

DAVIS H. von WITTENBURG
Acting United States Trustee
LAWRENCE JAY KRAINES
Acting Assistant United States Trustee
OFFICE OF THE UNITED STATES TRUSTEE
3101 Federal Building
300 North Los Angeles Street
Los Angeles, California 90012
(213) 894-6811

FOR COURT USE ONLY

FILED
JUL - 9 1987

FILED
JUL 1987
CLERK, U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
Deputy Clerk

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re:
KONFUCORP, INC.,
Debtor.

CHAPTER 11 CASE NUMBER
LA 86-17550-CA

ORDER ON U.S. TRUSTEE'S MOTION TO DISMISS OR
CONVERT CASE UNDER 11 U.S.C. §1112(b)

1. This proceeding was heard as follows: Contested Uncontested

a. Date: June 30, 1987 b. Time: 9:00 a.m. c. Courtroom: 8529 d. Judge: Calvin K. Ashland

- e. Attorney for U.S. Trustee present in Court (Name): Anthony Sherzi
- f. Debtor present in Court
- g. Attorney for Debtor present in Court (Name): Leslie Cohen
- h. Other parties present as reflected in the Court record

2. The Court orders, good cause appearing:

- a. Motion Granted: This case is hereby dismissed pursuant to 11 U.S.C. §1112(b).
 - The Debtor is prohibited from filing another Bankruptcy Petition for a period of 180 days after the date of entry of this Order.
 - Judgment is granted in favor of the United States Trustee for unpaid Quarterly Fees in the amount of: \$ _____.
- b. Motion Granted: This case is hereby converted to one under Chapter 7 pursuant to 11 U.S.C. §1112(b) and Debtor is ordered to file a Final Report and Schedule of Post-Petition Debts under Rule 1019(6) within thirty (30) days after the date of entry of this Order.
- c. Motion Denied: without Prejudice with Prejudice
- d. This matter is continued to the following date and time:
- e. The Debtor is further ordered as follows:
 - Debtor must fully comply with all requirements of the U.S. Trustee by:
 - Debtor must furnish proof of insurance to the U.S. Trustee by:
 - Debtor must file a Disclosure Statement and Plan by:
- f. If Debtor fails to comply with this Order by the indicated date, this case shall be converted to one under Chapter 7 without further notice or hearing.
- g. The Court further orders (Specify): See Attached Page

Dated: 7 JUL 1987

Calvin K. Ashland

JUDGE OF THE UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

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FEDERAL ELECTION COMMISSION
MAIL ROOM

RICOH

88 FEB 23 AM 8:37

RICOH CORPORATION
Five Dedrick Place
West Caldwell, NJ 07006
Phone: 201-882-2000
Fax: 201-882-5840
Telex: 752930 ROA-UD

February 19, 1988

VIA AIRBORNE EXPRESS

Jonathan Levin, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, NW
Room 659
Washington, DC 20463

RE: MUR 2171 - Rapicom, Inc.

Dear Jonathan:

Further to our telephone conversation of February 4, 1988, enclosed with this letter please find the following:

The Affidavit of William R. Manzon setting forth his recollection of the events surrounding the provision of the facsimile units to the Republican National Committee in exchange for the designation as "Official Facsimile Vendor".

A letter from the Senior Vice President of Ricoh Corporation, John Sheehan, setting forth Ricoh's responses to your oral questions regarding accessory pricing and also the pricing of the Model R-120 facsimile transceivers.

As this response and the other responses which Ricoh Corporation has provided in the past show, the discounts or reductions in question were provided to the Republican National Committee in the ordinary course of Ricoh's business.

In view of Ricoh Corporation's good faith efforts of compliance, and the passage of time since the transaction in question which has severely prejudiced the ability of Ricoh Corporation to reconstruct the details surrounding the particular transaction, it is Ricoh Corporation's belief that no valid purpose would be served by finding a probable cause to believe that Ricoh Corporation had violated the FEC rules.

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OFFICE OF GENERAL COUNSEL
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RICOH

Jonathan Levin, Esq.
RE: MUR 2171 - Rapicom, Inc.
February 19, 1988
Page Two

In light of all of the information supplied by Ricoh Corporation, it is Ricoh Corporation's request that the Federal Election Commission should conclude that there is no probable cause to believe that Ricoh Corporation violated any provision of Federal Election Commission rules and should terminate this proceeding.

Sincerely yours,

RICOH CORPORATION

David

David R. S. Kennedy
General Counsel
Office Products Business

/rh
Enclosures
cc: J. Sheehan

88040722297



RICOH

RICOH CORPORATION

Five Dedrick Place
West Caldwell, NJ 07006
Phone: 201-882-2000
Fax: 201-882-5840
Telex: 752930 ROA-UD

February 19, 1988

Jonathan Levin, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, NW
Room 659
Washington, DC 20463

RE: MUR 2171 - Rapicom, Inc.

Dear Mr. Levin:

Pursuant to the request of the Federal Election Commission ("FEC") which was relayed to Mr. David Kennedy, General Counsel - Office Products Business of Ricoh Corporation (formerly Rapicom, Inc.), I would like to provide the following responses of Ricoh Corporation.

You had indicated some concern about the fact that the Rapicom Rental Agreement No. S60537 had listed seven (7) accessories at "No Charge", and had asked Ricoh to provide justification as to why the value, if any, of such products should not be included in the FEC's calculations.

In 1984 it was the policy of the Company, in the normal course of its' business, to charge our commercial customers for the value of the accessories shown on the Rental Agreement. As part of our normal course of business, however, the value of the accessories could be negotiated if requested by the customer and if the Company felt that foregoing the accessories rental value was necessary to meet a competitive bid situation.

It was also the Company's policy to provide our facsimile products on a rental free basis to certain customers, like the Republican National Convention, for events of particular significance. When the Company did this and the customer needed or wanted the accessories it was our policy to "bundle" the entire product package on a rental free basis and to charge for installation, removal, and supplies only. The rental value of the "bundled" package would then be absorbed as an internal advertising and product promotion expense.



Jonathan Levin, Esq.
RE: MUR 2171 - Rapicom, Inc.
February 19, 1988
Page Two

It has also been indicated that the FEC requires clarification about the rental pricing of the Model R-120 facsimile transceiver which is described in Ricoh's Response to Interrogatory No. 4, Paragraphs 3 through 6.

The Model R-120 facsimile transceiver was first introduced by Ricoh Corporation in the United States on or about October 1, 1984. The single unit rental price, which was rarely discounted for the first several months after introduction, was \$115.00 per month. Early in 1985 (either February or March), with competition increasing, the Company was marketing the unit at an average rental of \$100.00 per month and was providing the product to our largest customers (like ABC News and International Paper, both of whom already had a large base unit population of Ricoh facsimile products) at \$85.00.

Where facsimile units were provided on a rental free basis, it was our policy to absorb the rental revenues foregone internally as an advertising and product promotional expense. Normally this would be charged internally at the lowest market price at the time that the unit was provided.

The statements above are made in response to your oral request of February 4, 1988 to Mr. Kennedy and are true to the best of my knowledge.

Sincerely yours,

RICOH CORPORATION



John Sheehan
Senior Vice President
Communications Products Group

/rh

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BEFORE THE FEDERAL ELECTION COMMISSION

In The Matter of)
)
Rapicom, Inc.)
)
Respondent)

MUR 2171
Affidavit of W. R. Manzon

STATE OF TEXAS)
)
COUNTY OF HARRIS)

SS:

William R. Manzon, being duly cautioned and sworn, states as follows:

1. I am the Regional Sales Manager of the Ricoh Corporation Communication Products Group (formerly Rapicom, Inc. - hereinafter called "Ricoh"). I held the same position in 1984 and was responsible for directing and controlling the sale, lease or rental of Rapicom brand facsimile transceivers in and around the State of Texas, which is part of the area known to Ricoh as the Southwest Region, through Ricoh's direct sales force. I have direct knowledge of the events leading up to the provision of two (2) Rapicom brand facsimile transceivers to the Committee on Arrangements of the Republican National Convention which was held in Dallas, Texas during the month of August 1984. I make this affidavit based upon that knowledge.

2. Ricoh Corporation is a wholly owned subsidiary of Ricoh Company, Ltd. of Tokyo, Japan, Ricoh, in 1984, was the sole distributor in North America of facsimile transceivers manufactured by Ricoh Company, Ltd. and which were sold in North America under the Rapicom brand name through its direct sales force. Ricoh maintains its headquarters in West Caldwell, New Jersey and sells its products directly to end-users through its direct sales outlets in New York, NY; Rosalyn, VA; Houston, TX; Long Beach, CA; and Hillside, IL in addition to numerous other locations in most other states.

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3. As part of the ordinary conduct of its business Ricoh provides certain of its office products, including facsimile transceivers, to events which attract the attention of the national news media; to the national news media; and to certain large corporations and other commercial or government entities which require the products for a relatively short period of time at a heavily discounted or on a rental free basis. The only charges normally billed to customer's fitting the category described above are shipping, installation, and removal fees, and supplies for the products. In exchange for the provision of its products without rental charges, Ricoh was entitled to receive a designation as the official provider of the facsimile transceivers in question to the Republican National Convention. In the past, Ricoh has, in the ordinary course of its business, provided facsimile transceivers under similar arrangements to the Democratic National Convention in New York City; the Winter Olympic Games in Lake Placid, New York; and to the National News Networks (ABC, CBS, and NBC) for coverage of such events as space shots; conventions; important court trials, etc.

All of these transactions were arranged in the ordinary course of Ricoh's business and the rental revenues foregone were charged internally as advertising and product promotion expenses.

4. Some time before January 13, 1984 Mr. Jim Blythe of the consulting firm of Blythe-Nelson had approached Ricoh and had indicated that Ricoh might be able to be designated as the "Official Facsimile Vendor" of the RNC in exchange for the use by the Committee on Arrangements. This vendor status would be predicated on the acceptance by the Committee on Arrangements of an acceptable proposal from Ricoh. I forwarded Mr. Blythe's statements and my recommendation to my Manager, Mr. S. Joerg, in Ricoh's Corporate headquarters in West Caldwell, New Jersey (See Attachment "A").

5. On or before February 7, 1984 Mr. Joerg telephoned me to state that Ricoh had accepted my recommendation and that I should proceed with my discussions with Mr. Blythe. I was authorized to offer three (3) Ricoh facsimile transceivers to the Committee on Arrangements on a rental free basis but was to charge for installation, freight, removal and supplies, a practice which Ricoh had used prior to that date for events of significance.

6. On February 7, 1984, in accordance with my instructions, I wrote a letter to Mr. Blythe setting forth the terms and conditions under which Ricoh would provide its facsimile transceivers to the

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Committee on Arrangements free of rental charges in exchange for the "Official Facsimile Vendor" designation. The letter also indicated that while no rental charges would be levied, Ricoh expected to be paid for installation, freight, removal and supplies. (See Attachment "B"). I believe that this letter was forwarded to Mr. Blythe by facsimile transmission before the close of business on February 7, 1984.

7. Prior to February 9, 1984 Mr. Blythe and I had a discussion about the February 7, 1984 letter. I recall that he was concerned about the statement in the letter "Rental charges for the equipment would be waived as a contribution from Rapicom, Inc.". Mr. Blythe indicated that under the rules governing elections and political parties, a corporation was not able to make a political contribution and that while he understood what I meant to say, the language of the letter might be misconstrued and had to be changed.

8. As a direct consequence of that conversation with Mr. Blythe I redrafted the February 7, 1984 letter on February 9, 1984, removing the language about "contribution"; and sent that letter, with which I intended to supersede the February 7, 1984 letter, to Mr. Blythe by the U.S. mail, first class mail.

9. I remember the incident clearly because of having to rewrite a letter that Mr. Blythe felt might cause some difficulty. My intent in writing the statement in question was to indicate that Ricoh's part of the bargain was to waive rental charges in exchange for the designation as "Official Facsimile Vendor" to the RNC.

10. I personally felt that being the Official Facsimile Vendor would be useful for Ricoh and that Ricoh would be able to use that fact to generate positive publicity. I was aware that Ricoh had provided facsimile machines to other parties on a reduced or rental free basis in the past and am aware that the practice continues. My motives were not political, I saw this as a business opportunity to generate positive publicity for Ricoh by continuing an existing practice of providing our products on a rental free or reduced rate basis to events of significance.

11. After the issue of the two (2) letters of February 7 and February 9, 1984, was resolved I had conversations with individuals connected with the Convention. Early in April 1984 Mark Osborne contacted my office and spoke to Ms. Louise Dunn, (my Administrative Assistant). Mr. Osborne indicated that the RNC required a facsimile unit with G-11 capabilities (the ability to receive documents from non-Ricoh facsimile transceivers which operated at slower speeds). I was asked to contact Mr. Osborne by Ms. Dunn to discuss details of this transaction (see April 17, 1984 memo attached).

12. On or about April 24, 1984 it was my belief that the issue of providing facsimile machines to the RNC had been resolved and I faxed a request to my superior, Mr. Steve Joerg, in West Caldwell, New Jersey that asked for delivery of one (1) Model R-6100 facsimile machine at the RNC. I have conducted an extensive search of my offices in Houston and have been unable to locate the documents referenced in my April 24, 1984 memo (copy attached). I believe that one (1) Model R-6100 facsimile transceiver was installed for use by the RNC Committee on Arrangements on or about May 3, 1984. It was my understanding that Ricoh was to invoice the RNC for the agreed upon charges of freight, installation, paper, toner and removal.

13. On or about June 5, 1984 I received, at my office in Houston, a letter from Mr. Ernest Angelo, Jr. officially designating Rapicom as the Official Facsimile Vendor of the 1984 RNC. I expected to receive, as was promised in the letter, a draft of a letter of agreement and I intended to forward that letter agreement to Ricoh's attorneys at Ricoh's headquarters in New Jersey for their review and comments. (See June 5, 1984 letter attached).

14. By June 22, 1984 I had not received any reply from the Committee on Arrangements. Due to the lack of a signed purchase order or other authorization Ricoh had not billed the Committee on Arrangements for the Model R-6100 already installed and Ricoh had recently been advised that the RNC desired a second machine. In an effort to expedite the receipt of a purchase order I wrote a letter, on June 22, 1984 to Mr. Guy Hatfield asking for the purchase order which had been promised. (See June 22, 1984 letter attached).

15. In an apparent direct response to my June 22, 1984 letter, Ricoh received the RNC's Request for Purchase Order No.'s 00207 and 00208 shortly after June 25, 1984. (Copies attached).

16. On August 6, 1984 I received, at my office in Houston, a letter from Mr. Angelo of the Committee on Arrangements. The letter, dated July 25, 1984, purported to be instructions to Ricoh on how to draft the letter of agreement. Shortly after the letter was received, it was forwarded to Ricoh's headquarters in West Caldwell, New Jersey for review and action. (See July 25, 1984 letter attached).

17. On or about August 7, 1984, again in response to a verbal request from the Committee on Arrangements, I requested the release of one (1) Model R-3300 to the RNC. My request for release was approved by Mr. Steve Joerg on August 8, 1984 and I believe that the Model R-3300 was installed in Dallas at the RNC site on August 15, 1984.

18. On August 17, 1984 it is my belief that Ricoh forwarded a draft agreement with a completed Rental Agreement (No. S60537) to Mr. Doug Blazer of the RNC Committee on Arrangements at 310 1st Street, SW, Washington, D.C. for the Committee's review and signature. The envelope containing the agreements was not returned and I assume it was received. I am not aware that Ricoh ever received a signed agreement for its files even though it had installed the two (2) facsimile machines in accordance with the Committee on Arrangement's instructions.

19. To the best of my knowledge the two (2) facsimile machines were both removed shortly after the end of the Convention.

20. I had assumed that this matter was closed and that the Committee on Arrangements was invoiced for the agreed upon amount and had paid its bills on time until I received the FEC's letter of November 13, 1986.

BY: William R. Manzon

Name: William R. Manzon

Title: Regional Sales Manager

Date: 2/17/88

Sworn to and subscribed personally before me this 17th day of February, 1988.

Mary A. Kubecka
Notary Public
Mary A. Kubecka

13040722304

A Ricoh Company. We respond.

FAXEDDATE 1-13-84

FF 123

Dal. 116

date 1-13-84

to STEVE JOERG

from Bill Manzon

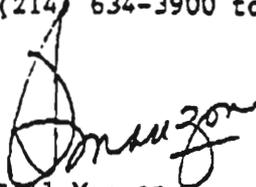
subject Republican National Convention

refer to

Jim Blythe of Blythe-Nelson, a Dallas Consulting firm, confirms that if we offer and the Republican National Committee accepts the use of our equipment, we, for value received, have the option of using this in our advertising.

I recommend that we pursue and if you agree I will extend our offer in writing to Mr. Blythe who will put it forth at a convention committee meeting on January 20th. Please advise.

Also, they are interested in the use of Ricoh copiers. Suggest we have someone from the copier division contact Mr. Blythe at (214) 634-3900 to discuss this possibility.



Bill Manzon

WRM/lid

xc: C. Marland
M. McBride

3-R6100's
2 in Dallas
1 in Washington

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RAPICOM

A Ricoh Company. We respond.

Date: 4-17-84

To: Bill Hanson

From the desk of: Louise Dunn

Please contact Mark Osborne

Mlythe-Nelson

Republic National Convention/Dallas

214-634-3900

Needs a GII unit, does not matter what type, on a month
to month basis.

Would like to know installation price, monthly rental
and delivery date.

Box #2
Equip #2
Yebra #2

03040722305

FAXEDDATE 4-21-84

201-676-1272

to STEVE JOERG

ATTACHMENT "C"

from Bill Manzon

date 4-24-84

subject Republican National Convention

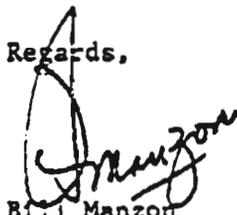
refer to

Steve, faxing order form and TTI sheet for a R-6100 for the Republican Convention. This is the first of three units that will be required.

RNC are to be billed for shipping, installation, removal and supplies.

Due date is May 3, so would appreciate your approving and passing on to order entry.

Regards,



Bill Manzon

WRM/lid

xc: L. Salazar
C. Marland
M. Eagan
D. Orrick

Guy Hatfield, RNC
214-220-1984

Unit	150.00
Toner	88.00
Paper	104.00
Removal	150.00
Total	\$ 492/unit

P.O. # for supplies & freight

Mary Fran O. M. can help in Guy's absence.

Fax # 214 220 4000

1984 Republican National Convention

Frank J. Fahrenkopf, Jr.
Chairman
Republican National Committee

ATTACHMENT "D"

June 5, 1984

COMMITTEE ON ARRANGEMENTS

Ernest Angelo, Jr.
Chairman

Trudy McDonald
Vice-Chairman

George Clark, NY
Treasurer

Mary Silvers, GA
Secretary

Roger Allan Moore
General Counsel

SUBCOMMITTEE CHAIRMEN

Don Adams, IL

Nancy Apgar, OK

Fran Chiles, TX

Jack Courtemanche, CA

Jennifer Dunn, WA

Noel Gross, NJ

Bill Harris, AL

Ginny Martinez, LA

Dennis Olson, ID

Sheila Roberge, NH

Ken Sinou, AL

Peter Secchia, MI

STAFF

Ronald H. Walker
Convention Manager

Douglass Blaser
Deputy Convention Manager

Daniel Denning
Deputy Convention Manager

Peggy Venable
Executive Director

Mr. William R. Manzon
Southwest Regional Manager
Rapicom, Inc.
7878 Grow Lane, Suite 124
Houston, Texas 77040

Dear Mr. Manzon:

On behalf of the Committee on Arrangements for the 1984 Republican National Convention, I am pleased to advise you that Rapicom, Inc. has been selected to be the official "Facsimile Vendor" for the 1984 Republican National Convention.

This designation is contingent upon a letter of agreement between the Committee on Arrangements and Rapicom, Inc. This letter of agreement will be forwarded to you shortly for your appropriate review and signature.

Let me take this opportunity to thank you and your company for extending this valuable service for this historic occasion. I know it will help serve to make the 1984 Republican National Convention a memorable, exciting and inspirational success.

Sincerely,



Ernest Angelo, Jr.
Chairman

Dallas, Texas—August 20—23, 1984

Dallas Convention Center Office, 650 South Griffin, Dallas, TX 75202 • (214) 220-1984

RICOH CORPORATION

7878 Grow Lane, Suite 124, Houston, TX 77040

RAPICOM COMMUNICATIONS PRODUCTS

Phone: 713-482-7563 Fax: 713-482-0393 Fax: 713-939-1811

June 22, 1984

ATTACHMENT "E"

Mr. Guy Hatfield
Republican National Convention
Dallas, Texas

Dear Mr. Hatfield:

To date we have not received a purchase order for charges attendant to the R-6300 facsimile machine currently installed at the RNC headquarters in Dallas, Texas.

These charges include:

Shipping	\$165.00
Installation	\$150.00
Removal	\$150.00
1 Ctn. of Paper	\$104.00
1 Ctn. of Toner	<u>\$ 88.00</u>
TOTAL	\$657.00

These are the charges per unit as outlined in our offer letter of February 7th to Mr. Jim Blythe of Blythe Nelson.

It has come to our attention that you will require an additional machine of a different model to accommodate traffic from slower speed fax machines. Charges for this unit differ from the above. Please issue your purchase order as follows:

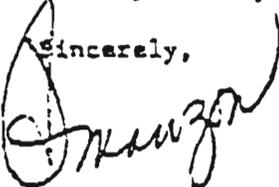
One R-3300 or R-3100 fax unit.

Rental	No Charge
Installation & Freight	\$150.00
Removal	\$100.00
1 Ctn. of Paper	<u>\$ 96.00</u>
TOTAL	\$346.00

The above purchase orders should be mailed to my attention. To expedite delivery of the new machine, it would be helpful if you would first fax these documents to us at (713) 939-1811.

Thank you for your attention to this matter.

Sincerely,



William R. Manzon
Southwest Regional Manager

WRM/lid

xc: V. Michael

RICOH.
We respond.

AUG.07 '84 10:44

P.002
AUG. 08 1984

July 25, 1984

Mr. William R. Manzon
Rapicom, Inc.
7878 Grow Lane, Suite 124
Houston, TX 77040

Dear Mr. Manzon:

We have agreed that your company shall be one of the companies providing goods and/or services to the 1984 Republican National Convention in exchange for our designating you as the "official" provider of those goods or services.

We request that you provide to us your form of written agreement in order to maintain proper official records of the convention.

In the preparation of that agreement please include the following introductory phrase:

This agreement is between the Republican National Committee, an unincorporated political committee organized in the District of Columbia with its principle offices located at 310 First Street, S.E., Washington, D.C. 20003 (hereinafter referred to as the "RNC"), and the Committee on Arrangements for the 1984 Republican National Convention, a Committee of the Republican National Committee (hereinafter referred to as the "Committee"), and Rapicom, Inc. (hereinafter referred to as the "Vendor").

Please also include the following phrases at a logical place in the contract:

In exchange for the Vendor's goods and/or services provided for hereunder, the Vendor, the RNC and the Committee agree that good and valuable consideration passing hereunder is the authorization to the Vendor to advertise that it is the "Official Facsimile Vendor of the 1984 Republican National Convention". No other Vendor will be advertised as the "Official Facsimile Vendor of the 1984 Republican National Convention" without the Vendor's written consent.

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The Vendor understands that this agreement does not authorize it to advertise any endorsement by the RNC, the Committee, the White House, the Reagan-Bush '84 Campaign Committee or any other group or individual. The advertising shall be restricted to the statement "Official Facsimile Vendor of the 1984 Republican National Convention".

In order to comply with the Federal Election Laws, the discount you are offering must be within the purview of one of the following general representations. Any discount offered must be either:

(1) equal to the standard discount rate normally provided by the Vendor to non-political commercial entities in the ordinary course of the Vendor's business, or;

(2) equal to the discounts that are of common practice in the industry in which the Vendor is involved, and the Vendor would be willing in the future to offer such reductions or discounts to non-political, commercial entities under similar circumstances, even though the Vendor in the past has not routinely made such discounts or reductions available to non-political, commercial entities, or;

(3) provided in exchange for the commercial benefit of the official designation, which is of equal or greater value than the discount, such that the Vendor would be willing to offer such discounts to non-political, commercial entities under similar circumstances.

Please select the provision under which your discount is offered and insert your affirmative representation at an appropriate place in the contract.

In the General Provision portions of the contract, please include the following:

In connection with this Contract, the Vendor shall indemnify, hold harmless and defend the Convention Manager, the Committee and the RNC, their officers, agents and employees from any loss, damage, liability or expense on account of damage to property and injuries, including death, to all persons, which may arise from any alleged negligent act, omission or error on the part of the Vendor or any breach of any obligation under this Contract.

The RNC is an unincorporated association created by the Rules adopted by the 1980 Republican National Convention. The members, officers, employees and agents of the RNC, the Committee and the Executive Committee of the RNC, shall not be personally liable for any debt, liability or obligation of the RNC or of the Committee.

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HAND DELIVERED

600#6785

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

WORSHAM, FORSYTHE, SAMPELS & WOOLDRIDGE

THIRTY-TWO HUNDRED, 2001 BRYAN TOWER

DALLAS, TEXAS 75201

88 MAR 15 PM 3: 06

TELEPHONE (214) 979-3000

M. D. SAMPELS
ROBERT A. WOOLDRIDGE
NEIL D. ANDERSON
SPENCER C. RELYEA
RONALD M. HANSON
J. DAN BOHANNAN
TRAVIS E. VANDERPOOL
JUDITH K. JOHNSON
RICHARD L. ADAMS
DAVID C. LONERGAN
JOHN W. McREYNOLDS
THOMAS F. LILLARD
ROBERT K. WISE
TIMOTHY A. MACK

ROBERT M. FILLMORE
WM. STEPHEN BOYD
MARK R. WASEM
CHRIS R. MILTENBERGER
ROBERT P. OLIVER
CINDY JACKSON BRUNER
JOE A. DAVIS
ERIC H. PETERSON
WALTER W. WHITE
L. SCOTT AJUSTIN
BLAKE L. BECKHAM
W. STEPHEN COCKERHAM
TRACY COMBS FLANIGAN

JOE A. WORSHAM
1861-1976

OF COUNSEL
JOS. IRION WORSHAM
EARL A. FORSYTHE

TELECOPIER (214) 880-0011

March 14, 1988

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RECEIVED
FEDERAL ELECTION COMMISSION

8040722314

Mr. Jonathan Levin
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

RE: MUR 2171
Blythe.Nelson

Dear Mr. Levin:

Enclosed please find an original and two copies of **Supplemental Responses of Blythe.Nelson to Interrogatories and Request for Production of Documents** submitted by the Federal Election Commission. These responses are being provided pursuant to our prior telephone conversations concerning the availability of additional support for Blythe.Nelson's claim that the discounts provided the Committee on Arrangements was within the ordinary course of business. Should you have any further questions following your review, please feel free to contact me.

Please return a file-marked copy to my office in the enclosed, self-addressed, stamped envelope.

Sincerely,



Thomas F. Lillard

TFL/jj

Enclosure

FEDERAL EXPRESS

UNITED STATES OF AMERICA
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Blythe.Nelson

§
§
§

MUR 2171

**SUPPLEMENTAL RESPONSES OF BLYTHE.NELSON TO
INTERROGATORIES AND
REQUEST FOR PRODUCTION OF DOCUMENTS**

Blythe.Nelson, a Texas general partnership, submits the following supplemental responses to Interrogatories and Request for Production of Documents previously submitted by the Federal Election Commission ("Commission") in the above-numbered matter:

General Objections

Blythe.Nelson restates its general objection to the submission of interrogatories and request for production of documents by the Commission pursuant to a finding that there was reason to believe that **Blythe.Nelson** had violated 2 U.S.C. §441b, Federal Election Campaign Act of 1971, as amended (the "Act"). Unquestionably, §441b of the Act proscribes political contributions by national banks, corporations or labor organizations. As previously established by affidavit and acknowledged by the Commission's staff, **Blythe.Nelson** is a Texas general partnership and, as such, is not subject to the restrictions of §441b. The Commission's reason to believe determination is clearly erroneous and, inasmuch as its authority to utilize the discovery methods enumerated in 11 CFR §§111.11 through 111.15 is premised on this erroneous determination, **Blythe.Nelson** objects to further inquiries concerning its possible violation of 2 U.S.C. §441b. Notwithstanding the above-stated objection, and without waiving its right to contest any further

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proceedings or to challenge the propriety of the Commission's reason to believe determination, **Blythe.Nelson** submits the following supplemental responses to those certain responses previously filed with the Commission:

Supplemental Responses to Interrogatories

1. State the actual amount of payment made by the Committee on Arrangements to Blythe-Nelson for the services provided by Blythe-Nelson for the 1984 Republican National Convention.

Answer:

Blythe.Nelson received actual compensation in the amount of \$66,315.52 from the Committee on Arrangements ("Committee") for services related to the 1984 Republican Convention ("Convention").

2. State the standard full fair market charge for the services provided by Blythe-Nelson for the 1984 Republican National Convention.

Answer:

It is almost impossible to determine the standard full fair market charge for the services provided the Committee for the Convention in that, under the billing arrangement with the Committee, **Blythe.Nelson** did not perform the usual billing review associated with either fixed sum projects or projects with a more limited work scope. In light of its agreement with the Committee, **Blythe.Nelson** did not scrutinize the hourly billings as closely for productivity of the hours billed or the relationship of the hours expended in relation to the scope of the work. Accordingly, all hours were simply tabulated and thereafter reduced through February 1, 1984. As such, **Blythe.Nelson** cannot attest that the actual hours reported would have been billed absent the arrangement and, accordingly, the sum of the amounts billed and not billed would not actually constitute the full fair market charge. Subject to this qualification, **Blythe.Nelson** submits as Exhibit A hereto a recap of the invoices prepared and submitted to the Committee.

6. Describe in detail transactions similar to Blythe-Nelson's transaction with the Committee on Arrangements where Blythe-Nelson has provided services at a discount or for no monetary charge.

Answer:

Initially, **Blythe.Nelson** would note that no distinction is made in the commercial status of its customers. Government entities were and remain one of **Blythe.Nelson's** prime sources of consulting business.

Blythe.Nelson's engagement by the Committee represented the largest and most noteworthy consulting job undertaken by it at the time. As such, the discounts provided would appear to be greater because of the size of the project. Nonetheless, **Blythe.Nelson** had provided discounted services and no charge services to other entities prior to the 1984 Convention which, at the time, were significant. Specifically, **Blythe.Nelson** in 1982 (the first full year of operations) provided \$5,000 worth of telecommunication consulting services to the law firm of Hughes & Hill at no charge. The purpose behind providing this work to Hughes & Hill without charging for it was similar to the reasons **Blythe.Nelson** undertook the work for the Committee. **Blythe.Nelson** believed it could establish an identity in the market should it be able to provide further services to a prestigious law firm such as Hughes & Hill. This particular promotion proved to be successful in that Hughes & Hill later retained **Blythe.Nelson** for nearly two years of follow on services. Additionally, **Blythe.Nelson** was later able to utilize Hughes & Hill as a reference in securing work from other Dallas firms such as Jackson, Walker, Winstead, Cantwell & Miller and Locke, Purnell, Boren, Laney & Neely.

Similarly, in 1981 and 1982, **Blythe.Nelson** provided approximately \$15,000 - \$20,000 of consulting services and coordination each year to the Arlington Boys Club Talent Show. At the time this work was provided, the dollar amount represented a significant percentage of **Blythe.Nelson's** overall billings for the year.

Even after the convention in 1984, **Blythe.Nelson** has continued with its practice of providing discounted services, as well as no cost services. Specifically, in 1984-85 **Blythe.Nelson** did not charge Texas Instruments for approximately \$63,000 worth of billable consulting services on a project which **Blythe.Nelson** eventually received approximately \$219,000. Similarly, in 1985, **Blythe.Nelson** discounted its services to Frito-Lay by between 20-25% for a consulting project related to that company's Rolm expansion project at its Dallas headquarters. (A reduction of approximately \$10,000 on a \$40,000 project.)

Blythe.Nelson uniformly offers government entities a discount on its hourly rate for consulting services. This discount has been provided both before and

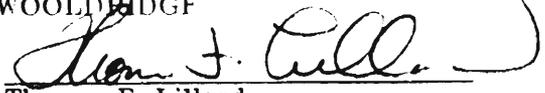
subsequent to **Blythe.Nelson's** work on the 1984 Convention. In fact, to enhance its relationship with the State of Texas Purchasing and General Services Commission, **Blythe.Nelson** in December 1986 through March 1987 performed an estimated 160 man hours consulting project (approximately \$20,000 - \$25,000 at normal billing rates) without charge. As with its work for the Committee, **Blythe.Nelson** proposed this type of arrangement to foster continued good will with the State of Texas, as well as to obtain valuable experience and exposure within the governmental segment of the field of information systems consulting.

The most recent example of **Blythe.Nelson's** practice of performing consulting services at a discount or for no charge concerns its engagement by J.C. Penney Company, Inc. Presently, **Blythe.Nelson** is continuing to provide a broad range of telecommunication consulting assistance to J.C. Penney related to the relocation of its corporate headquarters. The initial work for J.C. Penney began in July, 1987, and through January 1988, **Blythe.Nelson** has discounted its charges to J.C. Penney by over \$110,000. Through January, 1988 **Blythe.Nelson** has actually billed on this project approximately \$340,000. In fact, by the time this project is completed this year, the amount of discounted services will have increased significantly. As before, **Blythe.Nelson** has agreed to provide such discounted or no charge services to J.C. Penney in an effort to develop a long-term relationship with J.C. Penney. **Blythe.Nelson** believes such discounts are commercially reasonable in that it has allowed **Blythe.Nelson** to acquire national accounts, as well as national exposure within the consulting industry. Similarly, such discount practices enhance **Blythe.Nelson's** ability to maintain long-term relationships with its customers.

In summary, **Blythe.Nelson** believes the discount provided the Committee in 1983-1984 was no different in purpose or degree than the discounts **Blythe.Nelson** offered before, as well as after the 1984 Convention.

Respectfully submitted,

WORSHAM, FORSYTHE, SAMPOLS
& WOOLDRIDGE

By: 

Thomas F. Lillard

2001 Bryan Tower, Suite 3200
Dallas, Texas 75201
(214) 979-3000

ATTORNEYS FOR BLYTHE.NELSON

VERIFICATION

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned Notary Public on this day personally appeared James L. Blythe, Partner of Blythe.Nelson, who being by me duly sworn on his oath deposed and said that he is duly qualified and authorized in all respects to make this affidavit; that he has read Supplemental Responses Of Blythe.Nelson to Interrogatories and Request For Production of Documents; and that the statements contained therein are true and correct.

James L. Blythe
James L. Blythe

SUBSCRIBED AND SWORN TO BEFORE ME on this 14th day of March, 1988.

Jan Sharp Jones
Notary Public in and for
State of Texas

My Commission Expires:
10-01-88

3040742317

EXHIBIT A

**ANALYSIS OF INVOICES TO
REPUBLICAN NATIONAL COMMITTEE
FROM BLYTHE-NELSON
FOR THE YEARS 1983 AND 1984**

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3
2
2
3
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4
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3
3
1

	Amount Actually Billed	Time At No Charge
1983 INVOICES		
June 2, 1983	2,235.75	2,193.75
July 5, 1983	272.00	240.00
August 10, 1983	2,111.00	2,070.00
September 12, 1983	3,262.00	3,150.00
October 5, 1983	5,170.00	4,710.00
November 8, 1983	3,802.00	3,590.00
December 14, 1983	5,890.15	5,475.00
	-----	-----
Total 1983 Billings	22,742.90	

Total for Time @ No Charge		21,428.75

1984 INVOICES		
January 18, 1984	8,587.55	
February 14, 1984	7,525.32	
March 6, 1984	523.73	9,690.00
April 4, 1984	511.62	8,475.00
May 3, 1984	1,442.76	14,680.00
June 6, 1984	205.36	11,670.00
August 14, 1984	757.43	40,680.00
August 24, 1984	23,241.00	3,000.00
September 6, 1984	777.85	(Staff Help)
	-----	-----
Total 1984 Billings	43,572.62	

Total for Time @ No Charge		88,195.00

TOTAL 1983 & 1984 Billings	66,315.52	
	=====	
TOTAL FOR TIME @ NO CHARGE FOR 1983 & 1984		109,623.75
		=====

Savin

HAND DELIVERED
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

CCA# 9020

88 APR 11 AM 9:02

Savin Corporation

9 West Broad Street
P. O. Box 10270
Stamford, CT 06904-2270
203/967-5168

April 8, 1988

Mari-Jo Florio Scopac
Assistant
General Counsel

Jonathan Levin, Esq.
Federal Election Commission
999 W. Street, NW - Room 659
Washington, DC 20463

Re: MUR 2171

Dear Mr. Levin:

In accordance with your request for further information, we have attempted to break down the charges listed in Savin's invoice of 8/22/84 and billed to the "Republican National Convention".

As I mentioned to you in our telephone conversation, it is difficult to reconstruct the purchases because the billing center and system which handled this transaction have been dissolved and no individual who participated in that billing process remains to supply answers to questions.

Based on the documents we had available and in the framework of Savin's general business practices, we attempted to reconcile the \$48,943.81 billed to and paid by the customer. Although our figures did not reach the same total as the invoice (our total was \$48,990.02), they represented a deviation of less than 1% and, therefore, we believe that they are reliable. The breakdown of our calculations is attached as Schedule A.

We were able to locate separate invoices which represent the additional supplies purchased by the customer and enclose them for your information. These invoices support the purchases of additional supplies.

Further to your inquiry concerning C&I rental pricing, I have been informed that the \$364 monthly charge appearing on the C&I price sheet did not include an installation or deinstallation charge. Those charges would be separately billed.

Please call me if you need any further information.

Sincerely,



Mari-Jo Scopac

MFS:emp
Enclosures

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF THE
88 APR 12 PM 12:54

1 2 3 4 5 6 7 8 9 0 A B C D E F G H I

SCHEDULE A

April 8, 1988

Charges are broken down as follows:

1. A base charge of \$325 was applied per machine per month. A total of 43 machines were rented: 37 machines were rented for 1 month each, 5 machines for 2 months each and 1 machine for 3 months, for a total of 50 monthly base charges. ($\$325 \times 50 = \$16,250$). Additionally a 6% tax was applied (\$975). $\$16,250 + \$975 = \$17,225$ total.
2. An installation charge of \$105.60 for each machine and a deinstallation charge of \$105.60 for each machine were charged. Therefore, a total charge of \$211.20 was applied to each of the 43 machines $\$211.20 \times 43 = \$9,081.60$ total. No tax was applicable to these charges.
3. A starter pack of supplies was included with each of the 43 machines. Each starter pack consisted of:
 - 2 TD packs @ \$52.45 each = \$104.90
 - 2 Carton/boxes of 8-1/2" x 11" paper @ \$34.14 each = \$68.28
 - 1 Carton/box of 8-1/2" x 14" paper @ \$42.89 each = \$42.89

For a total of \$216.07 per starter kit per machine ($43 \times 216.07 = \$9,291.01$). A 6% sales tax was applied (\$557.46). $\$9,291.01 + \$557.46 = \$9,848.47$ total.

Additional Supplies

Additional supplies were purchased and invoiced as follows:

<u>Qty.</u>	<u>Item</u>	<u>Price Each</u>	<u>Extended Price</u>
76	Landa Process TD Paks	\$52.45	\$3,986.20
145	8-1/2" x 11" Paper	\$32.14	\$4,660.30
74	8-1/2" x 14" Paper	\$42.89	\$3,173.86
26	11" x 17" Paper	\$28.38	\$ 737.88
			<hr/>
			\$12,558.24
		Freight/Shipping	<hr/>
			276.71
			<hr/>
			\$12,834.95

0 8 0 4 0 7 2 2 3 2 2

SCHEDULE A

SUMMARY

Rental Base Charges	\$17,225.00
Installation and Deinstallation	\$ 9,081.60
Starter Packs	\$ 9,848.47
Additional Supplies	<u>\$12,834.95</u>
Total	\$48,990.02
Amount invoiced and paid	\$48,943.81
Unaccounted Difference	\$ 46.21

13140722323

Savin Savin Corporation

389 Midway Road
Carrollton, TX 75006

INVOICE DATE 07-03-84	INVOICE NUMBER D-567	PLEASE PRINT WITH BOTTOM PORTION OF INVOICE NO STATEMENT WILL BE SENT
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PAGE NO. 1 of 1

PAYMENT TERMS Net 10 Days	CUSTOMER ORDER NUMBER David
------------------------------	--------------------------------

TAKE CARE OF ALL INVOICES TO	MODEL	DESCRIPTION	QTY	Amount	Price	Amount
214) 931-1700	5030	Landa Process T-D Pak. 1	2	Ct	52.45	104.90
		Landa Paper 8.5 x 11 FR	1	BX	32.14	32.14
		Landa Paper 8.5 x 14 FR	1	BX	42.89	42.89
EP-500AN						
Contract AA30000						

CLAIMS MUST BE PLACED
WITHIN 90 DAYS

GOODS MAY BE RETURNED
IN CREDIT WITHOUT OUR
WRITTEN APPROVAL.
ALL CHECKS PAYABLE
TO THE ORDER OF SAVIN
CORPORATION.

BILL TO 31-527732
Republican National Convention
Lee Graves, Room 217
650 S. Griffin
Dallas, TX 75202

TOTAL THIS PAGE	179.93
TAX AMOUNT	
SHIPPING & HANDLING	8.80
PAY THIS AMOUNT	188.73

SHIP TO 31-52772-4
Republican National Convention
Office N232
650 S. Griffin
Dallas, TX 75202

SC SENT TO
SAVIN CORPORATION
P.O. Box 910100
Dallas, TX 75391

INVOICE
DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE 07-03-84

INVOICE NUMBER

BILL TO ACCOUNT NUMBER 31-52772-4

PAY THIS AMOUNT	188.73
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BILL TO ADDRESS
Republican National Convention
Lee Graves Room 217
650 S. Griffin
Dallas, TX 75202

PLEASE PRINT TO
Savin Corporation
P.O. Box 910100
Dallas, TX 75391

Savin Savin Corporation
 2389 Midway Rd.
 Carrollton, TX 75006

INVOICE DATE
 07/11/84

INVOICE NUMBER

PORTION OF INVOICE
 NO STATEMENT WILL BE SENT

PAGE NO. 1 of 1

PAYMENT TERMS
 Net 10 Days

CUSTOMER ORDER NUMBER
 Liz Holt

QUANTITY	MODEL	DESCRIPTION			
214)	931-1700	5030 Landa Process TD Pak	20 Ct.	52.45	1089.00
		Landa Paper 8.5 x 11 FR	25 Bx.	32.14	803.50
		Landa Paper 8.5 x 14 FR	15 Bx.	42.89	643.35

REP-500AN

CONTRACT-AA30000

LANES MUST BE PLACED
 WITHIN 8 DAYS

COPIES MAY BE RETURNED
 CREDIT WITHOUT OUR
 WRITTEN AUTHORITY.
 ALL CHECKS PAYABLE
 TO ORDER OF SAVIN
 CORPORATION.

TO
 31-52773-2
 Republican National Convention
 David Tlapak
 650 S. Griffin
 Dallas, TX 75202

TOTAL THIS PAGE	2535.85
TAX AMOUNT	
SHIPPING & HANDLING	38.50
PAY THIS AMOUNT	2574.35

TO
 31-52781-5
 Republican National Convention
 Room N220
 650 S. Griffin
 Dallas, TX 75202

SC SENT TO
 Savin Corp.
 P.O. Box 910100
 Dallas, TX 75391

INVOICE
 DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE
 07/11/84

INVOICE NUMBER

BILL TO ACCOUNT NUMBER
 31-52773-2

PAY THIS AMOUNT 2574.35

TO ADDRESS
 Republican National Convention
 David Tlapak
 650 S. Griffin
 Dallas, TX 75202

PLEASE SENT TO
 Savin Corp.
 P.O. Box 910100
 Dallas, TX 75391



INVOICE DATE 07/10/84	INVOICE NUMBER DBT571	PLEASE REMIT WITH BOTTOM PORTION OF INVOICE NO STATEMENT WILL BE SENT
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1389 MIDWAY RD
CARROLLTON TX

75006

PAGE NO. 1 OF 1

PAYMENT TERMS NET 10 DAYS	CUSTOMER ORDER NUMBER DAVID TLAPER
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PLEASE DIRECT ALL INQUIRIES TO:	MODEL	DESCRIPTION	NUMBER	QTY	UM	PRICE	AMOUNT
(214)733-1221	870	LANDA PAPER 8.5X11 FR		6	BX	32.14	192.84
	870	LANDA PAPER 8.5X14 FR		6	BX	42.89	257.34
REP-500AN	760	BOND PAPER 11X17 WH		6	BX	28.38	170.28
CONTRACT-AA30000		THANK YOU PH SHIPPED WITH 13326300 ON BOL 50036217					

CLAIMS MUST BE PLACED
WITHIN 8 DAYS

CA00*027-92
GOODS MAY BE RETURNED
OR CREDIT WITHOUT OUR
WRITTEN AUTHORITY.
ALL CHECKS PAYABLE
TO THE ORDER OF SAVIN
CORPORATION.

O.K. D.T.

*** PLEASE MAIL YOUR PAYMENT, WITH THE REMITTANCE STUB,
*** TO OUR REMIT-TO ADDRESS BELOW.

CALL TO 31-52773-2	TOTAL THIS PAGE	620.46
REPUBLICAN NATIONAL CONVENTION DAVID TLAPER 650 S. GRIFFIN DALLAS TX 75202	TAX AMOUNT	.00
	SHIPPING & HANDLING	20.50
	PAY THIS AMOUNT	640.96

SHIP TO 31-52771-6
REPUBLICAN NATIONAL CONVENTION
SOUTH WING S308
650 S. GRIFFIN
DALLAS TX 75202

SC REMIT TO
SAVIN CORPORATION
P O BOX 910100
DALLAS, TX 75391

INVOICE
DETACH AND RETURN THIS PORTION



INVOICE DATE 07/10/84	INVOICE NUMBER DBT571	BILL TO ACCOUNT NUMBER 31-52773-2	PAY THIS AMOUNT	640.96
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CALL TO ADDRESS
REPUBLICAN NATIONAL CONVENTION
DAVID TLAPER
650 S. GRIFFIN
DALLAS TX 75202

PLEASE REMIT TO:
SAVIN CORPORATION
P O BOX 910100
DALLAS, TX 75391

Savin Corporation

2389 MIDWAY RD
CARROLLTON TX

75006

INVOICE DATE 07/12/84	INVOICE NUMBER DBT570	PLEASE REMIT WITH BOTTOM - PORTION OF INVOICE NO STATEMENT WILL BE SENT E
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Rek Taylor 931-1700 PAGE NO. 1 OF 1

PAYMENT TERMS NET 10 DAYS	CUSTOMER ORDER NUMBER DAVID TLAPEK
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EASE DIRECT ALL INQUIRIES TO:	MODEL	DESCRIPTION	NUMBER	QTY	UM	PRICE	AMOUNT
(214) 733-1221	5030	LANDA PROCESS T-D PAK 1 THANK YOU PH SHIPPED WITH 13326200 ON BOL 50036246		4	CT	52.45	209.80
REP-500AN							
CONTRACT-AA30000							

CLAIMS MUST BE PLACED WITHIN 5 DAYS

100*009-44
GOODS MAY BE RETURNED FOR CREDIT WITHOUT OUR WRITTEN AUTHORITY. MAKE ALL CHECKS PAYABLE TO THE ORDER OF SAVIN CORPORATION.

O.K. D.T.

*** PLEASE MAIL YOUR PAYMENT, WITH THE REMITTANCE STUB, *** TO OUR REMIT-TO ADDRESS BELOW.

CALL TO 31-52773-2	TOTAL THIS PAGE	209.80
REPUBLICAN NATIONAL CONVENTION DAVID TLAPEK 650 S. GRIFFIN DALLAS TX 75202	TAX AMOUNT	.00
	SHIPPING & HANDLING	8.80
	PAY THIS AMOUNT	218.60

SHIP TO 31-52771-6

REPUBLICAN NATIONAL CONVENTION
SOUTH WING S308
650 S. GRIFFIN
DALLAS TX 75202

SC REMIT TO

SAVIN CORPORATION
P O BOX 910100
DALLAS, TX 75391

INVOICE
DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE 07/12/84	INVOICE NUMBER DBT570	BILL TO ACCOUNT NUMBER 31-52773-2	PAY THIS AMOUNT	218.60
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BILL TO ADDRESS

REPUBLICAN NATIONAL CONVENTION
DAVID TLAPEK
650 S. GRIFFIN
DALLAS TX 75202

PLEASE REMIT TO

SAVIN CORPORATION
P O BOX 910100
DALLAS, TX 75391

Savin Savin Corporation

INVOICE DATE: 07/13/84 INVOICE NUMBER: DBT566 PLEASE REMIT WITH BOTTOM PORTION OF INVOICE NO STATEMENT WILL BE SENT

2389 MIDWAY RD
CARROLLTON TX

75006

PAGE NO. 1 OF 1

PAYMENT TERMS: NET 10 DAYS CUSTOMER ORDER NUMBER: ADRIAN

PLEASE DIRECT ALL INQUIRIES TO:	MODEL	DESCRIPTION	NUMBER	QTY	UM	PRICE	AMOUNT
(214)733-1221 REP-500AN CONTRACT-AA30000	870	LANDA PAPER 8.5X14 FR THANK YOU PH SHIPPED WITH 13325800 ON BOL 50036295		2	BX	42.89	85.78

CLAIMS MUST BE PLACED WITHIN 5 DAYS

CA00*003-86
GOODS MAY BE RETURNED OR CREDIT WITHOUT OUR WRITTEN AUTHORITY. MAKE ALL CHECKS PAYABLE TO THE ORDER OF SAVIN CORPORATION.

O.K. D.T.V.

*** PLEASE MAIL YOUR PAYMENT, WITH THE REMITTANCE STUB, *** TO OUR REMIT-TO ADDRESS BELOW.

BILL TO: 31-52773-2

REPUBLICAN NATIONAL CONVENTION
DAVID TLAPER
650 S. GRIFFIN
DALLAS TX 75202

TOTAL THIS PAGE	85.78
TAX AMOUNT	.00
SHIPPING & HANDLING	8.00
PAY THIS AMOUNT	93.78

SHIP TO: 31-52772-4

REPUBLICAN NATIONAL CONVENTION
ROOM N232
550 S. GRIFFIN
DALLAS TX 75202

SC REMIT TO:

SAVIN CORPORATION
P O BOX 910100
DALLAS, TX 75391

INVOICE
DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE: 07/13/84

INVOICE NUMBER: DBT566

BILL TO ACCOUNT NUMBER: 31-52773-2

PAY THIS AMOUNT 93.78

BILL TO ADDRESS:

REPUBLICAN NATIONAL CONVENTION
DAVID TLAPER
550 S. GRIFFIN
DALLAS TX 75202

PLEASE REMIT TO:

SAVIN CORPORATION
P O BOX 910100
DALLAS, TX 75391

Savin Savin Corporation

1389 Midway Rd.
Carrollton, TX 75006

INVOICE DATE
07/17/84

INVOICE NUMBER

PORTION OF INVOICE
AND STATEMENT WILL BE SENT

PAGE NO. 1 of 1

PAYMENT TERMS
Net 10 Days

CUSTOMER ORDER NUMBER
David

QUANTITY	MODEL DESCRIPTION			
214)	931-1700			
	Landa paper 8.5 x 11 FR	10 Ct.	32.14	321.40
	Landa paper 8.5 x 14 FR	10 Ct.	42.89	428.90

REP-500AN
CONTRACT-AA30000

CLAIMS MUST BE PLACED WITHIN 90 DAYS

COPIES MAY BE RETURNED CREDIT WITHOUT OUR SIGNED AUTHORITY. ALL COPIES FORWALD THE ORDER OF SAVIN CORPORATION.

SHIP TO
31-52773-2
REPUBLICAN NATIONAL CONVENTION
DAVID TLAPEK
650 S. GRIFFIN
DALLAS, TX 75202

TOTAL THIS PAGE 750.30

TAX AMOUNT

SHIPPING & HANDLING

17.00

PAY THIS AMOUNT ▶

767.30

SHIP TO
31-52771-6
Republican National Convention
South Wing, S308
650 S. Griffin
Dallas, TX 75202

SHIP TO
Savin Corp.
P.O. Box 910100
Dallas, TX 75391

INVOICE
DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE
07/17/84

INVOICE NUMBER

BILL TO ACCOUNT NUMBER
31-52773-2

PAY THIS AMOUNT ▶ 767.30

SHIP TO ADDRESS
31-52773-2
Republican National Convention
vid Tlappek
S. Griffin
Dallas, TX 75202

PLEASE SEND TO
Savin Corp.
P.O. Box 910100
Dallas, TX 75391

Savin Savin Corporation

2389 Midway Road
Carrollton, TX 75006

INVOICE DATE
07/20/84

INVOICE NUMBER

PLEASE REMIT WITH BOTTOM
PORTION OF INVOICE
NO STATEMENT WILL BE SENT

PAGE NO. 1 of 1

PAYMENT TERMS
Net 10 Days

CUSTOMER ORDER NUMBER
Liz Holt

QUANTITY	MODEL	DESCRIPTION			
214)	931-1700	5030 Landa Process TD Pak 1	3 ct.	52.45	157 35
		Landa Paper 8.5 x 11 FR	5 ct.	32.14	160 70

REP-500AN
CONTRACT-AA30000

PAID MUST BE PAID
WITHIN 8 DAYS

THIS COPY IS RETURNED
CREDIT WITHOUT OUR
APPROVAL. ALL ORDERS
PLACED IN ORDER OF SAVIN
CORPORATION.

TO
31-52773-2
REPUBLICAN NATIONAL CONVENTION
DAVID TLAPEK
650 S. GRIFFIN
DALLAS, TX 75202

TOTAL THIS PAGE 318 05

TAX AMOUNT

SHIPPING & HANDLING 10 40

PAY THIS AMOUNT 328 45

TO
31-52772-4
Republican National Convention
Office N232
650 S. Griffin
Dallas, TX 75202

SC REMIT TO
Savin Corp.
P.O. Box 910100
Dallas, Tx 75391

INVOICE

DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE

07/20/84

INVOICE NUMBER

BILL TO ACCOUNT NUMBER

31-52773-2

PAY THIS
AMOUNT

328 45

TO ADDRESS
REPUBLICAN NATIONAL CONVENTION
DAVID TLAPEK
650 S. GRIFFIN
DALLAS, TX 75202

PLEASE REMIT TO
Savin Corp.
P.O. Box 910100
Dallas, TX 75391

Savin Savin Corporation

INVOICE DATE 07/25/84	INVOICE NUMBER DBT552	PLEASE REMIT WITH BOTTOM PORTION OF INVOICE NO STATEMENT WILL BE SENT
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2389 MIDWAY RD
CARROLLTON TX 75006

PAGE NO. 1 OF 1

PAYMENT TERMS NET 10 DAYS	CUSTOMER ORDER NUMBER DAVE
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LEASE DIRECT ALL INQUIRIES TO:	MODEL	DESCRIPTION	NUMBER	QTY	UM	PRICE	AMOUNT
(214) 733-1221	870	LANDA PAPER 8.5X11 FR		5	BX	32.14	160.70
	870	LANDA PAPER 8.5X14 FR		5	BX	42.89	214.45
REP-500AN	760	BOND PAPER 11X17 WH		5	BX	28.38	141.90
CONTRACT-AA30000	5030	LANDA PROCESS T-D PAK 1		6	CT	52.45	314.70
THANK YOU PH SHIPPED WITH 13322200 ON BOL 154634							

CLAIMS MUST BE PLACED WITHIN 5 DAYS

CA00*037-43
 GOODS MAY BE RETURNED OR CREDIT WITHOUT OUR WRITTEN AUTHORITY. MAKE ALL CHECKS PAYABLE TO THE ORDER OF SAVIN CORPORATION.

O.K. DRT.

*** PLEASE MAIL YOUR PAYMENT, WITH THE REMITTANCE STUB, *** TO OUR REMIT-TO ADDRESS BELOW.

BILL TO 31-52773-2
 REPUBLICAN NATIONAL CONVENTION
 DAVID TLAPEK
 650 S. GRIFFIN
 DALLAS TX 75202

TOTAL THIS PAGE	831.75
TAX AMOUNT	.00
SHIPPING & HANDLING	15.60
PAY THIS AMOUNT	847.35

SHIP TO 31-52781-5
 REPUBLICAN NATIONAL CONVENTION
 ROOM #N220
 550 S. GRIFFIN
 DALLAS TX 75202

SC REMIT TO
 SAVIN CORPORATION
 P O BOX 910100
 DALLAS, TX 75391

INVOICE
 DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE
07/25/84

INVOICE NUMBER
DBT552

BILL TO ACCOUNT NUMBER
31-52773-2

PAY THIS AMOUNT **847.35**

BILL TO ADDRESS
 REPUBLICAN NATIONAL CONVENTION
 DAVID TLAPEK
 550 S. GRIFFIN
 DALLAS TX 75202

PLEASE REMIT TO:
 SAVIN CORPORATION
 P O BOX 910100
 DALLAS, TX 75391

SAVIN Savin Corporation

INVOICE DATE 07/26/84	INVOICE NUMBER DBT616	PLEASE REMIT WITH BOTTOM PORTION OF INVOICE NO STATEMENT WILL BE SENT
--------------------------	--------------------------	---

2389 MIDWAY RD
CARROLLTON TX

75006

PAGE NO. 1 OF 1

PAYMENT TERMS NET 10 DAYS	CUSTOMER ORDER NUMBER DAVID
------------------------------	--------------------------------

PLEASE DIRECT ALL INQUIRIES TO:	MODEL	DESCRIPTION	NUMBER	QTY UM	PRICE	AMOUNT
(214) 733-1221	870	LANDA PAPER 8.5X11 FR		3 BX	32.14	96.42
REP-500AN		THANK YOU PH				
CONTRACT-AA30000		SHIPPED WITH 13328400 ON BOL 154697				

CLAIMS MUST BE PLACED WITHIN 5 DAYS

CA00*004-34
IF GOODS MAY BE RETURNED OR CREDIT WITHOUT OUR PRIOR WRITTEN AUTHORITY, MAKE ALL CHECKS PAYABLE TO THE ORDER OF SAVIN CORPORATION.

o.k. DLT.

ORIGINAL

PLEASE MAIL YOUR PAYMENT WITH THE REMITTANCE SLIP TO OUR REMITTING ADDRESS

BILL TO: 31-52773-2

REPUBLICAN NATIONAL CONVENTION
DAVID TLAPER
650 S. GRIFFIN
DALLAS TX 75202

TOTAL THIS PAGE	96.42
TAX AMOUNT	.00
SHIPPING & HANDLING	8.40
PAY THIS AMOUNT ▶	104.82

SHIP TO: 31-52771-6

REPUBLICAN NATIONAL CONVENTION
SOUTH WING S308
650 S. GRIFFIN
DALLAS TX 75202

SC REMIT TO

SAVIN CORPORATION
P O BOX 910100
DALLAS, TX 75391

INVOICE
DETACH AND RETURN THIS PORTION

SAVIN Savin Corporation

INVOICE DATE
07/26/84

INVOICE NUMBER
DBT616

BILL TO ACCOUNT NUMBER
31-52773-2

PAY THIS AMOUNT ▶	104.82
--------------------------	---------------

BILL TO ADDRESS

REPUBLICAN NATIONAL CONVENTION
DAVID TLAPER
650 S. GRIFFIN
DALLAS TX 75202

PLEASE REMIT TO:

SAVIN CORPORATION
P O BOX 910100
DALLAS, TX 75391

Savin Savin Corporation

INVOICE DATE 07/31/84	INVOICE NUMBER DBT615	PLEASE REMIT WITH BOTTOM PORTION OF INVOICE NO STATEMENT WILL BE SENT
--------------------------	--------------------------	---

2389 MIDWAY RD
CARROLLTON TX

75006

PAGE NO. 1 OF 1

PAYMENT TERMS NET 10 DAYS	CUSTOMER ORDER NUMBER DAVID
------------------------------	--------------------------------

PLEASE DIRECT ALL INQUIRIES TO:	MODEL	DESCRIPTION	NUMBER	QTY	UM	PRICE	AMOUNT
(214) 733-1221	870	LANDA PAPER 8.5X11 FR		18	BX	32.14	578.52
	870	LANDA PAPER 8.5X14 FR		14	BX	42.89	600.46
REP-500AN	760	BOND PAPER 11X17 WH		10	BX	28.38	283.80
CONTRACT-AA30000	5030	LANDA PROCESS T-D PAK 1		15	CT	52.45	786.75
		SHIPPED WITH 13328300 ON BOL 154689					

CLAIMS MUST BE PLACED WITHIN 8 DAYS

CA00*101-22
GOODS MAY BE RETURNED FOR CREDIT WITHOUT OUR WRITTEN AUTHORITY. MAKE ALL CHECKS PAYABLE TO THE ORDER OF SAVIN CORPORATION.

O.K. D.H.T.

ORIGINAL
***** THIS IS OUR NEW INVOICE *****
THANK YOU FOR YOUR CONTINUED BUSINESS WITH SAVIN

TEL TO 31-52773-2	TOTAL THIS PAGE	2,249.53
REPUBLICAN NATIONAL CONVENTION DAVID TLAPEK 650 S. GRIFFIN DALLAS TX 75202	TAX AMOUNT	.00
	SHIPPING & HANDLING	31.00
	PAY THIS AMOUNT	2,280.53

SHIP TO: 31-52781-5
REPUBLICAN NATIONAL CONVENTION
ROOM #N220
650 S. GRIFFIN
DALLAS TX 75202

SC REMIT TO
SAVIN CORPORATION
P O BOX 910100
DALLAS, TX 75391

INVOICE

DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE 07/31/84	INVOICE NUMBER DBT615	BILL TO ACCOUNT NUMBER 31-52773-2	PAY THIS AMOUNT 2280.53
--------------------------	--------------------------	--------------------------------------	----------------------------

BILL TO ADDRESS
REPUBLICAN NATIONAL CONVENTION
DAVID TLAPEK
650 S. GRIFFIN
DALLAS TX 75202

PLEASE REMIT TO:
SAVIN CORPORATION
P O BOX 910100
DALLAS, TX 75391

Savin Savin Corporation

1389 Midway Road
Carrollton, TX 75006

INVOICE DATE
08/02/84

INVOICE NUMBER

PLEASE REPLY WITH BOTTOM
PORTION OF INVOICE
NO STATEMENT WILL BE SENT

PAGE NO. 1 of 1

PAYMENT TERMS
Net 10 Days

CUSTOMER ORDER NUMBER
Liz Holt

QUANTITY	MODEL	DESCRIPTION			
14)	931-1700	5030 Landa Process T-D Pak 1	6 Ct.	52.45	314.70
		Landa Paper 8.5 x 11 FR	4 CT.	32.14	128.56
		Landa paper 8.5 x 14 FR	5 Ct.	42.89	214.45
		Bond paper 11 x 17 WH	5 Ct.	28.38	141.90
EP-500AN					
CONTRACT-AA30000					
TERMS MUST BE PLACED WITHIN 8 DAYS					
GOODS MAY BE RETURNED CREDIT WITHOUT OUR WRITTEN AGREEMENT. ALL CHECKS PAYABLE TO ORDER OF SAVIN CORPORATION.					

TO
31-52773-2
Republican National Convention
David Tlapek
650 S. Griffin
Dallas, TX 75202

TOTAL THIS PAGE

799.61

TAX AMOUNT

SHIPPING & HANDLING

13.21

PAY THIS AMOUNT

812.82

TO
31-52781-5
Republican National Convention
Room N220
650 S. Griffin
Dallas, TX 75202

SC REPLY TO

Savin Corp.
P.O. Box 910100
Dallas, TX 75391

INVOICE

DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE

INVOICE NUMBER

BILL TO ACCOUNT NUMBER

08/02/84

31-52773-2

PAY THIS AMOUNT

812.82

TO ADDRESS
Republican National Convention
David Tlapek
650 S. Griffin
Dallas, TX 75202

PLEASE REPLY TO
Savin Corp.
P.O. Box 910100
Dallas, TX 75391

SAVIN Savin Corporation

2389 Midway Road
Carrollton, TX 75006

INVOICE DATE
08/13/84

INVOICE NUMBER
DCV390

PLEASE REPLY WITH BOTTOM
PORTION OF INVOICE
NO STATEMENT WILL BE SENT

PAGE NO. 1 of 1

PAYMENT TERMS
Net 10 Days

CUSTOMER ORDER NUMBER
Liz Holt

PLEASE DIRECT ALL INQUIRIES TO	MODEL	DESCRIPTION			
214) 931-1700		Landa Paper 8.5 x 11 FR	8 Ct	32.14	257 12
REP -500AN					
Contract-AA30000					

CLAIMS MUST BE PLACED
WITHIN 6 DAYS

GOODS MAY BE RETURNED
FOR CREDIT WITHOUT OUR
WRITTEN AUTHORITY.
ALL CHECKS PAYABLE
TO THE ORDER OF SAVIN
CORPORATION.

BILL TO
31-52773-2
REPUBLICAN NATIONAL CONVENTION
LEE GRAVES, ROOM 217
650 S. GRIFFIN
DALLAS, TX 75202

TOTAL THIS PAGE	257 12
TAX AMOUNT	
SHIPPING & HANDLING	13 50
PAY THIS AMOUNT	270 62

SHIP TO
31-52781-5
Republican National Convention
Room N220
650 S. Griffin
Dallas, TX 75202

SC REMIT TO
Savin Corporation
P.O. Box 910100
Dallas, TX 75391

INVOICE

DETACH AND RETURN THIS PORTION

SAVIN Savin Corporation

INVOICE DATE
08/13/84

INVOICE NUMBER

BILL TO ACCOUNT NUMBER
31-52773-2

PAY THIS AMOUNT
270 62

BILL TO ADDRESS
REPUBLICAN NATIONAL CONVENTION
LEE GRAVES, ROOM 217
650 S. GRIFFIN
DALLAS, TX 75202

PLEASE REPLY TO
Savin Corporation
P.O. Box 910100
Dallas, TX 75391

Savin Savin Corporation
 2389 Midway Rd.
 Carrollton, TX 75006

INVOICE DATE
 08/14/84

INVOICE NUMBER
 YCR585

PLEASE REPLY WITH BOTTOM
 PORTION OF INVOICE
 NO STATEMENT WILL BE SENT

PAGE NO. 1 of 1

PAYMENT TERMS
 Net 10 Days

CUSTOMER ORDER NUMBER
 Liz Holt

PLEASE ORDER ALL INQUIRIES TO	MODEL DESCRIPTION			
214)931-1700	Landa Paper 8.5 x 11	10 Ct.	32.14	321.40
REP-500AN				
CONTRACT-AA30000				
CLAIMS MUST BE PLACED WITHIN 6 DAYS				
GOODS MAY BE RETURNED FOR CREDIT WITHOUT OUR WRITTEN AUTHORITY. ALL CHECKS PAYABLE TO THE ORDER OF SAVIN CORPORATION.				

SHIP TO
 31-52773-2
 REPUBLICAN NATIONAL CONVENTION
 LEE GRAVES, ROOM 217
 550 S. GRIFFIN
 DALLAS, TX 75202

TOTAL THIS PAGE	321.40
TAX AMOUNT	
SHIPPING & HANDLING	
PAY THIS AMOUNT ▶	321.40

SHIP TO
 31-52781-5
 Republican National Convention
 Room N220
 550 S. Griffin
 Dallas, TX 75202

SC REPLY TO
 Savin Corporation
 P.O. Box 910100
 Dallas, TX 75391

INVOICE
 DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE
 08/14/84

INVOICE NUMBER

BILL TO ACCOUNT NUMBER
 31-52773-2

PAY THIS AMOUNT ▶ **321.40**

SHIP TO ADDRESS
 REPUBLICAN NATIONAL CONVENTION
 LEE GRAVES, ROOM 217
 650 S. GRIFFIN
 DALLAS, TX 75202

PLEASE REPLY TO
 Savin Corporation
 P.O. Box 910100
 Dallas, TX 75391

SAVIN Savin Corporation
 2389 Midway Road
 Carrollton, TX 75006

INVOICE DATE
 08/15/84

INVOICE NUMBER
 YCR 581

PLEASE REMIT WITH BOTTOM
 PORTION OF INVOICE
 NO STATEMENT WILL BE SENT

PAGE NO. 1 of 1

PAYMENT TERMS
 Net 10 Days

CUSTOMER ORDER NUMBER
 Liz Holt

QTY	MODEL	DESCRIPTION			
214)	931-1700	5030 Landa Process T-D Pak	20 Ct.	52.45	1049.00
		Landa Paper 8.5 x 11 FR	10 Bx.	32.14	321.40
		Landa Paper 8.5 x 14 FR	5 Bx.	42.89	214.45
REP-500AN CONTRACT-AA30000 CLAIMS MUST BE PLACED WITHIN 8 DAYS BOOKS MAY BE RETURNED A CHECK WITHOUT OUR WRITTEN AUTHORITY. WE ALL CHECKS PAYABLE THE ORDER OF SAVIN CORPORATION.					

BILL TO
 31-52773-2
 REPUBLICAN NATIONAL CONVENTION
 LEE GRAVES, ROOM 217
 650 S. GRIFFIN
 DALLAS, TX 75202

TOTAL THIS PAGE 1584.85

TAX AMOUNT

SHIPPING & HANDLING 23.50

PAY THIS AMOUNT 1608.35

SHIP TO
 31-52785-1
 Republican National Convention
 Room N220
 650 S. Griffin
 Dallas, TX 75202

SC REMIT TO
 Savin Corporation
 P.O. Box 910100
 Dallas, TX 75391

INVOICE
 DETACH AND RETURN THIS PORTION

SAVIN Savin Corporation

INVOICE DATE

08/15/84

INVOICE NUMBER

BILL TO ACCOUNT NUMBER

31-52773-2

PAY THIS AMOUNT

1608.35

BILL TO ADDRESS
 REPUBLICAN NATIONAL CONVENTION
 LEE GRAVES, ROOM 217
 650 S. GRIFFIN
 DALLAS, TX 75202

PLEASE REMIT TO
 Savin Corporation
 P.O. Box 910100
 Dallas, TX 75391

Savin Savin Corporation
 2389 Midway Rd.
 Carrollton, TX 75006

INVOICE DATE 08/17/84	INVOICE NUMBER	PLEASE PRINT WITH BOTTOM PORTION OF INVOICE NO STATEMENT WILL BE SENT
--------------------------	----------------	---

PAGE NO. 1 of 1

PAYMENT TERMS Net 10 Days	CUSTOMER ORDER NUMBER
------------------------------	-----------------------

PLEASE CHECK ALL BOXES TO	MODEL DESCRIPTION			
214) 931-1700	Landa Paper 8.5 x 11 FR	20 Bx.	32.14	642 80
	Landa Paper 8.5 x 14 FR	8 Bx.	42.89	343 12
REP-500AN				
CONTRACT-AA30000				
CLAIMS MUST BE PLACED WITHIN 6 DAYS				
COPIES MAY BE RETURNED AS CREDIT WITHOUT OUR WRITTEN AUTHORITY. SEE ALL CHECKS PAYABLE TO THE ORDER OF SAVIN CORPORATION.				

ALL TO
 31-52773-2
 REPUBLICAN NATIONAL CONVENTION
 LEE-GRAVES, ROOM 217
 650 S. GRIFFIN
 DALLAS, TX 75202

TOTAL THIS PAGE	985 92
TAX AMOUNT	
SHIPPING & HANDLING	18 50
PAY THIS AMOUNT	1004 42

SHIP TO
 31-52781-5
 Republican National Convention
 Room N220
 650 S. Griffin
 Dallas, TX 75202

SC SENT TO
 Savin Corp.
 P.O. Box 910100
 Dallas, TX 75391
 1014.42

INVOICE
 DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE
08/17/84

INVOICE NUMBER

BILL TO ACCOUNT NUMBER
31-52773-2

PAY THIS AMOUNT
1004 42
1014.42

DEL TO ADDRESS
 REPUBLICAN NATIONAL CONVENTION
 LEE GRAVES, ROOM 217
 650 S. GRIFFIN
 DALLAS, TX 75202

PLEASE SENT TO
 Savin Corp.
 P.O. Box 910100
 Dallas, TX 75391

Savin Savin Corporation

389 MIDWAY ROAD
ARROLLTON, TX 75006

INVOICE DATE
08/20/84

INVOICE NUMBER

PLEASE PRINT WITH BOTTOM
PORTION OF INVOICE
NO STATEMENT WILL BE SENT

PAGE NO. 1 of 1

PAYMENT TERMS
NET 10 DAYS

CUSTOMER ORDER NUMBER
LIZ HOLT

PLEASE DIRECT ALL INQUIRIES TO

MODEL DESCRIPTION

214) 931-1700

Landa Paper 8.5 x 11 FR
Landa Paper 8.5 x 14 FR

5 Ct
3 Ct

32.14
42.89

160 70
128 67

EP-500AN

CONTRACT-AA30000

CLAIMS MUST BE PLACED
WITHIN 6 DAYS

GOODS MAY BE RETURNED
A CREDIT WITHOUT OUR
FOR WRITTEN AUTHORITY.
ALL CHECKS PAYABLE
TO THE ORDER OF SAVIN
CORPORATION.

Bill TO
31-52773-2
REPUBLICAN NATIONAL CONVENTION
LEE GRAVES, ROOM 217
650 S. GRIFFIN
DALLAS, TX 75202

TOTAL THIS PAGE

289 37

TAX AMOUNT

SHIPPING & HANDLING

20 50

PAY THIS AMOUNT ▶

309 87

Bill TO
31-52781-5
REPUBLICAN NATIONAL CONVENTION
HYATT HOTEL
300 Reunion Blvd.
Brisbane Room A & B
Dallas, TX 75207

SC Bill TO
Savin Corporation
P.O. Box 910100
Dallas, TX 75391

INVOICE

DETACH AND RETURN THIS PORTION

Savin Savin Corporation

INVOICE DATE

08/20/84

INVOICE NUMBER

Bill TO ACCOUNT NUMBER

31-52773-2

PAY THIS
AMOUNT ▶

309 87

Bill TO ADDRESS

REPUBLICAN NATIONAL CONVENTION
LEE GRAVES, ROOM 217
650 S. GRIFFIN
DALLAS, TX 75202

PLEASE PRINT TO
Savin Corporation
P.O. Box 910100
Dallas, TX 75391

SAVIN Savin Corporation

389 Midway Road
arrollton, TX 75006

INVOICE DATE 08/20/84	INVOICE NUMBER	PLEASE REMIT WITH BOTTOM PORTION OF INVOICE NO STATEMENT WILL BE SENT
--------------------------	----------------	---

PAGE NO. 1 of 1

PAYMENT TERMS Net 10 Days	CUSTOMER ORDER NUMBER Liz Holt
------------------------------	-----------------------------------

LINE ORDER # ALL ORDERS TO	MODEL DESCRIPTION			
214) 931-1700	Landa Paper 8.5 X 11 FR	15 Ct	32.14	482 10
EP-500AN ONTRACT-AA30000				

CLAIMS MUST BE PLACED
WITHIN 6 DAYS

GOODS MAY BE RETURNED
FOR CREDIT WITHOUT OUR
WRITTEN AUTHORITY.
ALL CHECKS PAYABLE
TO THE ORDER OF SAVIN
CORPORATION.

BILL TO
31-52773-2
REPUBLICAN NATIONAL CONVENTION
LEE GRAVES, ROOM 217
650 S. GRIFFIN
DALLAS, TX 75202

TOTAL THIS PAGE	482 10
TAX AMOUNT	
SHIPPING & HANDLING	20 50
PAY THIS AMOUNT ▶	502 60

SHIP TO
31-52781-5
Republican National Convention
Room N220
650 S. Griffin
Dallas, TX 75202

SC REMIT TO
Savin Corporation
P.O. Box 910100
Dallas, TX 75391

INVOICE
DETACH AND RETURN THIS PORTION

SAVIN Savin Corporation

INVOICE DATE
08/20/84

INVOICE NUMBER

BILL TO ACCOUNT NUMBER
31-52773-2

PAY THIS AMOUNT ▶	502 60
--------------------------	---------------

BILL TO ADDRESS
Republican National Convention
Lee Graves, Room 217
650 S. Griffen
Dallas, TX 75202

PLEASE REMIT TO
Savin Corporation
P.O. Box 910100
Dallas, TX 75391

Savin

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

BCC # 9106

88 APR 20 AM 9:57

Savin Corporation

9 West Broad Street
P. O. Box 10270
Stamford, CT 06904-2270
203/967-5168

April 14, 1988

Mari-Jo Florio Scopac
Assistant
General Counsel

Federal Election Commission
999 "E" Street
Washington, D. C. 20463

Attention: Jonathan Levin, Esq.

RE: MUR 2171

Ladies and Gentlemen:

This letter will supplement previous correspondence and responses of Savin Corporation on the above-referenced matter.

When an initial inquiry was made by the Federal Election Commission ("FEC") concerning prices charged by Savin Corporation ("Savin") for products and services supplied to the Committee on Arrangements for the Republican National Convention ("RNC"), Savin furnished to the FEC on February 2, 1987, information to support the statement of William Smith in his cover letter that: "The discounts provided to the customer were consistent with Savin's pricing to other, similar customers, and the advertising and sales promotional benefits we derived were significant." Savin's Response to Interrogatories submitted on November 20, 1987 illustrated that statement by showing that the RNC had paid the same, if not sometimes higher, prices than those paid by commercial customers purchasing rental services and supplies directly from Savin and in no case was the RNC charged less than prices charged to government-affiliated customers. The quantity discounts of which the RNC took advantage were the same as those offered to all similar customers.

The FEC inquired about similar transactions in which Savin granted special discounts of a promotional type to customers in situations similar to the RNC transaction. Although Savin has provided free or specially discounted services on a very few occasions to commercial customers in exchange for promotional benefits (see Schedule 2 to Savin's Response to Interrogatories), those transactions differ from the RNC transaction because the RNC was not provided any special discount other than those quantity discounts actually earned. The RNC transaction was purely commercial in nature, therefore, the price lists included in previous submissions were the examples of similar transaction prices which were requested.

88 APR 20 PM 3:42

RECEIVED
FEDERAL ELECTION COMMISSION

1 4 6 3 7 0 6 1 1

The January 29, 1987 affidavit of Richard K. Taylor included in Savin's February 2, 1987 submission states that the transaction was a profitable one. It also discusses the claim made by Mr. Taylor in 1984 to Blythe Nelson that Savin's prices would reflect a \$9,000 savings. He went on to clarify the factual comparison basis of that figure as one based on "list price to otherwise routine discount prices" and characterized his statement in the letter as a "sales pitch".

Savin's submissions to the FEC have confirmed those statements in that they show that only routine commercial quantity discounts were granted to the RNC, that the base prices charged were the same as and sometimes higher than prices charged to both government and commercial customers, and that the RNC paid Savin for all purchases made and services rendered.

Very truly yours,

Mari-Jo Scopac

Mari-Jo F. Scopac

88040742342

600 #9245

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

WORSHAM, FORSYTHE, SAMPELS & WOOLDRIDGE

THIRTY-TWO HUNDRED, 2001 BRYAN TOWER

DALLAS, TEXAS 75201

TELEPHONE (214) 979-3000

88 MAY -9 AM 11: 14

M. D. SAMPELS
ROBERT A. WOOLDRIDGE
NEIL D. ANDERSON
SPENCER C. RELYEA
RONALD M. HANSON
J. DAN SOHANNAN
TRAVIS E. VANDERPOOL
JUDITH K. JOHNSON
RICHARD L. ADAMS
DAVID C. LONERGAN
JOHN W. MCREYNOLDS
THOMAS F. LILLARD
ROBERT K. WISE
TIMOTHY A. MACK

ROBERT M. FILLMORE
WM. STEPHEN BOYD
MARK R. WASEM
CHRIS R. MILTENBERGER
ROBERT P. OLIVER
CINDY JACKSON BRUNER
JOE A. DAVIS
ERIC H. PETERSON
WALTER W. WHITE
L. SCOTT AUSTIN
BLAKE L. BECKHAM
W. STEPHEN COCKERHAM
TRACY COMBS FLANIGAN

JOE A. WORSHAM
1881-1976

OF COUNSEL
JOS. IRION WORSHAM
EARL A. FORSYTHE

TELECOPIER (214) 880-0011

April 30, 1988

RECEIVED
FEDERAL ELECTION COMMISSION
88 MAY -9 PH 4: 16

Mr. Jonathan Levin
Federal Election Commission
999 E. Street, N. W.
Washington, D.C. 20463

RE: MUR 2171
In the Matter of Blythe-Nelson

Dear Mr. Levin:

Pursuant to our recent telephone conversations, I have enclosed a graph prepared by Blythe-Nelson which shows fee discounts offered by them in the regular course of business. As you can see, the discounts to the Committee on Arrangements (RNC) was not the largest in either percentage of discount, nor in the proportion of annual revenues. Hopefully, this chart and the supplemental response to Interrogatory No. 6 will aid you in your investigation of the commercial reasonableness of the discounts given to the Committee in 1983 and 1984.

Regarding such supplemental response, I have been informed that additional discounts of \$17,600 on billings of \$71,400 have been given to J. C. Penney's for the months of February and March, 1988. As stated earlier, these discounted services will likely continue throughout 1988.

Finally, it is my understanding that the August, 1984 bill was reduced because of a dispute over the amount of the invoice. In short, the Committee expressed to Jim Blythe its belief that the bill was too high for the work performed by Blythe-Nelson during that month. Accordingly, Jim Blythe, agreed to structure that month's invoice on a discounted basis. Similarly, it is my understanding that the January and February 1984 invoices accurately reflect the time billed to the Committee; however, I have not been able to determine whether the hours worked exceeded the time actually billed for those periods in question. Blythe-Nelson has no records other than the invoices previously submitted and

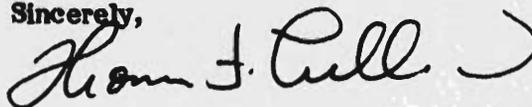
1 3 0 4 0 7 2 2 3 4 5

Mr. Jonathan Levin
April 30, 1988
Page 2

unfortunately, the recollection of the specific hours of work performed over four years ago is not clear enough to accurately explain the apparent difference in the method of billing.

Should you have any further questions, please contact me.

Sincerely,



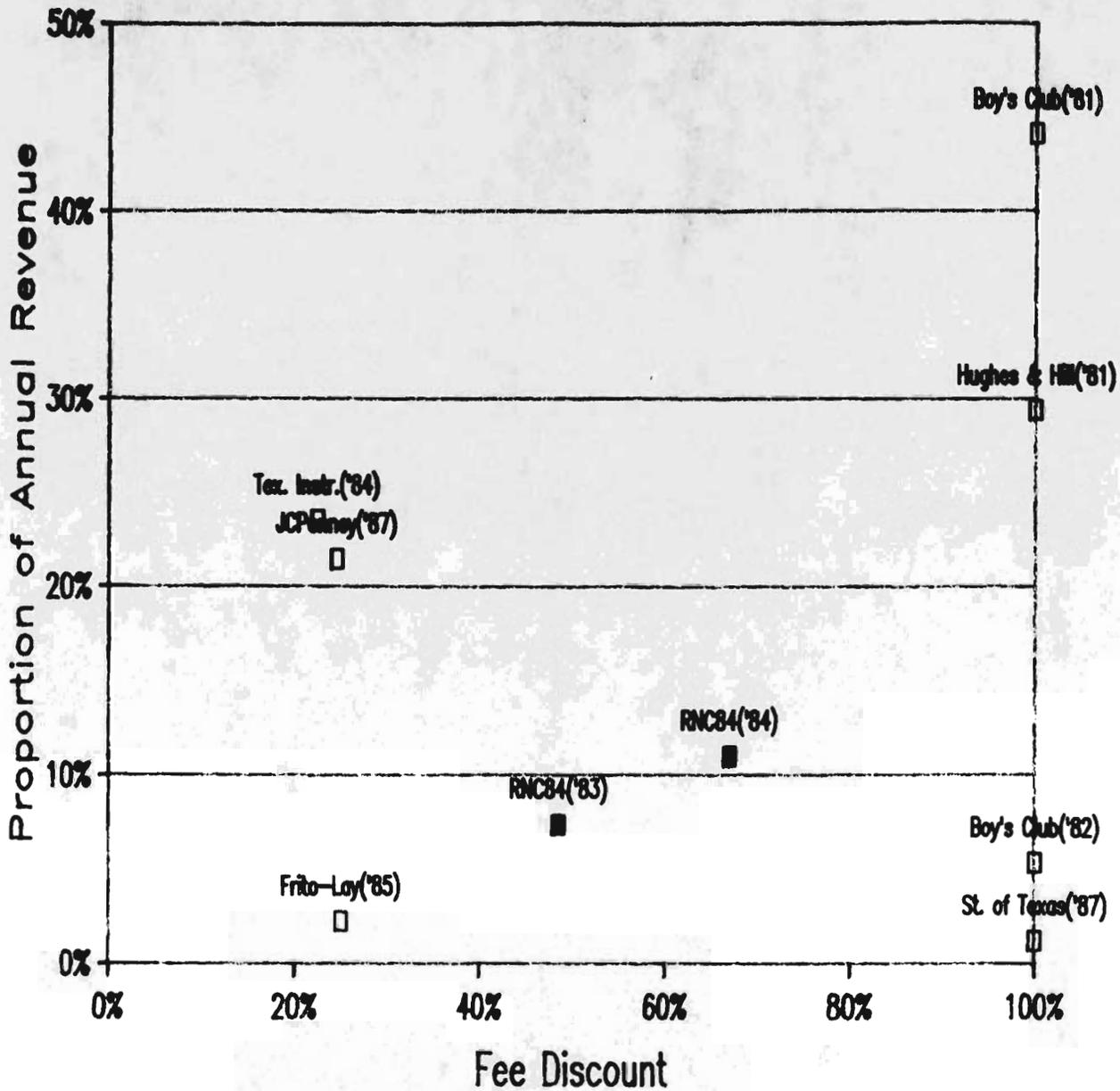
Thomas F. Lillard

TFL/cn
Enclosures

88040722344

Blythe-Nelson

Summary of Fee Discounts as a Proportion of Annual Income



00040722345

6cc # 9235

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

RICOH

88 MAY -9 PM 1:24

RICOH CORPORATION
Five Dedrick Place
West Caldwell, NJ 07008
Phone: 201-982-2000
Fax: 201-982-8840
Telex: 752930 ROA-UD

May 3, 1988

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

88 MAY -9 PM 4:15

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

1130407222346

Jonathan Levin, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, NW
Room 659
Washington, DC 20463

RE: MUR 2171 - Rapicom, Inc.

Dear Mr. Levin:

This letter will serve as a further clarification of Ricoh Corporation's (formerly Rapicom, Inc.) response, dated February 19, 1988, to the oral request of the Federal Election Commission ("FEC"). Mr. David Kennedy, Ricoh Corporation's General Counsel, Office Products Business, has indicated that there is a need to resolve the issue of the provision of accessories such as were listed on the Rapicom Rental Agreement No. S60537, which was a part of Ricoh Corporation's response to the FEC's Request for Production of Documents.

In 1984 Ricoh's Confidential Price List showed that the accessories listed were priced, at a single unit price exclusive of discount, as follows:

ACCESSORIES FOR R-6100 FACSIMILE TRANSCEIVER

A-1107	GII	\$20.00 per month rental
A-1306	TCR	\$20.00 per month rental
A-1254	TTI	\$10.00 per month rental
A-1012	NCU20E	No charge



Jonathan Levin, Esq.

RE: MUR 2171

May 3, 1988

Page Two

ACCESSORIES FOR R-3300 FACSIMILE TRANSCIVER

A-1261	RTI	\$15.00 per month rental
A-1300	9.6	\$5.00 per month rental
A-1109	GI/GII	\$25.00 per month rental
A-1012	NCU20E	No charge

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In 1984 it was the policy of the Company, in the normal course of its business, to charge approximately 10% of our customers for the full value of the accessories as set forth in the Price List. A larger portion of our customers (approximately 60%) were provided with significant discounts of up to 50% percent of the Price List pricing (an average of 45% discount would be appropriate). The 30% balance, made up of mostly our largest customers, were provided with the accessories on a rental free basis. Included in the last group were special events customers like the Republican National Committee who, as previously indicated, received the products and accessories on a "bundled" basis, rental free, with payment due only for the installation, removal and supplies.

The statements above are made in response to your oral request of April 19, 1988 to Mr. Kennedy and are true to the best of my knowledge.

Sincerely yours,

RICOH CORPORATION



John Sheehan
Senior Vice President
Communication Products Group

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BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of)
)
Committee on Arrangements for) MUR 2171
1984 Republican National)
Convention, et al.)

CONFIDENTIAL

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On April 23, 1986, the Federal Election Commission approved the final audit report on the Committee on Arrangements for the 1984 Republican National Convention ("Committee on Arrangements"). On that date, the Commission also voted to refer the matters discussed below to the Office of the General Counsel.

Sixteen companies designated as "official providers" by the Committee on Arrangement were referred to this Office for making apparent corporate contributions to the Committee on Arrangements, in violation of 2 U.S.C. § 441b(a). It appeared that the companies may have failed to comply with the guidelines for contributions of goods and services by businesses with respect to a presidential nominating convention, as set forth in 11 C.F.R. § 9008.7(c). These guidelines, set out at 11 C.F.R. § 9008.7(c)(1), state that retail businesses may provide goods or services at reduced or discounted rates to the national committee of a party with respect to its national convention provided that such reductions or discounts are in the ordinary course of business. The Committee on Arrangements was referred for the acceptance of contributions failing to meet such guidelines and, additionally, for exceeding the convention expenditure limitation set out at 26 U.S.C. § 9008(d)(1) based upon the value of the

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goods and services accepted that may not have been in compliance with 11 C.F.R. § 9008.7(c).

On November 5, 1986, the Commission made a number of findings with respect to the respondents. The Commission found reason to believe that ten of the sixteen companies violated 2 U.S.C. § 441b(a). These companies were: (1) American Network Service, Inc.; (2) Baldwin Piano and Organ Company; (3) Blythe-Nelson; (4) Compucorp; (5) Executive Presentation Systems; (6) Metier Management & Systems, Inc., (7) Rapicom, Inc.; (now Ricoh Corporation); (8) Savin Corporation; (9) Southwestern Bell Mobile Systems; and (10) VMX, Inc. The Commission also found reason to believe that the Committee on Arrangements and George L. Clark, as treasurer, violated 2 U.S.C. § 441b(a) and 26 U.S.C. § 9008(d)(1).

Finally, the Commission directed that appropriate notification letters and factual and legal analyses be sent to the respondents.

Responses were received from eight of the ten companies,^{1/} from the Committee on Arrangements,

On August 24, 1987, this Office submitted a report discussing the responses to the reason to believe notifications

^{1/} American Network Service, Inc. could not be located. Counsel for Compucorp informed us that they had been unable to ascertain any facts concerning the matter because all employees with firsthand knowledge had left the company. They also informed us that the company was in bankruptcy proceedings.

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and recommending interrogatories to be sent to nine of the vendors

On September 15, 1987, the Commission voted to take no further action and close the file with respect to five of the companies. These companies were American Network Service, Inc., Baldwin Piano and Organ Company, Executive Presentation Systems, Metier Management & Systems, Inc., and Southwestern Bell Mobile Systems. On that date, the Commission also directed this Office to redraft questions to the five remaining respondent companies, pursuant to the Commission's discussions.

This Office redrafted the questions for the companies and sent them, on October 5, 1987. A description of the responses received and an analysis of the responses follows.^{2/}

^{2/} The analysis of the responses in this matter is consistent with the discussion of this matter by the Commission in its meetings of September 9 and September 15, 1987. On June 29, 1988, the Commission issued Advisory Opinion 1988-25. In that opinion, the Commission stated that a vehicle loan program whereby General Motors would provide cars without charge to the Republican and Democratic National Committees, in connection with their national nominating conventions, was permissible. The Commission stated that its conclusion was predicated on several factors, such as:

the established practice of GM regarding other non-political events; the assumption that the value provided is proportionate to the value provided in similar situations; the obvious commercial benefit that underlies the program; the assumption that such commercial benefit is not outweighed by the value provided; and most important, the unique promotional versus political opportunities that a national nominating convention presents.

A.O. 1988-25. Under the standards set out in that opinion, this Office would still have made the recommendations proposed in this report.

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II. RESPONSES AND ANALYSIS

A. VMX, Inc.

At the time of the interrogatories, the information available to us was that VMX provided 10 voice mailboxes to Committee staff in 1983 and 49 additional voice mailboxes in 1984 for no payment. The company stated that the maximum fair market value of the services provided was \$5,460, based on a monthly rental of \$30 per mailbox. The company has provided free voice mailboxes in similar or larger quantities to other vendors, e.g., more than 250 mailboxes to Eastman Kodak in November, 1984.

In reply to the reason to believe notification, counsel for VMX stated that VMX made a formal presentation to Jim Blythe of Blythe-Nelson and Rick Shelby of the Arrangements Committee concerning the sale of a VMX system. He stated that it is believed that Blythe-Nelson determined that the system was "too expensive and/or too large for Convention use" and that, "[t]hereafter, VMX was asked to provide complimentary service to the Convention." In order to ascertain whether the provision of voice mailboxes for free was, in any way, involuntary, thus resulting in a provision of services outside the ordinary course of business, this Office requested an explanation of the circumstances under which the Arrangements Committee declined to purchase a system and asked for the provision of complimentary mailboxes.

The response of VMX's counsel states that neither he nor any VMX officer knows the specific reasons why the Arrangements Committee declined to purchase a system and that "VMX understood

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only that the system was either too large or needlessly expensive for convention use." Counsel states that neither he nor any officer present at the presentation recalls any statements at the presentation expressing a preference for complimentary services and that they believe complimentary services were not discussed at the time. Counsel further asserts that, after the presentation, there were "very general discussions" concerning the provision of services on complimentary basis in exchange for official provider status "which was very appealing to VMX." According to counsel, this was a "'non-event' internally" to the company because, as stated in the previous response, such provision was a routine matter. Counsel concludes by stating that

[t]he entire VMX Republican National Convention relationship [sic] can be summed up as a sales effort with lots of excitement that came to naught, followed by a routine furnishing of complimentary voice mailboxes in exchange for the publicity value of "official provider" status.^{3/}

It appears from the response of VMX that the transaction did not involve a situation whereby the provision of services for free was, in some way, involuntary. As stated above, it also appears that VMX has provided free voice mailboxes in similar or larger quantities to other customers. It thus appears that VMX's provision of the voice mailboxes to the Arrangements Committee was not outside the ordinary course of business. Therefore, this

^{3/} In a phone conversation with this Office on March 31, 1988, counsel stated that he does not recall the Arrangements Committee mentioning other vendors to the effect that they would be used if VMX did not provide complimentary voice mailboxes.

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Office recommends that the Commission take no further action with respect to VMX, Inc.

B. Savin Corporation

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The information as to Savin at the time of the interrogatories was that the Committee on Arrangements had paid \$48,943.73 to Savin for the rental of copiers, the installation of the copiers, and the provision of supplies. The company billed a \$325 monthly charge per unit and a \$105.60 installation charge per unit. The former General Manager of the Dallas branch, who is now Director of Dealer Operations for the Western Region of the United States, stated that the company's list price in 1984 for the model used was \$379 for a one month period but that he was "deeply discounting from list prices" to make sales, and he referred to a company document listing a range of copier rentals for the model used. The document showed a range of \$243 to \$312 with a copy allowance of 8,000 free copies (i.e., copies above that amount would be charged at a metered rate). The Committee on Arrangements had enclosed an invoice listing amounts comprising the total billed but the descriptions of the items appeared to be encoded and quantities were not provided. Because this Office believed it did not have complete information as to what was provided and the full fair market value of all of the items provided, a question was asked relating to this. In addition, even though Savin had provided information as to its range of prices, it did not provide information as to other similar transactions.

In a response received on November 23, 1987, Savin's counsel states that the pricing for the transaction was commercial in

charges paid by the Arrangements Committee. It appears, for the most part, that the charges for supplies fell within these price ranges. Although the list price rental was higher than the rental charged to the Committee, counsel points out that, as shown in documents submitted to the Commission in response to the RTB notification, "the actual range of monthly rental prices" (emphasis included) in 1984 for the model used was \$243 to \$312 for a two-year term. Counsel stated that the actual rental figures for a month-to-month basis were unavailable. A review of another price list submitted in response to the RTB notification, however, indicates that the two-year C&I list price was \$302 or \$62 below the month-to-month rate. A \$62 reduction from the \$325 charge would place the machine rentals for the Arrangements Committee within the \$243 to \$312 price range.

The list price for a GSA contract was \$293 per month on a month-to-month basis with an 8,000 copy allowance and an installation charge ranging from \$105.60 for up to a 35 mile distance to \$134.40 for up to a 60 mile distance. (This transaction was handled out of Savins' Dallas branch office which was within 35 miles of the convention.) The list price for a GEM contract was \$255 per month on a one year rental basis with an 8,000 copy allowance and a \$130 installation charge.

In her November, 1987, response, counsel states that the responses and documentation demonstrate that the amounts charged to the Arrangements Committee were similar or greater than the list prices according to GSA and GEM rates and consistent with the actual C&I prices charged.

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In phone conversations with this Office, and in a letter received on April 20, 1988, counsel for Savin stated that Savin charged for all of the copiers and services provided. In those phone conversations and in a letter received by this Office on April 12, 1988, counsel provided an explanation of the invoice which had been a source of confusion to this Office at the time the interrogatories were sent. (See reply of the Committee on Arrangements, dated February 3, 1987, Exhibit 41). There were 43 entries on the invoice, i.e., 37 entries of \$752.27, five entries of \$1,077.27, and one entry of \$1,402.27. Each entry stands for the rental price of the copier (\$325 per month), the charge for installation (\$105.60), the charge for a starter kit of paper, toner, and dispersant (\$216.07), and the charge for de-installation (\$105.60). The entries of \$1,077.27 were for a two-month rental and the entry of \$1,402.27 was for a three-month rental. These totals added up to \$34,226.10. Another \$11,947.23 for excess supplies and \$2,770.40 in taxes were charged for a total of \$48,943.73.^{6/} The letter received on April 12 itemized the charges even further by providing the charges for the excess supplies. The restatement of the charges conducted by Savin in that letter reached \$48,990.02, slightly higher than the billed figure.

In her November, 1987, letter, counsel did not provide examples of other similar transactions where services were provided at a discount, stating that Savin's records pertaining

^{6/} The 1984 October Quarterly Report of the Arrangements Committee disclosed the payment of the billed amount on August 23, 1984, and another payment of \$94.25 for "casual labor" on September 10, 1984.

to the time prior to and including 1984 are unavailable. Counsel defended this response in the November, 1987, letter, and in the April 20, 1988, letter by stating that the transaction with the Arrangements Committee was "commercial in nature" and in line with the company's pricing. In her November, 1987, response, counsel provided two examples where the company has provided free copiers and services for promotional value, both of these involving a provision of machines and supplies worth approximately \$1,000 or less. In a phone conversation with this Office, counsel stated that Savin's contracts normally do not involve events on the scale of the Republican National Convention but that this was not at issue because Savin's equipment and services were provided at rates that were commercial in nature.

The data provided by Savin indicate that the charges paid by the Arrangements Committee were consistent with the amounts paid to Savin by its nonpolitical clients of various types in 1983 and 1984. It thus appears that Savin's transaction with the Arrangements Committee was not outside the ordinary course of business. Therefore, this Office recommends that the Commission take no further action with respect to Savin.

C. **Rapicom, Inc.**

The information as to Rapicom, Inc. (now Ricoh Corporation Communication Products Group)^{7/} at the time the interrogatories

^{7/} According to counsel for Ricoh, Rapicom, Inc., was a wholly owned subsidiary of Ricoh Company, Ltd., of Japan. Counsel stated that, on April 1, 1984, prior to the provision of equipment and services to the convention, Rapicom, Inc., and Ricoh of America, Inc., another wholly owned subsidiary of Ricoh Company, Ltd., merged, and the successor in interest was Ricoh Corporation.

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were sent was unclear as to the fair market charge for the equipment and supplies provided and the actual amount paid, although this appeared to be a small transaction. In addition, although the company named other events for which it provided products and services for a heavy discount or for free, it did not provide details for such events. This Office inquired as to the fair market charge, the amount paid, and the details of other events. The documents available also raised a concern as to whether the provision of goods and services was meant to be a contribution by Rapicom. In a letter to Jim Blythe of Blythe-Nelson, dated February 7, 1984, William R. Manzon, Rapicom's Southwest Regional Manager listed the charges for supplies to be sold and then stated that "[r]ental charges for the equipment would be waived as a contribution from Rapicom, Inc." This Office inquired as to the circumstances surrounding that statement.

On December 16, 1987, February 23, 1988 and May 9, 1988, this Office received responses from counsel for Ricoh. The December, 1987, response indicates that the transaction involved supplying a Rapicom 6100 facsimile transceiver from May 3, 1984, to August 30, 1984, and a Rapicom 3300 facsimile transceiver from August 15 to August 30, 1984, along with accompanying supplies, services, and accessories. Counsel states that the standard fair market charge for the transaction was \$2,200.50. This included a rental value of \$1,197.50, which was not charged, and other

charges of \$1,003, including charges for shipping installation, removal, paper, and toner.^{8/}

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The December, 1987, response included six transactions in which Ricoh provided facsimile transceivers and supplies and services at reduced rates or for free for certain events. One example was the provision of a transceiver to the International Paper Company for one month for use during union negotiations. The transceiver "was provided completely free of charge for rental, paper, or installation." A second example involved the provision of a transceiver for one month to the International Paper Company involving no machine rental payment, a carton of paper at no charge, and no installation charge. In phone conversations with this Office, counsel stated that this meant that both transactions were thus without any charge. A third example, also free of charge, involved the provision of a facsimile transceiver for a three day period. The other three examples involving periods of two weeks to one month involved the provision of a rental free transceiver but with charges for paper and/or installation. (One of these latter transactions was to be followed by the purchase of a unit.)

^{8/} Also included in the transaction were accessories with a rental value of \$220 which were not charged for. According to the May 9 response of the Senior Vice President of the Communication Products Group, these accessories were "bundled" into an entire product package. According to the response, the company, in 1984, charged full price on accessories to ten per cent of its customers, granted an average of a 45% discount on accessories to 60% of its customers, and did not charge the remaining 30% of its customers, which was comprised of its largest customers and special events customers.

The reports of the Committee on Arrangements disclose two payments to Ricoh, a payment on September 14, 1984, of \$101.76 for "faxpaper supplies" and a payment on September 27, 1984, of \$150 for "installation charge." Even though the full payment of the amount billed does not appear to have been made, the transaction and payments resulting were not inconsistent with other transactions by the company. The transaction at issue was small in scale as were the other transactions cited by the company. In addition, two of the transactions lasting one month appear to have been without charge.

The company also responded with respect to the letter from Mr. Manzon, the Southwest Regional Manager, to Mr. Blythe of Blythe-Nelson. According to the response received on December 16, 1987, and the affidavit of the Southwest Regional Manager received with the February 23, 1988, response, Mr. Blythe and Mr. Manzon had a discussion about the February 7, 1984, letter prior to February 9, 1984. (This letter, which was intended to set forth the terms and conditions under which the company would provide the transceivers, was forwarded to Mr. Blythe by facsimile transmission on February 7.) Mr. Manzon states that, in the discussion, Mr. Blythe expressed concern over the statement that the rental charges would be waived as a contribution. According to Mr. Manzon's affidavit, Mr. Blythe stated that "while he understood what [Mr. Manzon] meant to say, the language of the letter might be misconstrued and had to be

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changed." As a result of the conversation, Mr. Manzon redrafted the letter on February 9, removing the language as to a "contribution" and sending it to Mr. Blythe by first class mail. He intended this letter to supersede the February 7 letter. Mr. Manzon states that his intent "in writing the statement in question was to indicate that Ricoh's part of the bargain was to waive rental changes in exchange for the designation as 'Official Fascimile Vendor' to the RNC."

The reply of counsel and the sworn affidavit of the person who wrote the statement at issue appear to explain the circumstances surrounding the statement. It appears that the controversial phrase used was a misstatement and that the waiver of rental charges was not intended as a contribution to the Arrangements Committee.

Based on the foregoing information as to other transactions by the company and as to the February 7, 1984, letter, this Office recommends that the Commission take no further action with respect to Rapicom, Inc. (now Ricoh Corporation).

D. Blythe-Nelson

At the time the interrogatories were sent, this Office did not know the fair market charge for the consulting services provided by Blythe-Nelson and did not know the amount paid by the Committee on Arrangements. In addition, the examples provided by Blythe-Nelson of other transactions at a discount or for no

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payment were not on the same scale and, with the exception of one transaction, were for religious or charitable organizations or the State of Texas. This Office inquired as to the fair market charge, the amount paid to the company, and further examples of discounted transactions. The documents available also raised a concern as to the circumstances under which Blythe-Nelson provided discounted services to the Arrangements Committee. Blythe-Nelson's reply to the reason to believe notification stated that, in June, 1983, the company presented automation concepts to the Committee and the Committee, while seeing the need for such concepts, "did not want to pay the fees for our advice that we proposed." The Deputy Convention Manager stated, in December, 1983, that if Blythe-Nelson wished to continue its association with the Convention, it should submit a request for official provider status. This Office inquired as to the apparent rejection of the proposed fees and the statement as to the continued association of the company with the Convention.

This Office received responses from counsel to Blythe-Nelson on December 7, 1987, March 16, 1988, and May 9, 1988. The December, 1987, response states that Blythe-Nelson was paid \$66,315.52, which was the total of the amounts appearing on the reports of the Arrangements Committee. Counsel states that "[Blythe-Nelson's] records reflect hours billed and unbilled with full expenses in the amount of \$198,866.77." This figure was reflected in the copies of the bills received with the December, 1987, response when considered along with an analysis

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of the invoices received with the March, 1988, response.^{9/} Counsel indicates, however, that the figure for the total of billed and unbilled charges was more than the fair market value of the services provided. Counsel states that the company "did not perform the usual billing review associated with either fixed sum projects or projects with a more limited scope." He states that, in light of the billing arrangements with the Committee (which entailed a billing of one hour for every two prior to February 1, 1984, and, subsequent to the bestowing of the official provider designation, entailed no charge from February

9/ The billing arrangements with the Committee entailed a billing of one hour for every two prior to February 1, 1984, and, subsequent to the bestowing of the official provider designation entailed no charge from February to July, 1984, in exchange for the designation and a billing on a "full fee basis" during August, 1984. The total for hours billed and unbilled (i.e., charged and uncharged) stated on the invoice analysis received in March, 1988, was \$175,939.27, a different figure from that stated above. The difference may be accounted for in the August 24, 1984, invoice which covered what was to be a "full-fee basis" period. That invoice contained a charge of \$23,241, \$3,000 worth of hours specifically labelled as "N/C" (no charge), and another \$23,927.50 worth of hours for which no charge is listed. The invoice analysis, however, lists only \$3,000 as not charged for. Counsel, in the May, 1988, response explained that the bill was reduced because of a dispute over the amount of the original invoice. The Committee had told Mr. Blythe that the bill was too high for the work performed by the company during that time period and Mr. Blythe "agreed to structure that month's invoice on a discounted basis." It appears that the \$3,000 figure appearing on the analysis was intended to more accurately reflect the amount of time ultimately not charged for with respect to the August 24, 1984, billing.

The invoice analysis also indicates that there were no unbilled amounts for the months of December, 1983, and January, 1984, a period during which one hour was to be charged for every two hours worked. Counsel states that he has not been able to determine "whether the hours worked exceeded the time actually billed for those periods in question." He states that the company has no records other than the invoices previously submitted and that the recollection of the specific hours of work performed is "not clear enough to accurately explain" why the method of billing may have differed from the rest of the billings for the period prior to February 1, 1984.

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to July, 1984, in exchange for the designation and a "full-fee basis" during August, 1984), Blythe-Nelson "did not scrutinize the hourly billings as closely for productivity of the hours or the relationship of the hours expended in relation to the scope of the work" and that "all hours were simply tabulated and thereafter reduced through February 1, 1984." Counsel states that the company "cannot attest that the actual hours reported would actually have been billed absent the arrangement." (In a phone conversation with this Office on April 19, 1988, counsel stated that the lack of close scrutiny of hours applies to the entire time of the transaction. He stated that the billing arrangement for the period prior to February 1, 1984 lead to a lack of strict scrutiny for the entire time of the transaction.)

With respect to the kinds of examples of other discounted transactions, counsel states that "no distinction is made in the commercial status of its customers" and that government entities remain one of the company's prime sources of business. Counsel refers to three transactions the company provided services at no charge, i.e., a \$5,000 transaction for a law firm, a \$15,000-\$20,000 transaction for the Arlington Boy's Club Talent Show, and a \$20-\$25,000 transaction with the State of Texas Purchasing and General Services Commission (all of which were referred to in response to the reason to believe notification). Counsel refers to a reduction of approximately \$10,000 on a \$40,000 project for Frito-Lay. Counsel also refers to two projects on a scale equivalent to or larger than the transaction with the Arrangements Committee. In 1984-85, the company did not charge Texas Instruments for approximately \$63,000 worth of services on a project for which it was eventually paid \$219,000. Since

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July, 1987, the company has been providing consulting assistance to J.C. Penney related to Penney's relocation of its corporate headquarters. Through March, 1988, the company has actually billed \$411,400 and has discounted its charges by \$127,600. Counsel states that, by the time the project is completed this year, the amount of discounted services will have increased significantly.^{10/}

In his March, 1988, response, counsel summarized his discussion of the examples of the provision of services for free or at a discount by stating that the discount provided to the Arrangements Committee was "no different in purpose or degree than the discounts Blythe-Nelson offered before, as well as after the 1984 Convention."^{11/}

^{10/} Counsel states that in some of the discounted transactions referred to, it may be assumed that there was also not a close review of hours. He states that this would apply most particularly to the transactions involving no charge. He stated, however, that even if the scrutiny of hours in the J.C. Penney transaction was not on a strict, one-for-one basis, those hours were reviewed more carefully than the hours in the Arrangements Committee transaction or in the transactions involving no charge. (In other words, if the degree of scrutiny applied to the convention transaction were applied to the J.C. Penney transaction, the discount amount would be greater.) Counsel stated that such considerations as the scrutiny provided by J.C. Penney itself, the need to preserve an ongoing, long-term relationship with the client, and the more competitive nature of the present climate in the communications consulting business are the bases for this greater scrutiny.

^{11/} In his May response, counsel also enclosed a chart showing the position of the transaction with the Arrangements Committee as compared to other discounted transactions of the company. The chart purports to show the transaction's position in terms of percentage of discount and in terms of proportion of annual revenue. In phone conversations, with this Office, counsel for the company explained that the figure for the proportion of annual revenue is the proportion of "client engagement" (i.e., amount paid and amount discounted) to the total amount of annual revenues, rather than just the proportion of the amount discounted to the total amount of annual revenues.

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Counsel also responded in the December, 1987, response and by phone with respect to the circumstances under which the company provided discounted services. Counsel states that the June, 1983, meeting with the Arrangements Committee was more of a conceptual presentation, rather than a standard business proposal. Mr. Blythe presented the Committee with an overall concept of a totally integrated communication system with the idea that a company of which he was the president, ICOR, would act as the system's overall coordinator. (ICOR did no work for the convention.) Subsequently, Mr. Blythe proposed another slightly less ambitious system on behalf of Blythe-Nelson. These proposals were not accepted. No one on the Committee proposed any different fee arrangement for the system. Blythe-Nelson believes that the rejection resulted from the Committee's lack of acceptance of the concept of "a totally technological convention;" i.e., the scope of the proposal, rather than the company's fee schedule, was the basis for the rejection.

Counsel describes the circumstances of Mr. Denning's statements as to the Official Provider Designation. According to counsel, Blythe-Nelson raised the idea of such a designation with Richard Shelby, the Convention Manager. Initially, the Committee did not seem to recognize the need for the type of consulting services offered by the company but "[t]hereafter, Blythe-Nelson was able to demonstrate that it could provide consulting services sufficiently definable to warrant 'Official Provider' designation." Mr. Denning advised the company that the Committee agreed that such a designation was warranted but that the company

needed to make a written proposal for such a designation. Counsel states that "Mr. Denning, on behalf of the Committee, made no reference to any reduction in fees as a pre-condition to Blythe-Nelson's continued association with the Committee, nor to the grant of the 'Official Provider' designation." He also states that at the time of the company's proposal for the discounted provision of services, there was no discussion of the possibility of other entities providing such consulting services.

Counsel for Blythe-Nelson also argues, as he did in response to the reason to believe notification, that the determination of reason to believe that the company violated 2 U.S.C. § 441b(a) is erroneous because, as previously established by affidavit, the respondent is a Texas General Partnership, not a corporation.

The response of counsel for Blythe-Nelson indicates that the provision of services by Blythe-Nelson on a reduced fee basis was not the result of a concerted effort by the Committee to drive down the charges as a pre-condition to the company's continued association with the Committee. With respect to the discount provided, the extent is unclear. It appears that charges for all the hours billed and unbilled would total approximately \$200,000 but that some of the hours included in this total would never have been billed because the company did not scrutinize all of the hours tabulated for productivity or the scope of the work done. Counsel has referred to free services provided on a small scale and to a large ongoing transaction where the amount discounted will be greater than the amount discounted in this matter. Arguably, therefore, the transaction in this matter was

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in the ordinary course of business. In consideration of the evidence presented as to the circumstances of the provision of services for a discount and as to other discount examples and in consideration of the fact that the respondent is a partnership, rather than a corporation, this Office recommends that the Commission take no further action with respect to the allegation that Blythe-Nelson violated 2 U.S.C. § 441b(a).

E. Compucorp

At the time the interrogatories were sent to Compucorp, this Office had not received a substantive reply from the company. Its attorney had informed us that the company was in bankruptcy proceedings and that all of the employees with any firsthand knowledge of the transaction had left the company. This Office did not know the amount of equipment and services provided, the fair market charge for the equipment and services, or the amount paid by the Committee.

The agreements between Compucorp and the Arrangements Committee called for the provision of 11 to 30 word processing systems plus adequate back ups at a rate of \$100 per month and 81 major system components for an electronic mail network at a rate of \$100 per component. According to the Arrangements Committee's response to the reason to believe notification, the electronic mail components were set up for the company's testing purposes and were intended for use only by the delegates, who were in the convention hall for four days. The Committee stated that Compucorp installed "fewer than the 81 units envisioned."

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The response of the Arrangements Committee contained a memorandum which was written by counsel for Compucorp to the company in April, 1983 (a different counsel than counsel referred to above), stating that the provision of 11 to 30 word processors would result in a discount "substantially below \$75,000." The memorandum also provided details and documentation as to transactions between Compucorp and five other groups wherein Compucorp provided equipment at no monetary charge in return for promotional value or advertising of supposed equivalent value. In that letter, counsel stated that these transactions were "smaller in scale."

In reply to this Office's interrogatories, this Office received a letter on October 19, 1987, from the law firm representing Compucorp in this matter stating that it was no longer counsel for the company. This Office has since learned that the company is no longer in operation. As stated above, the company was in bankruptcy proceedings at the time of the reason to believe finding. On July 9, 1987, the company was dismissed from the U.S. Bankruptcy Court for failure to file bankruptcy reports. Subsequently, the company of a major shareholder of Compucorp bought Compucorp's remaining assets.

A review of the reports of the Committee on Arrangements discloses that between April 22, 1983, and October 22, 1984, the Committee paid \$19,261.62 to Compucorp, with \$16,661.62 paid in 1984. This Office has reviewed the workpapers from the Audit Division containing invoices from the Arrangements Committee. These invoices indicate the provision of 43 machines, either

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information processors or workstations, with rental payments made for 38 of the machines. Rental payments were made for periods ranging from one month to ten months at a rate of \$100 per month. The total charged on these invoices was \$17,186.62, with \$2,300 charged in 1983 and the remainder in 1984. A review of the invoices plus a review of Compucorp literature sent to this Office by counsel for the Arrangements Committee indicates a substantial discount, seemingly larger than the one anticipated in the above-mentioned memorandum from counsel to the company.

Despite the possibility of a substantial discount, this Office recommends that the Commission take no further action with respect to Compucorp. It appears that the company is no longer in operation and obtaining further information may be problematic. In addition, the records in our possession do not present us with a complete picture of the transaction and of any other discounted transactions of the company subsequent to April, 1983.

F. The Committee on Arrangements

In light of the recommendations that this Office take no further action with respect to the vendors remaining in this matter, this Office recommends that the Commission take no further action with respect to the Committee on Arrangements.

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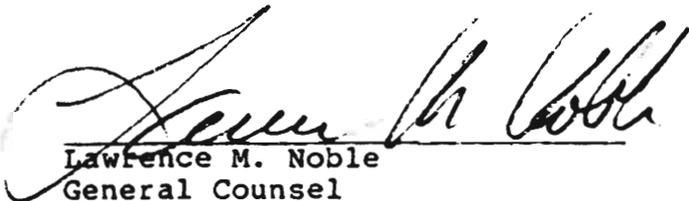
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III. RECOMMENDATIONS

1. Take no further action with respect to VMX, Inc., Savin Corporation, Rapicom, Inc. (now Ricoh Corporation), Blythe-Nelson, and Compucorp.
2. Take no further action with respect to the Committee on Arrangements for the 1984 Republican National Convention and George L. Clark, Jr., as treasurer.
- 3.
4. Close the file of MUR 2171.

Date

7/19/88


Lawrence M. Noble
General Counsel

1. Response from VMX, Inc.
2. Responses from Savin Corporation
3. Responses from Rapicom
4. Responses from Blythe-Nelson
5. Letter from counsel for Compucorp
- 6.
7. Proposed letters to respondent vendors
8. Proposed letter to the Committee on Arrangements
- 9.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / JOSHUA MCFADDEE *JM*
COMMISSION SECRETARY

DATE: JULY 25, 1988

SUBJECT: OBJECTION TO MUR 2171 - General Counsel's Report
Signed July 19, 1988

The above-captioned document was circulated to the Commission on Wednesday, July 20, 1988 at 4:00 P.M.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

- Commissioner Aikens _____
- Commissioner Elliott _____
- Commissioner Josefiak _____
- Commissioner McDonald _____
- Commissioner McGarry _____
- Commissioner Thomas _____ X

This matter will be placed on the meeting agenda for August 2, 1988.

Please notify us who will represent your Division before the Commission on this matter.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FEDERAL RECEIVED
JUL 28 1988

88 JUL 28 PM 4:04

MEMORANDUM

TO: MARJORIE W. EMMONS
SECRETARY TO THE COMMISSION

FROM: SCOTT E. THOMAS *ST*
COMMISSIONER

SUBJECT: WITHDRAWAL OF OBJECTION

DATE: JULY 28, 1988

I hereby withdraw my objection to the General Counsel's Report in MUR 2171 and cast my vote in favor of the General Counsel's recommendations.

22378
407

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee on Arrangements for) MUR 2171
1984 Republican National)
Convention, et al.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 29, 1988, the Commission decided by a vote of 6-0 to take the following actions in MUR 2171:

1. Take no further action with respect to VMX, Inc., Savin Corporation, Rapicom, Inc. (now Ricoh Corporation), Blythe-Nelson, and Compucorp, as recommended in the General Counsel's report signed July 19, 1988.
2. Take no further action with respect to the Committee on Arrangements for the 1984 Republican National Convention and George L. Clark, Jr., as treasurer, as recommended in the General Counsel's report signed July 19, 1988.

(Continued)

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4. Close the file of MUR 2171.

Commissioners Aikens, Elliott, Josefiak, McDonald,
McGarry, and Thomas voted affirmatively for the decision.

Attest:

7-29-88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Wed., 7-20-88, 9:43
Circulated on 48 hour tally basis: Wed., 7-20-88, 4:00
Deadline for vote: Fri., 7-22-88, 4:00
Objection placed on agenda 8-2-88
Objection withdrawn 7-28-88 at 4:04P.M.

08040722380



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 10, 1988

Andrew Mohr, Esquire
Cohen & White
1055 Thomas Jefferson Street, N.W.
Suite 504
Washington, D.C. 20007

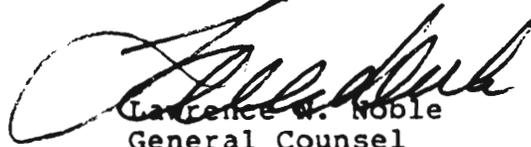
RE: MUR 2171
Metier Management
Systems, Inc.

Dear Mr. Mohr:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence W. Noble
General Counsel

83040722381



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 10, 1988

Donna Lynn Snyder, Esquire
Vice President
Southwestern Bell Mobile Systems
17330 Preston Road
Suite 100A
Dallas, Texas 75252

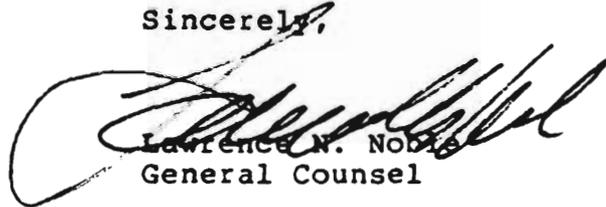
RE: MUR 2171
Southwestern Bell Mobile
Systems

Dear Ms. Snyder:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence N. Noble
General Counsel

8040722382



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

August 10, 1988

John V. Howard, Esquire
Gandy, Michener, Swindle, Whitaker
& Pratt
2501 Parkview Drive
Fort Worth, Texas 76102

RE: MUR 2171
Executive Presentation
Systems

Dear Mr. Howard:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence N. Robb
General Counsel

03040722383



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 10, 1988

Stephen L. Black, Esquire
Graydon, Head & Ritchey
1900 Fifth Third Center
P.O. Box 6464
Cincinnati, Ohio

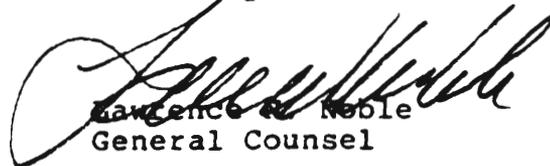
RE: MUR 2171
Baldwin Piano & Organ
Company

Dear Mr. Black:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Lawrence R. Noble
General Counsel

83040722384



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 10, 1988

Hollis S. McLoughlin
Vice President of Marketing
Purolator Courier Corporation
3333 New Hyde Park Road
New Hyde Park, New York 11042

RE: MUR 2171
Purolator Courier
Corporation

Dear Mr. McLoughlin:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence N. Noble".

Lawrence N. Noble
General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 10, 1988

Martin C. Growald
Growald Architects
312 Main Street
Forth Worth, Texas 76102

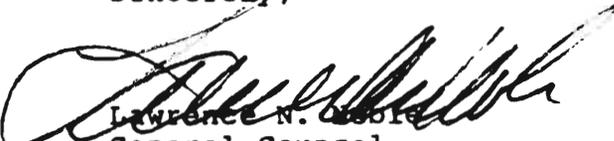
RE: MUR 2171
Growald Architects

Dear Mr. Growald:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Lawrence N. O'Boyle
General Counsel

118040722386



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 10, 1988

Mike Gunn
Vice President, Passenger Sales
American Airlines
1101 17th Street, N.W.
Washington, D.C. 20036

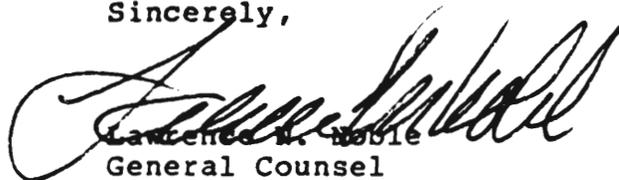
RE: MUR 2171
American Airlines

Dear Mr. Gunn:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Lawrence H. Noble
General Counsel

118040722397



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 10, 1988

J. Brian McGuigan
Sales & Marketing Manager
DFW Communications, Inc.
9845 Chartwell
Dallas, Texas 75243

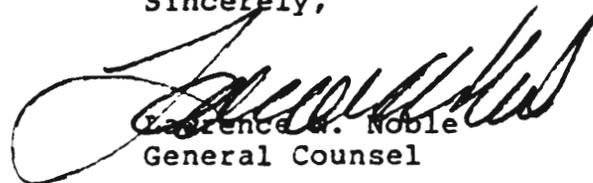
RE: MUR 2171
DFW Communications, Inc.

Dear Mr. McGuigan:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Lawrence A. Noble
General Counsel

88040722388



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 10, 1988

Terry Murphy
Southwest Media Corporation
2988 North Central Expressway
Dallas, Texas 75204

RE: MUR 2171
"D" Magazine/Southwest
Media Corporation

Dear Mr. Murphy:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence N. Noble".

Lawrence N. Noble
General Counsel

08040722389



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 10, 1988

Sally Gardner.
AT&T Communications
Suite 2400
717 North Harwood Street
Dallas, Texas 75201

RE: MUR 2171
AT&T Communications

Dear Ms. Gardner:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence N. Noble".

Lawrence N. Noble
General Counsel

08040722390



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 10, 1988

Thomas F. Lillard, Esquire
Worsham, Forsythe, Sampels &
Wooldridge
Thirty-two Hundred, 2001 Bryan Tower
Dallas, Texas 75201

RE: MUR 2171
Blythe-Nelson

Dear Mr. Lillard:

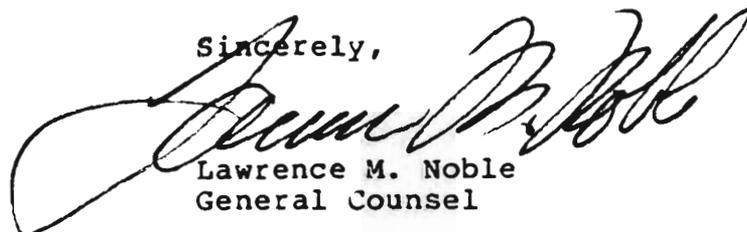
On November 13, 1986, your client, Blythe-Nelson, was notified that the Federal Election Commission found reason to believe that it violated 2 U.S.C. § 441b in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. On November 19, 1986 and February 2, 1987, this Office received Blythe-Nelson's response to the Commission's reason to believe finding, and, on December 7, 1987, March 16, 1988, and May 9, 1988, this Office received your responses to interrogatories.

After considering the circumstances of the matter, the Commission determined, July 29, 1988, to take no further action against Blythe-Nelson, and closed its file. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The Commission reminds your client that a provision by a retail business of goods and services to a national party committee with respect to a presidential nominating convention at reduced or discounted rates, if such discounts are not in the ordinary course of business, is a violation of the Commission Regulations.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

113040722391



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 10, 1988

David R. S. Kennedy, Esquire
General Counsel
Office Products Business
Ricoh Corporation
Five Dedrick Place
West Caldwell, NJ 07006

RE: MUR 2171
Rapicom, Inc.

Dear Mr. Kennedy:

On November 13, 1986, your client, Rapicom, Inc. (now Ricoh Corporation Communication Products Group), was notified that the Federal Election Commission found reason to believe that it violated 2 U.S.C. § 441b in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. On January 27, 1987, this Office received your response to the Commission's reason to believe finding, and on December 16, 1987, February 23, 1988, and May 9, 1988, this Office received your responses to interrogatories.

After considering the circumstances of the matter, the Commission determined, on July 29, 1988, to take no further action against Rapicom, Inc. or Ricoh Corporation, and closed its file. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The Commission reminds your client that a provision by a retail business of goods and services to a national party committee with respect to a presidential nominating convention at reduced or discounted rates, if such discounts are not in the ordinary course of business, is a violation of the Federal Election Campaign Act of 1971, as amended.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

03040722392



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 10, 1988

Mari-Jo Florio Scopac, Esquire
Assistant General Counsel
Savin Corporation
9 West Broad Street
P.O. Box 10270
Stamford, CT 06904-2270

RE: MUR 2171
Savin Corporation

Dear Ms. Scopac:

On November 13, 1986, your client, Savin Corporation, was notified that the Federal Election Commission found reason to believe that it violated 2 U.S.C. § 441b in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. On February 3, 1987, this Office received Savin's response to the Commission's reason to believe finding, and on November 23, 1987, April 12, 1988, and April 20, 1988, this Office received your responses to interrogatories.

After considering the circumstances of the matter, the Commission determined, on July 29, 1988, to take no further action against Savin Corporation, and closed its file. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The Commission reminds your client that a provision by a retail business of goods and services to a national party committee with respect to a presidential nominating convention at reduced or discounted rates, if such discounts are not in the ordinary course of business, is a violation of the Federal Election Campaign Act of 1971, as amended.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

03040722393



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 10, 1988

A. Hardcastle, Jr.
Baker, Smith & Mills
500 LTV Center
2001 Ross Avenue
Dallas, Texas 75201-2916

RE: MUR 2171
VMX, Inc.

Dear Mr. Hardcastle:

On November 13, 1986, your client, VMX, Inc., was notified that the Federal Election Commission found reason to believe that it violated 2 U.S.C. § 441b in connection with its transactions with the Committee on Arrangements for the 1984 Republican National Convention. On February 3, 1987, this Office received your response to the Commission's reason to believe finding and, on December 3, 1987, this Office received your response to interrogatories.

After considering the circumstances of the matter, the Commission determined, on July 29, 1988, to take no further action against VMX, Inc., and closed its file. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The Commission reminds your client that a provision by a retail business of goods and services to a national party committee with respect to a presidential nominating convention at reduced or discounted rates, if such discounts are not in the ordinary course of business, is a violation of the Federal Election Campaign Act of 1971, as amended.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 10, 1988

Scott D. Gilbert, Esquire
Covington & Building
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20044

RE: MUR 2171
Committee on Arrangements
for the 1984 Republican
National Convention
George L. Clark, as
treasurer

Dear Mr. Gilbert:

On November 13, 1986, your clients, the Committee on Arrangements for the 1984 Republican National Convention ("the Committee on Arrangements") and George L. Clark, as treasurer, were notified that the Federal Election Commission found reason to believe that the Committee on Arrangements and Mr. Clark, as treasurer, violated 2 U.S.C. § 441b and 26 U.S.C. § 9008(d)(1) with respect to the provision of goods and services by companies that may not have been in compliance with 11 C.F.R. § 9008.7(c). On February 3, 1987, this Office received your response to the Commission's reason to believe finding and, during 1987 and 1988, this Office has received correspondence from companies that provided goods and services to you.

After considering the circumstances of the matter, the Commission determined, on July 29, 1988, to take no further action against the Committee on Arrangements and Mr. Clark, as treasurer, and closed its file. The file will be made part of the public record within 30 days. Should you wish to submit any factual and legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The Commission reminds your clients that a national party committee may not accept goods and services from a retail business with respect to a presidential nominating convention at reduced or discounted rates if such discounts are not in the

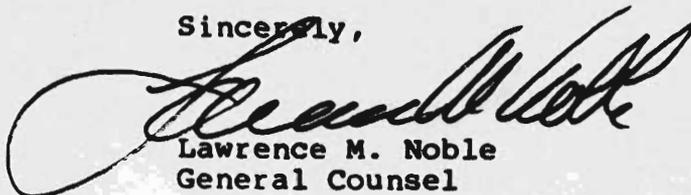
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Scott D. Gilbert, Esquire
Page 2

ordinary course of business. Such acceptances appear to be violations of the Federal Election Campaign Act of 1971, as amended, and the Presidential Election Campaign Fund Act.

If you have any questions, please contact Jonathan Levin, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence M. Noble".

Lawrence M. Noble
General Counsel

83040722396



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2171

DATE FILMED 9/19/88 CAMERA NO. 4

CAMERAMAN AS

88040742397



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THE FOLLOWING DOCUMENTATION IS ADDED TO
THE PUBLIC RECORD IN CLOSED MUR 2171.

90040703728

6CC# 6207
RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

88 MAR -7 PM 5:27

There Are Two Ways Of Meeting Information Deadlines:



**The
Old
Way...**

**...The
Compucorp DBMS
Way**

Meeting information deadlines with the Compucorp DBMS

Information Deadlines are a common occurrence in the real world, and won't ever disappear. However, now that the Compucorp Data Base Management System (DBMS) is available you'll be better able to meet those deadlines, with less effort, and in less time.

The Compucorp DBMS provides you with fast and accurate access to a variety of information, for a variety of purposes.

It's the first office automation product to truly integrate the proven productivity of an easy-to-use and powerful word processor with the vast information handling benefits of data base management and data processing. This combination permits complex tasks to be accomplished faster, easier, and more accurately. By practically anyone in the office.

What a DBMS does:

A DBMS allows you to do simple tasks and more complex ones with far greater speed and accuracy, at a lower cost, and with increased productivity.

Whatever you do, and perhaps without even knowing it, you are already a DBMS user. When you look up someone's telephone number or address, or compile a tabular report from raw information, or file away information so you can later find it again you are performing common office tasks that are actually simple, manual forms of DBMS operations.

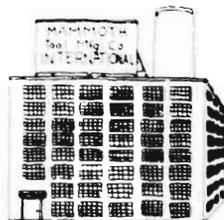
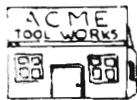
All DBMS products are not equal:

Some are very hard to use. Others offer only limited capabilities. A good DBMS provides many important capabilities:

- High degree of ease-of-use.
- Text handling freedom of a Word Processor.
- Computational speed and power of a Data Processor.
- Ability to handle large amounts of information.
- Quick and accurate access to any of that information.
- Information access by one or more users.
- Ease of use of information.
- Use of information in a variety of ways.
- Simple yet flexible reporting capability.
- Sophisticated yet easy-to-use data handling.
- An inexpensive minimum configuration.
- Ability to easily grow and expand.

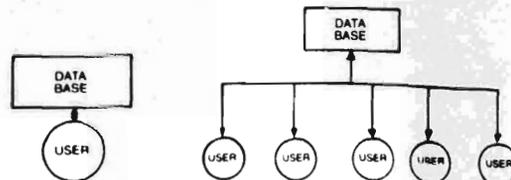
The Compucorp DBMS has all these capabilities.

For large or small companies:



Practically everyone can benefit from Compucorp's DBMS, in every level of an organization, whether large or small. The Compucorp DBMS is equally at home keeping track of just a few dozen names and addresses, or tens of thousands of lengthy, detailed parts descriptions. It's very inexpensive to install and can be easily expanded as your needs grow.

Single or multi-user:



There is a Compucorp DBMS configuration to meet any need. There are economical stand-alone versions, or, if more than one person needs simultaneous access, inexpensive multi-user configurations can be assembled to allow information sharing via OmegaNet, Compucorp's Local Area Network. Either way: stand-alone or multi-user network, Compucorp's DBMS is fast, easy-to-use, and efficient.

DBMS - It's not just a computer tool anymore:

Early DBMS products were designed by computer people to be used by other computer people. Things are different now. Through the unique integration of word processing and DBMS technology, Compucorp has brought DBMS benefits directly into the reach of the average office worker.

Compucorp has combined the proven ease-of-use and extensive features of its award-winning Omega Word Processing system with the comprehensive information handling and data processing capabilities of a Data Base Management System. This combination is powerful, yet very easy-to-use.

DBMS and DP:



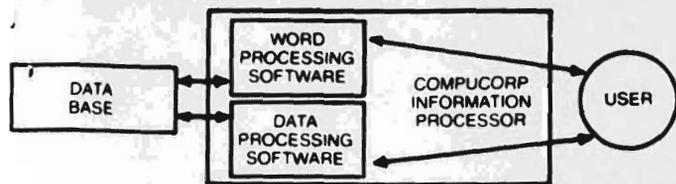
You might have an application which you feel is better accomplished through the use of a custom computer program. Compucorp provides the capability to access the same data bases via programs written in the Compucorp BASIC programming language. This allows for the high-speed and high-accuracy accomplishment of complex tasks such as statistical analysis.

DBMS and WP:



Now, any typist or office worker can efficiently store information in a data base, and extract from it to easily generate reports or lists. All without any computer programming skills, using easily-learned word processing operations.

The best of both worlds:



At last, the best of both worlds; full integration of word processing and data processing, and full WP and DP interaction on the same data base. Immediate access to, and efficient use of the same information via word processing or data processing. Only with the Compucorp DBMS.

Getting started is easy:

Beginning a DBMS application in complete confidence is important; with the Compucorp DBMS, getting started is a breeze.

The Compucorp DBMS allows you to start your application by simply telling it what you already know about your work today. You merely tell it what kinds of information you already know you want in the data base, how you want to access it, and how you want it pre-sorted. It then automatically sets-up your data base accordingly.

This is not the case with every DBMS product on the market. Others require everything to be fully thought-out beforehand. One mistake, change, or omission, and all is lost. On those systems, you may have to redo all your previous work just to make one field addition to a data base, but not with the Compucorp DBMS.

The end of, "I can't do it, it's not set up that way":

Later, when your requirements change, as they always do, the Compucorp DBMS allows you to easily and quickly make many kinds of changes to your data base definition. You can get the information pre-sorted in new and different ways, you can add and delete information fields, and you can even change the ways that information is accessed. All quickly, easily, and as often as you desire.

You do not have to worry about the needs you'll have tomorrow with the Compucorp DBMS. It doesn't trap you forever with an obsolete data base definition, you can re-define it any time. You'll never again hear from anyone in your office, "I can't do it, it's not set up that way."

Faster:

Speed and productivity go hand in hand. The Compucorp DBMS was designed to allow you to spend less time organizing and finding information and more time putting it to use.

The Compucorp DBMS has many features which will increase your productivity. These include:

- Fast entry of information into a data base.
- Ability to recall data base information instantaneously.
- Elimination of sorting time, and.
- Ability to produce reports very quickly.

Fast and easy entry of information:

Entering information into a data base can be very time-consuming. The Compucorp DBMS has numerous features to ease and speed-up this process. In just a few minutes any typist can be shown how to enter information into a Compucorp data base.

And to speed-up that entry of information, the Compucorp DBMS provides the ability to automatically repeat data fields on every record so they don't have to be

re-typed each time. It also provides the ability to use an electronic Glossary to enter long text strings with just a few keystrokes. Additionally, many other features are included to speed-up the entry of information with Compucorp's DBMS.

Forms:

The Compucorp DBMS makes extensive use of video display forms for information entry and retrieval. The extensive use of video forms in the Compucorp DBMS makes it a far more productive business tool.

The forms contain well-identified spaces for the data base information to be entered or displayed. They can be laid out exactly as you desire to best arrange your information. Forms can be designed, defined, created, permanently stored and recalled by a typist, no programming skills are needed.

As many different forms as are needed for all applications can be used with the same data base. Other systems allow for only one, or at best only a few forms to be used with a particular data base. The use of multiple passworded forms can allow certain data base information to be seen by one user and not by others who don't need it or who shouldn't see it.

Lengthy forms can be entirely viewed on Compucorp's full-page video displays which have space to accommodate the equal of a full typewritten page of text. Half-page capacity video screens are also available for less lengthy forms or where it is acceptable to scroll through portions of longer forms. Full-page or half-page video forms, only from Compucorp.

Edit checking means data base purity:

Any data base is only as accurate as the information placed in it. To assure a high degree of data base purity, Compucorp has incorporated various Edit Checking facilities into its DBMS. These automatically make checks on the information entered on a form, and alert the user prior to storing the information in the data base when an error has been made. Corrections are made before the information becomes part of the data base. For example, you wouldn't ever want an alphabetic character in the middle of a Social Security Number. Compucorp DBMS Edit Checking can prevent this kind of error from happening.

No more sorting:

Want an alphabetical listing or one sorted by customer number? Or how about a multiple sort: by state, and by city and by street name. With less capable systems you first have to take the time to sort the entire data base before you get any results, which can take minutes, or even hours.

Sorting has become a thing of the past with Compucorp DBMS. With it, your information is automatically pre-sorted at the same time it is originally entered. Pre-sorted any way you want, and every way you want. Pre-sorted to save you time, and to increase your productivity.

Instant access:

With the Compucorp DBMS you can store tens of thousands of records in a data base, and you can access any one of those records almost instantaneously.

To further speed-up data retrieval you can even recall information based only on a partial input; for example, typing-in only "Budl" to get "Budlongstrovitz."

Less capable records-based systems must do a serial search to find a specific record, thus, the more records you have, the longer you'll wait to find the one you want. Waiting time is unproductive time. You'll rarely wait more than a few seconds to find a specific record with the Compucorp DBMS.

Reports - "The DBMS bottom line":

Reports are the bottom line of any DBMS. The report generation facilities of the Compucorp DBMS are without equal because they extensively utilize word processing to provide both ease-of-use and text manipulation freedom.

The Compucorp DBMS report formatting facilities provide features including: headers, footers, automatic page numbering, two types of footnoting, four kinds of tabbing, report width to 255 columns, variable line spacing and pitch, automatic grouping/breaking of data types, automatic page breaks, mathematics, subtotals, grand totals, and many more.

It is rare when a type of report is generated only once. Most often the same reports are periodically generated, once per week, once per month, or at some other interval. With the Compucorp DBMS, reports are defined once, and the definition is stored for later use.

The report definitions make full-use of the text manipulation freedom of word processing. They are editable word processing documents. Whenever a new report is originally defined or whenever it later needs to have its format or content changed, the job can be performed by a typist.

A practically unlimited number of different report definitions can be stored by report name in an index for use at any time. Generating a report thus becomes a simple job, and one which can be performed by any office worker.

Reports are generated as often as you like by merely locating the name of the report in the index and pressing two keys on the keyboard. What could be easier?

Data base math:

Most reports contain calculated data, which may be as simple as the total number of some item, or as complex as answers derived from long equations. So that you will come to better and more informed conclusions, you need a capability to easily perform data base mathematics to consolidate data, and to analyze the impact of any business decision.

The Compucorp DBMS has an extensive built-in mathematics capability which is easy to use. With it, mathematical operations can be performed on records in the data base: such as, increasing all prices by 5% or on information as it is retrieved in reports: such as, for each item in the report, multiply quantity by price and insert the total in the report.

Reports can automatically contain row and column math operations, grouping subtotals, grand-totals, averages, or even complex conditional calculations. The Compucorp DBMS math facility is so complete, it can be favorably compared to the "electronic spreadsheet" computer programs now in wide use.

"Instant Data Base" capability:

The "Instant Data Base" an exclusive Compucorp feature, it's new, different, and very handy.

"Instant Data Base" provides the facility to directly use information stored in a data base in everyday correspondence produced with the system's word processing facilities.

With the "Instant Data Base" and without ever exiting a word processing task, a typist can ask the system to go to the data base, find a record, extract from it certain desired information, format the information as the typist wants it to appear in the document being typed, and have it automatically become a part of that document. All with just a few keystrokes. It's great for addressing letters, fantastic for including correct prices in quotations; the possibilities are endless.

"Instant Data Base," another reason the Compucorp DBMS is without equal.

Features and specifications:

Data Base Type:	Relational, Variable Length Record, Random Access, Multiple Keyed Fields, Pre-sorted.
Maximum Data Base Size:	16MB (16,777,216 bytes).
Maximum Records Per Data Base:	65,535
Maximum Fields Per Record:	254
Maximum Data Bytes Per Field:	249
Maximum No. of Keyed Fields:	254
Sorting:	Pre-Sorted at Time of Entry.
Sort Types:	Single or Multiple Fields, Alpha or Numeric, Ascending or Descending.
Sort Order:	User Specified.
Maximum No. of Sorts:	No Practical Limit.
Re-Sort, New or Different Ways:	At any Time.
Access to Records:	Random via Keyed Fields.
Record Access Via:	CRT Form, Report Generation, BASIC Program.
Average Access Time:	Less than 3 sec.
Record Entry via:	CRT Form, BASIC Program.
Average Time to Add a Record:	Less than 6 sec.
Access Methods:	Partial Key, Full Key, Multiple Key.
Maximum No. of Forms:	No Practical Limit.
Report Formats:	User-Specified to 255 columns.
Report Format Features:	Selective or Non-Selective, Headers, Footers, Footnotes, Automatic Page Numbering, Automatic Page Breaks, Decimal, Left, and Center Tabbing, Tab to any Character, Variable Pitch and Line Spacing, Data Grouping Breaks, Subtotals, Grand Totals.
Data Base Math Operations:	Full Row Manipulation, Full Column Manipulation, Full Element Manipulation, Equations, Averages, Percents, Subtotals, Grand Totals, Boolean Operations.

Features and specifications are subject to change without notice.

Compucorp®

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U.S.A.
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Telex: 4720106

#9418021

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800,000 Shares

Compucorp

Common Stock

PROSPECTUS

May 26, 1982

Of the 800,000 shares of Common Stock offered hereby, 710,000 shares will be issued by the Company and 90,000 outstanding shares will be sold by certain shareholders. See "Principal and Selling Shareholders". The Company will not receive any of the proceeds from the sale of shares by the Selling Shareholders. On May 25, 1982, the closing bid and asked quotations of the Common Stock in the over-the-counter market as reported by NASDAQ were \$9 $\frac{3}{4}$ and \$9 $\frac{1}{2}$, respectively.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to the Public	Underwriting Discounts and Commissions(1)	Proceeds to the Company(2)	Proceeds to the Selling Shareholders
Per Share	\$9.375	\$.68	\$8.695	\$8.695
Total(3).....	\$7,500,000	\$544,000	\$6,173,450	\$782,550

- (1) See "Underwriting" for indemnification arrangements with the Underwriters.
- (2) Before deducting expenses estimated at \$285,000, all of which will be paid by the Company.
- (3) The Company has granted the Underwriters an option, exercisable within 30 days hereof, to purchase up to 80,000 additional shares at the Price to the Public less the Underwriting Discounts and Commissions shown above solely to cover overallocations, if any. See "Underwriting". If such option were exercised in full, the Price to the Public, Underwriting Discounts and Commissions and Proceeds to the Company would be \$8,250,000, \$598,400, and \$6,869,050, respectively.

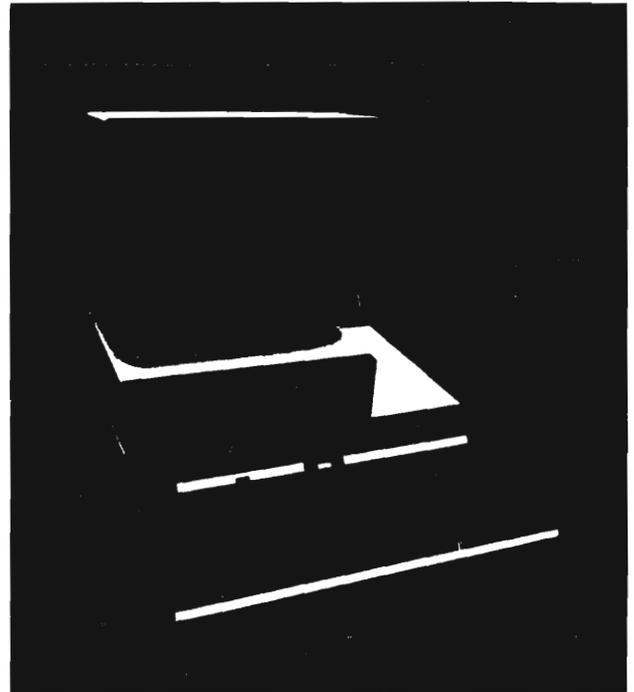
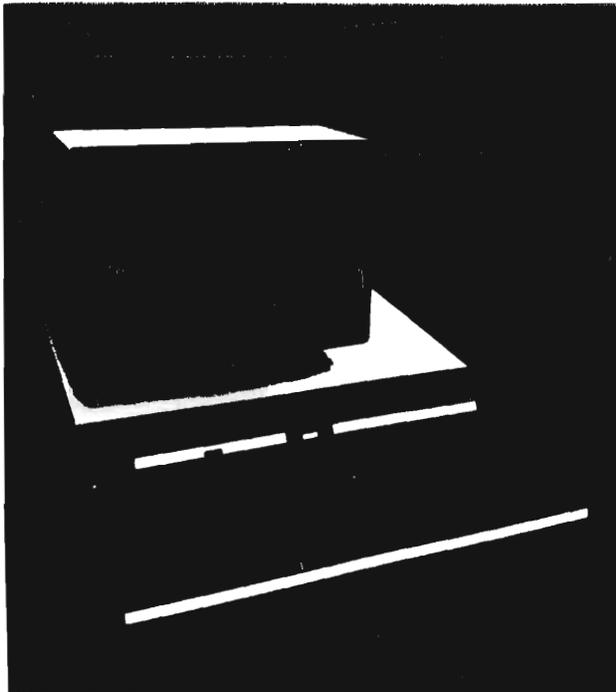
The shares are offered by the several Underwriters when, as and if delivered to and accepted by the Underwriters and subject to various prior conditions, including their right to reject orders in whole or in part. It is expected that delivery of share certificates will be made in New York, New York on or about June 3, 1982.

Donaldson, Lufkin & Jenrette
Securities Corporation

Cowen & Co.



CompuCorp word and data processing systems are offered in a variety of models and configurations



OmegaNet, the Company's local area network with distributed resource capability, will feature a new design of disk and diskless work station scheduled for initial delivery in mid-year 1982

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Prospectus.

THE COMPANY

Compucorp designs, develops, manufactures and markets word processing systems. The Company's principal product is its Omega word processing system. Compucorp recently introduced OmegaNet, a local-area network system with distributed resource capability. The Compucorp product line also includes data processing systems, which are sold primarily in Europe, and the hardware and systems software for the Pharmex retail information system, which is being installed in pharmacies in France. In July 1981, the Company entered into private label manufacturing and licensing agreements with Exxon Office Systems Company for a number of stand-alone word processing systems.

THE OFFERING

Securities Offered..... 800,000 shares of Common Stock of which 710,000 shares are offered by the Company and 90,000 shares are offered by selling shareholders of the Company. An additional 80,000 shares may be sold by the Company pursuant to the Underwriters' over-allotment option.

Shares Outstanding..... 3,346,203 shares at March 31, 1982 and 4,056,203 shares after completion of the offering (assuming no exercise of the Underwriters' over-allotment option). See "Capitalization".

Use of Proceeds..... Repayment of bank debt and for general corporate purposes.

NASDAQ Symbol..... CCUP

SELECTED FINANCIAL INFORMATION (Thousands, except per share amounts)

	Year Ended December 31,					Three Months Ended March 31,	
	1977	1978	1979	1980	1981	1981	1982
Income Statement Data:							
Net sales.....	\$2,329	\$3,819	\$5,965	\$9,367	\$17,901	\$2,981	\$ 7,075
Net income (loss).....	223	(139)	(449)	50	722	30	468
Net income (loss) per share.....	\$.23	\$ (.09)	\$ (.28)	\$.03	\$.22	\$.01	\$.14
Weighted average number of shares outstanding.....	958	1,578	1,608	2,935	3,336	3,272	3,426
Balance Sheet Data:							
Working capital.....	\$ 386	\$2,230	\$1,297	\$2,562	\$ 5,590	\$2,635	\$ 6,916
Total assets.....	1,334	3,443	4,090	5,323	13,042	6,333	16,239
Long-term debt, net.....	111	2,255	1,831	1,376	3,406	1,146	3,172
Shareholders' equity.....	384	295	(104)	1,829	3,925	2,091	5,556

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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No person has been authorized in connection with this offering to give any information or to make any representation not contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized. This Prospectus does not constitute an offer of any securities other than those to which it relates or an offer to any person in any jurisdiction where such an offer would be unlawful. The delivery of this Prospectus at any time does not imply that the information herein is correct as of any time subsequent to its date.

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AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports and other information with the Securities and Exchange Commission. Information, as of particular dates, concerning directors and officers, their remuneration, options granted to them, the principal holders of securities of the Company and any material interest of such persons in transactions with the Company is disclosed in proxy statements distributed to shareholders of the Company and filed with the Commission. Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Room 6101, 1100 L Street, N.W., Washington, D.C. 20549 and at the Chicago Regional Office, 219 South Dearborn Street, Chicago, Illinois 60601, the New York Regional Office, 26 Federal Plaza, New York, New York 10007, and the Los Angeles Regional Office, 10960 Wilshire Boulevard, Los Angeles, California 90012. Copies of such material can be obtained from the Commission at 500 North Capitol Street, N.W., Washington, D.C. 20549 at prescribed rates.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents heretofore filed by the Company with the Securities and Exchange Commission are incorporated herein by reference:

(a) Annual Report on Form 10-K for the fiscal year ended December 31, 1981, as amended by Form 8 dated May 24, 1982, filed pursuant to Section 13 of the Securities Exchange Act of 1934 (the "Exchange Act");

(b) Quarterly Report on Form 10-Q for the three months ended March 31, 1981, as amended by Form 8 dated May 25, 1982, filed pursuant to Section 13 of the Exchange Act.

Copies of all documents incorporated by reference other than exhibits to such documents will be provided without charge to each person who receives a copy of this Prospectus on the written request addressed to Ms. Cynthia Wells, Secretary and Corporate Counsel, Compucorp, 2211 Michigan Avenue, Santa Monica, CA 90404, or to Donaldson, Lufkin & Jenrette Securities Corporation, 140 Broadway, New York, NY 10005, Attention: Mr. Oliver D. Cromwell, or to Cowen & Co., One Battery Park Plaza, New York, NY 10004, Attention: Mr. Creighton H. Peet.

COMPUCORP

Compucorp (the "Company") designs, develops, manufactures and markets word processing systems. The Company's principal product is its Omega word processing system. The Compucorp product line also includes data processing systems which are sold primarily in Europe. The Omega stand-alone word processing system, first announced in 1979, has achieved increasing commercial acceptance because of its ease of use and full array of features. The user can begin with a modest configuration of processing speed, storage capacity and other features and, by upgrading components, increase the capacity of the system.

In mid-1982 the Company expects to commence deliveries of its recently introduced OmegaNet local-area network system with distributed resource capability. OmegaNet systems are designed for moderate-sized organizations and departments within larger organizations which need the communications and shared file capabilities of a distributed resource network.

The Company markets in North America under the Compucorp label primarily through independent dealers and to a lesser extent through its own direct sales offices. As of April 29, 1982, Compucorp products were sold through 69 dealer locations and 5 direct sales offices. Internationally, the Company markets its products through a network of distributors who market the Company's products either under the Compucorp label or under a joint label with both "Compucorp" and the name of the particular distributor.

Compucorp furnishes the operating system software and manufactures hardware for the Pharmex Computers, Inc. ("Pharmex") retail information system which is being installed in pharmacies in France. Pharmex is a multi-terminal system, which combines functions for inventory control, drug interference detection, pharmacy-to-wholesaler ordering and central source-to-pharmacy price updating. In July 1981, the Company entered into private label manufacturing and licensing agreements with Exxon Office Systems Company ("Exxon"), which call for Compucorp to supply Exxon with a number of stand-alone word processing systems, all of which are currently expected to have been supplied prior to the end of 1982, and which allow Exxon to manufacture these products in its own facilities under a license from the Company.

Compucorp was incorporated in California in 1968. Its executive offices are located at 2211 Michigan Avenue, Santa Monica, California 90404, and its telephone number is (213) 829-7453.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the 710,000 shares of Common Stock offered by it are estimated to be \$5,888,450 (assuming the Underwriters' over-allotment option is not exercised). Of such proceeds, approximately \$4,700,000 will be used to repay outstanding bank indebtedness. The balance of the proceeds will be added to the Company's working capital for general corporate purposes. Pending use of the proceeds for the purposes described above, the Company will invest in government securities or other short-term money market obligations. The Company anticipates that it will continue to borrow under its bank line as needed for general corporate purposes.

The Company will receive none of the proceeds from the sale of the 90,000 shares of Common Stock by the Selling Shareholders.

DIVIDEND POLICY

The Company has never paid a dividend on its Common Stock. The present policy of Compucorp is to retain earnings to provide funds for the operation and expansion of its business. The Company does not intend to pay a cash dividend on its Common Stock in the foreseeable future.

PRICE RANGE OF COMMON STOCK

The Company's Common Stock is traded in the over-the-counter market under the NASDAQ symbol CCUP. The following tables set forth the range of high and low bid prices for the periods indicated, compiled from information supplied by the National Quotation Bureau, Inc. These quotations represent prices quoted between dealers without retail markups, markdowns or commissions and may not represent actual transactions.

	High	Low
1980		
1st Quarter	\$ 3½	\$2½
2nd Quarter	3	1½
3rd Quarter	6½	1½
4th Quarter.....	9½	6½
1981		
1st Quarter	9½	6½
2nd Quarter	14½	6½
3rd Quarter	14½	7½
4th Quarter.....	13½	9½
1982		
1st Quarter	12½	7½
2nd Quarter (through May 25, 1982).....	12	8½

On May 25, 1982 the last reported bid price of the Common Stock was \$9½.

The approximate number of shareholders of record of the Company's Common Stock as of April 23, 1982 was 1,913.

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CAPITALIZATION

The following table sets forth the capitalization of the Company as of March 31, 1982, and as adjusted to give effect to the issuance and sale by the Company of 710,000 shares of Common Stock offered hereby (assuming no exercise of the Underwriters' over-allotment option) and the application of a portion of the net proceeds to the repayment of bank debt.

	<u>Outstanding</u>	<u>As Adjusted</u>
Short-term debt(1)	\$ 2,654,768	\$ 474,768
Long-term debt:		
Note payable to bank(2).....	\$ 2,500,000	\$ —
Sinking fund debentures(3).....	<u>671,700</u>	<u>671,700</u>
Total long-term debt.....	<u>3,171,700</u>	<u>671,700</u>
Shareholders' equity:		
6% Class A Cumulative Preferred Stock, no par value; 900,000 shares authorized; 187,893 shares outstanding(4)	31,316	31,316
Common Stock, no par value; 10,000,000 shares authorized; 3,346,203 shares outstanding, 4,056,203 shares as adjusted(5).....	4,914,575	10,803,025
Retained earnings	622,976	622,976
Notes received from sale of stock(6)	<u>(12,369)</u>	<u>(12,369)</u>
Total shareholders' equity	<u>5,556,498</u>	<u>11,444,948</u>
Total capitalization.....	<u>\$ 8,728,198</u>	<u>\$12,116,648</u>

- (1) Includes short-term bank debt of \$2,180,000 and current installments of long-term debt.
- (2) Represents indebtedness under a bank line of credit providing for borrowings up to \$5,000,000 of which \$2,180,000 is included in short-term debt. Bank indebtedness bears interest at a rate equal to 2% over the bank's prime rate. The long-term portion is due April 30, 1983. See "Use of Proceeds" and Note 5 of Notes to Financial Statements.
- (3) See Note 6 of Notes to Financial Statements for a description of the sinking fund debentures.
- (4) Each share of Preferred Stock is convertible into approximately 0.463 shares of Common Stock (an aggregate of 86,987 shares of Common Stock). See Note 3 of Notes to Financial Statements.
- (5) Does not include 22,865 shares of Common Stock reserved for issuance upon exercise of warrants and 312,084 shares reserved for issuance pursuant to rights and options granted under the Company's Employee Stock Purchase Plan and Stock Option Plan.
- (6) Effective April 28, 1982, there were no amounts outstanding on the Company's books related to notes received from sale of stock.

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SELECTED FINANCIAL DATA

The selected data presented below for, and as of the end of, each of the fiscal years in the five-year period ended December 31, 1981 are derived from the financial statements of the Company, which financial statements have been examined by Arthur Andersen & Co., independent public accountants. The unaudited data presented below for, and as of the end of, the three months ended March 31, 1981 and 1982 are derived from unaudited financial statements of the Company and in the opinion of the management of the Company include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the results for such interim periods. Results for the three months ended March 31, 1982 are not necessarily indicative of results for the entire year. This data should be read in conjunction with the financial statements and notes thereto appearing elsewhere herein.

	Year Ended December 31,					Three Months Ended March 31,	
	1977	1978	1979	1980	1981	1981 (Unaudited)	1982 (Unaudited)
Statement of							
Operations Data:							
Net sales	\$2,329,195	\$3,819,423	\$5,965,104	\$9,366,800	\$17,900,610	\$2,980,970	\$7,074,713
Pre-tax income (loss)....	\$ 222,789	\$ (138,854)	\$ (448,951)	\$ 70,480	\$ 1,388,442	\$ 52,231	\$ 955,018
Provision for taxes on income	93,400	—	—	20,150	666,000	21,952	486,600
Income (loss) before extraordinary item.....	129,389	(138,854)	(448,951)	50,330	722,442	30,279	468,418
Extraordinary item.....	93,400	—	—	—	—	—	—
Net income (loss).....	\$ 222,789	\$ (138,854)	\$ (448,951)	\$ 50,330	\$ 722,442	\$ 30,279	\$ 468,418
Net income (loss) per share	\$.23	\$ (.09)	\$ (.28)	\$.03	\$.22	\$.01	\$.14
Balance Sheet Data:							
Working capital.....	\$ 386,187	\$2,230,060	\$1,297,022	\$2,561,730	\$ 5,590,390	\$2,634,993	\$6,915,719
Total assets.....	1,333,678	3,442,995	4,090,382	5,322,635	13,041,901	6,333,376	16,238,976
Long-term debt, net.....	111,253	2,255,384	1,831,363	1,375,640	3,405,940	1,146,486	3,171,700
Shareholders' equity.....	384,482	295,497	(103,905)	1,828,610	3,925,292	2,091,131	5,556,498

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION**

Results of Operations

Sales for 1981 increased 91% to \$17,900,610 from \$9,366,680 in 1980. Domestic sales increased 148% (102% excluding the private label arrangement with Exxon) as a result of greater user acceptance of Compucorp products and an expansion of the number of dealer locations from 40 at December 31, 1980 to 62 at year-end 1981. International sales increased 65%, which was almost entirely attributable to initial sales of systems to Pharmex. Sales in Western Europe (excluding Pharmex) in 1981 increased 10% from 1980, while other international sales declined by a roughly comparable dollar amount.

Net income increased from \$50,330 in 1980 to \$722,442 in 1981. This increase resulted from growth in revenues, a decline in cost of sales as a percent of sales from 51.1% in 1980 to 47.6% in 1981 and a reduction in research and development costs as a percent of sales from 14.4% in 1980 to 12.0% in 1981.

The resulting improvement in gross margin is primarily a result of changes in customer and product mix during 1981 which allowed the Company to realize higher average margins. Economies of scale resulting from higher production volumes also contributed to the improvement in gross margins.

While expenditures for research and development declined as a percent of sales, actual expenditures increased from \$1,344,570 in 1980 to \$2,141,333 in 1981.

The Company reported a provision for taxes on income of \$666,000 in 1981 and \$20,150 in 1980, but paid no Federal income taxes in either year because the Company obtained tax deductions for operating loss carry-forwards relating to periods prior to the Company's quasi-reorganization on December 31, 1977. These reductions of Federal taxes payable were credited directly to Common Stock and did not affect the Company's statement of operations. As of December 31, 1981, approximately \$3,500,000 of net operating loss carry-forwards and \$177,000 of unused tax credits were available to the Company. The tax benefits related to \$2,900,000 of such loss carry-forwards arising from pre-December 31, 1977 operating losses and from compensation deductions under the Employee Stock Purchase Plan will be credited to Common Stock when realized. The tax benefits related to \$600,000 of post-1977 operating losses will be credited to operations as an extraordinary item when realized. The unused research and development and investment tax credits from prior years will reduce Federal income tax by \$177,000 and will be credited, if and when realized, to operations as an extraordinary item. See Note 2 of Notes to Financial Statements.

Liquidity and Capital Resources

Rapid growth in the Company's business has required additional working capital to finance accounts receivable and inventories as well as additional funds to purchase machinery and equipment and to make leasehold improvements. The Company has obtained the cash required to meet these needs through internally generated funds, bank debt and the sale of Common Stock.

The Company anticipates the continued need for external funds to supplement cash flow from operations, primarily to finance accounts receivable and inventories. Management believes that the proceeds available from this offering along with internally generated funds, the use of the tax credits and loss carry-forwards described above, and funds from existing lines of credit will be sufficient to meet the Company's cash requirements through 1982.

At March 31, 1982, the Company's unused sources of liquidity totalled approximately \$532,000, consisting of approximately \$212,000 of cash and approximately \$320,000 available under the Company's \$5,000,000 line of credit.

To date, the Company's lease transactions with its customers have been minimal since the Company directs its marketing efforts primarily toward the sale rather than the leasing of its products.

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Interim Results of Operations

Sales for the first three months of 1982 were \$7,074,713, an increase of 137% over the first three months of 1981. Domestic sales increased 86% (excluding sales to Exxon) and international sales increased 40% (excluding sales to Pharmex). Sales to Exxon amounted to \$2,155,000 and sales to Pharmex totalled \$363,000.

Cost of sales as a percent of sales decreased from 48.4% in the first quarter of 1981 to 47.0% in the first quarter of 1982, due, in part, to a relative decrease in the shipment of lower margin joint label products to Western European distributors. Sales of such products constituted 35.4% of shipments in the 1981 first quarter versus 23.6% in 1982. Product unit costs also declined slightly during the quarter ended March 31, 1982, continuing a trend of the past two years.

Research and development costs during the first three months of 1982 were \$588,902 or 8.3% of sales, compared with \$466,397 or 15.6% of sales in 1981.

Selling and general and administrative expenses during the first three months of 1982 were \$1,849,376 or 26.1% of sales, compared with \$874,748 or 29.3% in 1981, reflecting an increase in the domestic sales organization at all levels. It is anticipated that due to an expected increase in marketing costs, selling and general and administrative costs as a percent of sales are unlikely to decline in the immediate future. See "Business — Marketing."

Interest expense increased from \$84,985 in 1981 to \$231,478 in 1982, reflecting increased bank borrowings.

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BUSINESS

General

Compucorp designs, develops, manufactures and markets word processing systems for sale in the United States and internationally, primarily in Western Europe. The Company has produced stand-alone word processing systems since 1979 and recently has introduced a local-area network system with distributed resource capability. In addition, the Company produces certain of its products for resale by others under private and joint labels. The Company's products also are used for general data processing applications, principally in Western Europe.

Compucorp was founded in 1968. The Company's initial business was the manufacture and sale of special purpose and programmable desk-top calculators. In the mid-1970s, the Company experienced a series of difficulties related to the distribution of those products, and its business and financial structure was reorganized in 1977. Subsequently, Compucorp developed and introduced a new line of computer-based products which were utilized for scientific, industrial and data processing applications. Compucorp then developed software enabling it to make initial deliveries of word processing systems in 1979.

In 1979 the Company produced the initial version of its Omega word processing system, which the Company has continued to refine and enhance. The Company's word processing systems are designed for ease of use and offer a wide variety of operating features.

During 1981 the Company completed development of hardware and operating software for use by Pharmex in its pharmacy retail information system. The Company also entered into private label manufacturing and licensing agreements in July 1981 with Exxon for stand-alone word processing systems.

In early 1982 Compucorp introduced a local-area network system designed to add new functional capabilities to its word processing and data processing product lines. The Compucorp network system, OmegaNet, provides the advantage of a lower cost per work station than an equivalent number of stand-alone units. The Company believes the market for local-area networks to be particularly attractive because of its business potential and its compatibility with the Company's existing technology and resources.

To date, the Company's product and market strategy has focused on the market for stand-alone word processors priced between \$6,000 and \$16,000 per unit. With the introduction of OmegaNet, the Company's market will be extended to installations which typically would be expected to sell for up to \$100,000. The Company has not participated in the low cost personal computer market nor does it expect to participate in the highest price segment of the multi-station network market.

Products

Compucorp produces word processing and data processing systems comprised of hardware and software elements. The Company offers certain proprietary data processing software packages as well as the CP/M[®] operating system. CP/M, which is a popular operating system licensed to Compucorp by Digital Research, allows access to a large body of commercially available applications software.

The Compucorp line of stand-alone systems currently is comprised of four models, each of which performs word processing and data processing functions. Each model contains a keyboard, video display, internal memory, processing unit, disk drives, printer and operating system software. The four models differ in the capacity and speed of the disk drives and have varying processing speeds, information storage capacity and available software. Each model is available with a full page (60-line) or half page (20 or 24-line) video display and a wide selection of printers and other accessories.

The user can begin with a modest configuration of processing speed, storage capacity and features and, by upgrading components, can add additional storage, speed, working memory and more sophisticated features. Any model can be upgraded without requiring users to relearn the operation of existing features. With the introduction of OmegaNet, users of Omega stand-alone word processors will be able to incorporate their equipment in a network system.

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Three models, the 655, 665 and 675, differ in the type and capacity of disk drives and, with printers included, can vary in price to the end user from \$6,000 to \$10,000. The fourth model, the 685, is a much faster system with much greater storage capacity. It allows a choice of one to three Winchester "hard" disk drives or a combination of Winchester drives and floppy drives. The 685 versions, including printers, can vary in price to the end user from \$12,000 to \$16,000. Each model with a Winchester drive uses a sophisticated operating system and loosely-coupled asynchronous Z-80 microprocessors, one functioning as an applications processor and the other as an input-output and memory processor. The 685 can readily be upgraded to an OmegaNet file processor. The 655, 665 and 675 can each readily be upgraded to an OmegaNet work station.

Word Processing Systems

The Company's principal products are word processing systems, with certain selected data processing applications. Compucorp products are designed for ease of use and can be operated without the sophistication often required to operate equipment primarily designed for data processing. The Omega system offers a wide variety of features including the following:

Text Manipulation. The Omega system provides basic word processing, editing and formatting capabilities, plus a full selection of additional features, including optional full-page text display, global search and replace, document assembly, automatic pagination, movement of columns, and other methods of text manipulation. The Omega system contains several special features, including the creation of glossary files containing often-used or abbreviated text, the management of headers, footers and footnotes in a flexible manner and the ability to store repetitive entries.

Records Management. The Omega system provides extensive records management capabilities. Information can be organized in any number of fields and searched with a multiple selection of sorting and merging criteria. This feature allows easy creation of personalized letters, mass mailings, special reports and other specially assembled documents.

Proofreading. The Compucorp Correct 'n' Spell dictionary provides a practical and efficient capability to minimize misspellings and typographical errors. The dictionary software enables the user to store up to one million words in English or in other languages, including technical terms unique to specific professions. The Correct 'n' Spell dictionary can proofread a document interactively, flagging words which it does not recognize, either because they are misspelled or not in the dictionary. In addition, the operator can access a separate dictionary of commonly misspelled words to facilitate the correction of these words.

Multi-Language Facility. The Compucorp hardware and word processing systems are designed to permit easy use of foreign characters and languages. Currently, Omega word processors are available in English, French, German, Spanish, Portuguese, Italian, Swedish, Danish, Finnish, Norwegian, Icelandic, Dutch, Flemish and Afrikaans. In addition, several multi-language combinations such as German/French/Italian are marketed.

Mathematics. The Company's OmegaMath software allows operators to manipulate numbers as easily as text. With OmegaMath, the word processor functions as a programmable calculator. The operator can perform and verify row and column calculations, extracting numbers from the text and inserting the results. The operator also can store lengthy formulas, apply the formula to columns or rows of figures in the text, and automatically create new rows or columns of text with the solutions. The operator can create, verify or modify budgets, analyses, expense statements and other common statistical items, either manually or automatically in the text.

Forms and Charts. The Omega system facilitates the drafting and editing of form documents by allowing the operator to prepare and recreate the form on the screen and to fill in the form as one does manually. The Omega system also facilitates the preparation of unusual documents, such as organization charts and documents wider than the video display screen.

Data Processing. Compucorp offers several application software packages which permit utilization of its processors as small business oriented data processing systems. The Company's Integrated Business

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System currently consists of five modules: General Ledger, Accounts Receivable, Accounts Payable, Payroll and Inventory. The Company's Total Legal System, a law office time management and billing system, is currently marketed to small and medium-sized law firms. Users wishing to create their own applications may do so using either BASIC or FORTRAN compilers which are available from and supported by the Company. Compucorp users who select the CP/M operating system software option can also use a large body of data processing applications programs which are commercially available.

Communications. OmegaComm communications software allows communication with other Compucorp word processing and data processing products and with computers of certain other manufacturers. The Company is currently developing other communications software to expand its capabilities in this area.

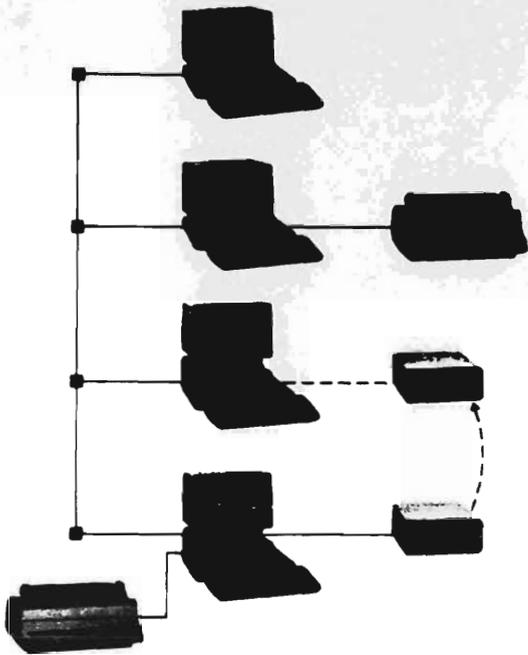
Network Systems

The Company expects that OmegaNet, its network system, will be available for delivery in mid-1982. This system consists of two or more work stations which share certain resources and are able to communicate directly with one another without a central computer. A work station in an OmegaNet distributed resource network possesses sufficient computational power to process information with minimal reliance upon the computing capabilities of other work stations. OmegaNet is further characterized by the ability to incorporate one or more file processors in a single local-area network. When a file processor fails in an OmegaNet network, work stations are still operable and can communicate with each other. In contrast, in a cluster system, work stations are connected to and dependent upon a central computer. If the central computer fails, then the entire system becomes inoperable.

Compucorp currently targets OmegaNet to include from two to 16 work stations in a single local-area network and intends to add the capability to inter-connect a number of its local-area networks. The Company believes that a substantial portion of the market for local-area networks is for systems comprised of two to 16 work stations. See pages 14 and 15 for diagrams of representative OmegaNet distributed resource networks.

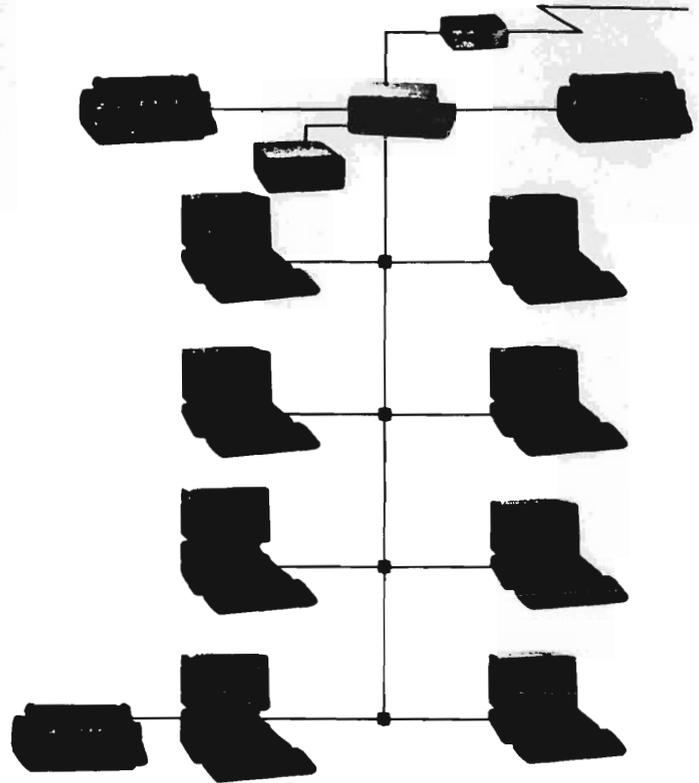
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OmegaNet: The CompuCorp Distributed Resource Network



A Network of Two to Four:

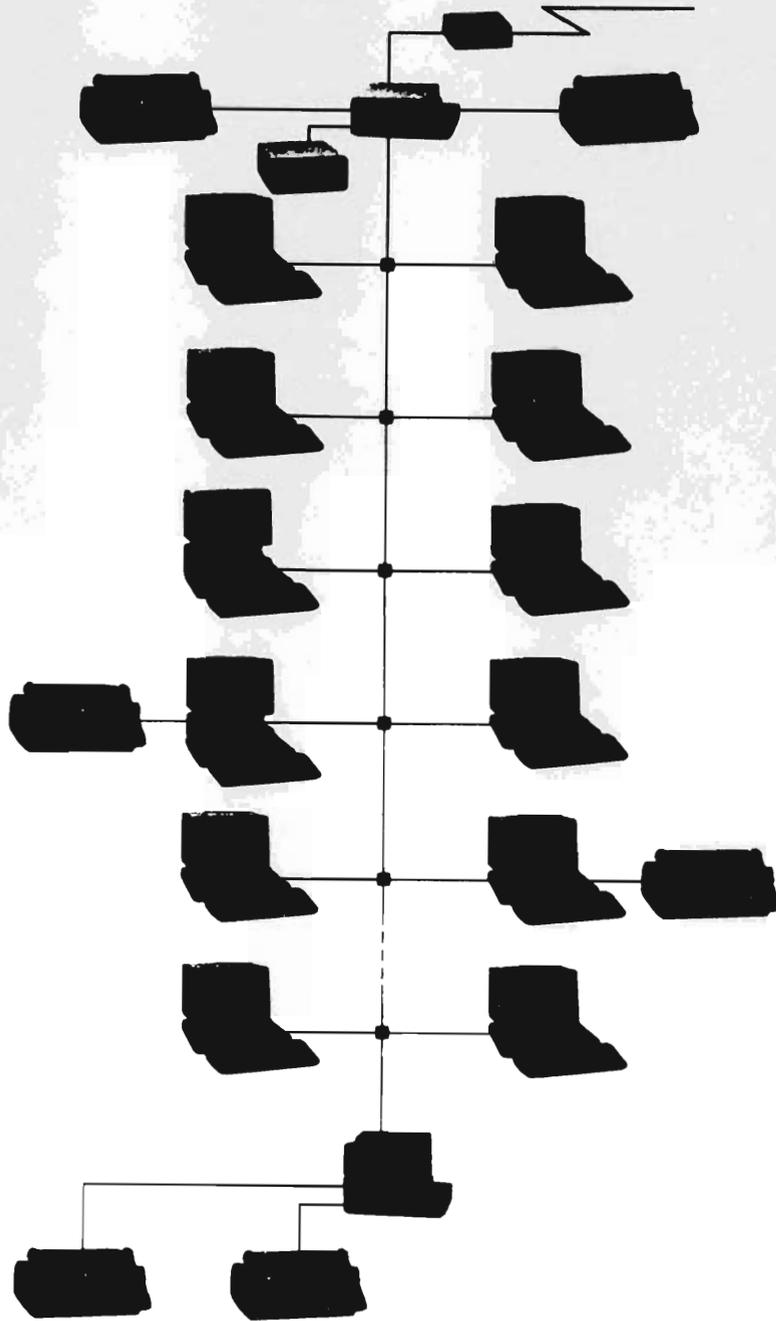
Wherein one of the units serves the dual capacity of file processor and work station. Any work station may have its own dedicated local printer or share one or more printers connected in a network mode. Any work station (other than the combined file processor work station) can be diskless or have one or more disks incorporated initially or at any later date. Any work station can be field upgradable to a file processor status.



A Network of Five to Eight:

A logical and expedient expansion of the network of four, wherein upwards of four more work stations are added to the grouping, while at the same time the resources of the file processor are dedicated solely for the management of the shared data base and servicing of the network.

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A Network of Nine to Sixteen:

The local network on a natural migration expands to a capacity of nine to sixteen work stations through the incorporation of an additional file processor which in turn increases the file storage and performance of the total system on either (or both) a purposeful redundancy or addition mode.

The Company's international distributors generally are more experienced than their domestic dealer counterparts in the maintenance of electronic equipment. The Company's distributors usually have more extensive repair facilities and technical personnel and are more experienced in the maintenance of the Company's products. The Company maintains a service, support and training facility in conjunction with its office outside London. Regular classes are conducted there and, periodically, at distributor facilities throughout Europe.

Research and Development

The Company's success depends largely upon the extent, quality and timeliness of its research and development activities. Research and development expenditures in 1979, 1980 and 1981 were approximately \$794,000, \$1,345,000, and \$2,141,000, respectively. The Company's expenditures on research and development are expected to increase to approximately \$3,000,000 in 1982.

Compucorp expenditures since mid-1980 have centered upon the design of a local-area network system with distributed resource capability, introduced as OmegaNet for word processing applications. The Company is continuing to expand upon and enhance the features of its stand-alone word processing system and its proprietary data processing systems. The Company is continuing to enhance the ability of its equipment to use additional peripheral devices and accessories. These include higher capacity and higher speed disk memory devices, higher capacity and higher speed information processors and moderate-cost tape cartridge backup sub-systems. To enhance its OmegaNet system, Compucorp is developing extensive communication capabilities to facilitate local network and network-to-network file access, electronic mail and communications with non-Compucorp computers and computer networks.

Sagem and Compucorp have entered into a joint venture to develop a communications processor and accompanying software to combine telex and word processing for the French teletex marketplace.

Competition

Word Processing

The marketplace for word processing systems is characterized by a large number of competitors, many of whom have resources significantly greater than the Company. Principal competitive factors in the word processing industry are product reliability, ease of product use, hardware and software features, performance and design characteristics, price, support and marketing organization, and product name recognition. The industry is characterized by rapid technological advances in both hardware and software.

The Company's primary competitors are IBM, Wang, Xerox, CPT, Lanier and NBI. Other companies which have entered the office automation market also may develop or market word processing systems. Compucorp may be at a competitive disadvantage with respect to competitors which can offer a wider range of office products or have larger and more extensive marketing and service organizations.

The Pharmex System

The Company is not aware of any direct competitors in France which manufacture and market a pharmacy retail information system comparable in features to the Pharmex product. Although the success of Pharmex will undoubtedly give rise to increased competition, the Company believes that the Pharmex head start and ability to offer its proprietary data base combine to minimize initial competitive exposure.

Manufacturing and Components

The Company purchases components and sub-system materials from a number of commercial suppliers and from suppliers who produce in accordance with Compucorp's proprietary designs. Systems are assembled at the Company's facilities in Los Angeles, California. Certain components and peripheral units such as keyboards, CRT displays and disk drives are generally obtained from single sources. Alternate sources of comparable quality and reliability are available, but in most cases suppliers would require time to respond to the Company's purchase requirements, which could result in reduction or curtailment of the Company's production. To date Compucorp has experienced no significant supply problems or delays.

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The Company follows standard industry practice of inspecting and testing components and sub-assemblies upon receipt as well as during the manufacturing process. Certain components, including random access memories, are also tested prior to receipt at the Company's premises. Experience has shown that intensive initial and interim testing reduces the cost of final tests and results in fewer field failures.

The Company has begun to automate its manufacturing and testing facilities. The Company expects that such automation will enable the Company to lower its manufacturing and testing costs, increase its rate of production and allow its products to remain competitively priced.

Patents

The Company believes that because of the rapid pace of technological change in the industry, its business is not dependent on patent protection. Rather, the Company's success depends on technical and managerial competence and the ability to develop and market products.

Employees

As of March 31, 1982, the Company had 360 full time employees, of whom 39 were engaged in research and development, 34 in corporate administration, 196 in manufacturing, and 91 in sales and service. In addition, the Company utilizes the services of 12 full and part-time consultants, 11 in research and development activities and one in corporate administration. The Company believes that its relations with its employees are satisfactory. None of the Company's employees is represented by a labor union.

MANAGEMENT

Directors and Officers

The executive officers and directors of the Company are as follows:

Name	Age	Office
Elmer R. Easton	54	President, Chief Executive Officer and Director
Norman J. Grannis	47	Senior Vice President — Operations and Director
Kas Terhorst	51	Senior Vice President — Marketing and Director
Roger D. Keenan	56	Vice President — Finance, Chief Financial Officer and Treasurer
Thomas S. Budlong	45	Vice President — Product Development
Andrea De Mari	43	Vice President — Engineering, Research and Development
Salvatore F. Cimbolo, Jr.	42	Vice President — North America Marketing Operations
Cynthia Wells	41	Secretary and Corporate Counsel
Carlos A. Tomaszewski	51	Director; Consultant
Minoru Tonai	53	Director; Vice President — Finance and Treasurer, Symbolics, Inc., a manufacturer of specialized large memory computers
Paul J. Keil	47	Director; President, Financial Communications Group Ltd., financial and public relations consultants
Lutz-Dieter Beugrand	44	Director; Managing Director, Beugrand Datentechnik GmbH & Co. (West Germany), a distributor for the Company

Directors of the Company serve for one year terms and until their successors are elected. Officers of the Company are appointed annually by the Board.

Interest of Management in Certain Transactions

The Company has sold products in the ordinary course of business to various distributors which are controlled by directors of the Company. These sales were made on terms substantially similar to those made with unaffiliated customers. During 1981, Beugrand Datentechnik GmbH & Co. (controlled by Mr. Beugrand) purchased an aggregate of approximately \$1,746,000 of the Company's products.

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On June 16, 1979, the shareholders of the Company approved the issuance of 300,000 shares of Common Stock to employees under the Employee Stock Purchase Plan (the "Plan"). Most Plan shares were allocated in 1980 at \$1.28 per share (85% of fair market value on May 30, 1980). No shares were issued under the Plan during 1980 to any person who was then an officer or director of the Company other than Paul J. Keil. Mr. Keil, who is a director of the Company, is also the President of Financial Communications Group Ltd., financial and public relations consultants, which firm provides financial and public relations services for the Company. Mr. Keil purchased 50,000 shares under the Plan for which he paid \$1.00 per share in cash. The balance of the consideration for the 50,000 shares (i.e., the difference between the \$1.00 per share cash paid and the \$1.28 per share purchase price) consisted of services to be rendered by Mr. Keil to the Company.

During the last fiscal year, the Company purchased, at a price of \$232,411, exclusive distribution rights for certain Southern California counties from Compucorp of Los Angeles, a dealer in Southern California which subsequently ceased to do business. The general partner of Compucorp of Los Angeles was SoCal Business Systems, Inc., a corporation owned and managed solely by Jerome R. Herbert, spouse of Cynthia Wells, Secretary and Corporate Counsel of the Company.

Compucorp has adopted a policy which prohibits loans and advances to employees, directors and controlling persons of the Company except (i) for advances for travel, business expenses, relocation and similar operating expenses and (ii) with the approval of the Board of Directors of Compucorp, for loans or for forbearances for a specific purpose directly related to the ordinary course of Compucorp's business or for bona fide personal emergencies.

PRINCIPAL AND SELLING SHAREHOLDERS

As of April 23, 1982, the only shareholder of Common Stock who beneficially owned more than five percent of the outstanding shares was Elmer R. Easton, who owned 220,291 shares or 6.5%. As of April 23, 1982, all directors and officers as a group beneficially owned 634,990 shares or 18.9% of the outstanding shares of Common Stock.

The following table sets forth, as of April 23, 1982, the record ownership of Common Stock by the Selling Shareholders before and after the offering:

Names	Shares Owned Before Offering		Shares Being Offered	Shares Owned After Offering	
	Number	Percentage		Number	Percentage
Beugrand Datentechnik GmbH & Co.	41,110	1.2%	33,655	7,455	0.2%
Simac Electronics BV	28,055	0.8	28,055	—	—
Seniel Ostrow	17,290	0.5	8,000	9,290	0.2
Domaco Venture Capital Fund	8,145	0.2	4,000	4,145	0.1
Herbert H. Hutner	8,145	0.2	4,000	4,145	0.1
Bruce R. Rosow	11,290	0.3	4,000	7,290	0.2
AZ/PAC Financial Corp.	13,145	0.4	3,145	10,000	0.3
Verner H. Kraft	8,145	0.2	3,145	5,000	0.1
Daniel Boss	11,290	0.3	2,000	9,290	0.2
Total	<u>146,615</u>	<u>4.4%</u>	<u>90,000</u>	<u>56,615</u>	<u>1.4%</u>

Beugrand Datentechnik GmbH & Co. (controlled by Lutz-Dieter Beugrand, a director of the Company) and Simac Electronics BV are major European distributors of Compucorp, and acquired their holdings in 1977. The other Selling Shareholders participated in the Company's 1980 private offering of securities and obtained the right to register shares of Common Stock in future registrations of the Company, subject to the approval of the Underwriters as to the number of shares each of them could register and sell.

CAPITAL STOCK

Common Stock

Holders of shares of Common Stock of the Company have full voting rights, one for each share held of record, and are permitted to cumulate their votes for the election of directors. They are entitled to receive such dividends as may be declared by the Board of Directors out of funds legally available therefor, and they share pro rata in any distributions to shareholders. The common shareholders have no conversion, preemptive or other subscription rights. The Common Stock is not subject to redemption or to any liability for further calls and is non-assessable.

The Company intends to continue its policy of furnishing to its shareholders annual reports containing certified financial statements.

The Registrar and Transfer Agent for the Common Stock of the Company is U.S. Stock Transfer Corporation, Beverly Hills, California.

Preferred Stock

As of April 23, 1982 the Company has outstanding 100,800 shares of 6 Percent Class A Cumulative Preferred Stock, without par value, each share of which is entitled to one vote on each matter as to which shareholders are entitled to vote (with cumulative voting applicable to the election of directors); has a liquidation and redemption preference of approximately \$.167; has cumulative annual dividends of \$.01; and is convertible at any time at the option of the holder into approximately .463 shares of the Company's Common Stock. The Preferred Stock votes as a single class with Common Stock, except with respect to certain substantial corporate transactions as to which the vote of two-thirds of the outstanding Preferred Stock voting separately is required.

LEGAL OPINIONS

The validity of the Common Stock offered hereby is being passed upon for the Company by Irell & Manella, Los Angeles, California, and for the Underwriters by Davis Polk & Wardwell, New York, New York, who may rely upon the opinion of Irell & Manella as to certain matters of California law. Certain members of the law firm of Irell & Manella own beneficially 2,993 shares of the Company's Common Stock.

EXPERTS

The financial statements included in this Prospectus and the financial statements and schedules in the Company's Annual Report on Form 10-K incorporated by reference in the Registration Statement have been examined by Arthur Andersen & Co., independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Compucorp:

We have examined the balance sheets of COMPUCORP (a California corporation) as of December 31, 1980 and 1981, and the related statements of operations, shareholders' equity and changes in financial position for each of the three years in the period ended December 31, 1981. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Compucorp as of December 31, 1980 and 1981, and the results of its operations and the changes in its financial position for each of the three years in the period ended December 31, 1981, in conformity with generally accepted accounting principles applied on a consistent basis.

ARTHUR ANDERSEN & CO.

Los Angeles, California,
March 3, 1982.

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COMPUCORP

BALANCE SHEETS

A S S E T S

	<u>December 31,</u>		<u>March 31,</u>
	<u>1980</u>	<u>1981</u>	<u>1982</u>
			(Unaudited)
CURRENT ASSETS:			
Cash	\$ 104,932	\$ 474,706	\$ 211,987
Accounts receivable, net of reserves of \$328,000, \$715,000 and \$646,000 for doubtful accounts in 1980, 1981 and 1982, respectively (Note 5)	2,418,025	5,483,580	6,934,096
Inventories (Notes 1 and 5)	2,058,237	4,656,034	6,438,304
Prepaid taxes and expenses (Note 2)	98,921	535,739	693,731
Distribution rights (Note 11)	—	151,000	148,379
	<u>4,680,115</u>	<u>11,301,059</u>	<u>14,426,497</u>
PROPERTY, PLANT AND EQUIPMENT			
(Notes 1 and 5):			
Equipment on rental	—	430,795	315,808
Machinery and equipment	136,864	301,348	291,289
Tooling	107,962	170,054	282,403
Furniture and fixtures	192,647	773,857	892,442
Leasehold improvements	42,994	108,072	143,366
	<u>480,467</u>	<u>1,784,126</u>	<u>1,925,308</u>
Less—Accumulated depreciation and amortization	(188,998)	(390,380)	(468,832)
	<u>291,469</u>	<u>1,393,746</u>	<u>1,456,476</u>
OTHER ASSETS:			
Debenture offering costs, net of current portion (Note 6)	38,016	11,951	7,010
Deposits and other	313,035	335,145	348,993
	<u>351,051</u>	<u>347,096</u>	<u>356,003</u>
	<u>\$5,322,635</u>	<u>\$13,041,901</u>	<u>\$16,238,976</u>

The accompanying notes are an integral part of these balance sheets.

COMPUCORP

BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>December 31,</u>		<u>March 31,</u>
	<u>1980</u>	<u>1981</u>	<u>1982</u>
			(Unaudited)
CURRENT LIABILITIES:			
Notes payable to bank (Note 5).....	\$ 795,000	\$ 1,850,000	\$ 2,180,000
Current portion of sinking fund debentures, net of unamortized discount (Note 6).....	105,580	408,980	453,180
Current portion of other long-term debt (Note 6).....	25,000	20,467	21,588
Accounts payable.....	969,857	2,714,696	3,671,091
Accrued liabilities —			
Payroll and vacation.....	62,313	198,711	327,105
Interest.....	50,023	83,156	75,016
Taxes other than income.....	42,323	54,553	186,426
State income taxes payable.....	—	210,000	268,181
Other.....	68,289	170,106	328,191
Total current liabilities.....	<u>2,118,385</u>	<u>5,710,669</u>	<u>7,510,778</u>
LONG-TERM DEBT:			
Note payable to bank (Note 5).....	—	2,500,000	2,500,000
9.25 percent sinking fund debentures due 1983, face amount \$1,549,080, \$1,359,380 and \$1,159,980 in 1980, 1981 and 1982, respectively, net of unamortized discount and current portion (Note 6).....	1,355,173	905,940	671,700
Other long-term debt, net of current portion (Note 6).....	20,467	—	—
	<u>1,375,640</u>	<u>3,405,940</u>	<u>3,171,700</u>
COMMITMENTS AND CONTINGENCIES (Notes 4 and 10)			
SHAREHOLDERS' EQUITY (Notes 2, 3, 5, 6 and 7):			
6 Percent Class A Cumulative Preferred Stock, no par value — Authorized — 900,000 shares, Outstanding — 817,848 in 1980, 664,047 in 1981, and 187,893 in 1982.....	136,308	110,674	31,316
Common Stock, no par value — Authorized — 5,000,000 shares in 1980 and 10,000,000 shares in 1981 and 1982, Outstanding — 2,503,142 in 1980, 2,932,958 in 1981 and 3,346,203 in 1982.....	2,252,633	3,689,590	4,914,575
Retained earnings (deficit) since December 31, 1977 (date of quasi-reorganization).....	(560,331)	155,028	622,976
Notes received from sale of stock.....	—	(30,000)	(12,369)
	<u>1,828,610</u>	<u>3,925,292</u>	<u>5,556,498</u>
	<u>\$5,322,635</u>	<u>\$13,041,901</u>	<u>\$16,238,976</u>

The accompanying notes are an integral part of these balance sheets.

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COMPUCORP

STATEMENTS OF OPERATIONS

	Year ended December 31,			Three Months Ended March 31,	
	1979	1980	1981	1981 (Unaudited)	1982
NET SALES (Notes 1 and 9):.....	\$5,965,104	\$9,366,680	\$17,900,610	\$2,980,970	\$7,074,713
COST AND EXPENSES:					
Cost of sales, exclusive of depreciation and amortization.....	3,479,879	4,787,674	8,514,859	1,441,772	3,327,006
Depreciation and amortization of property, plant and equipment.....	63,087	90,725	202,157	43,084	107,721
Research and development costs.....	793,986	1,344,570	2,141,333	466,397	588,902
Selling and general and administrative expenses.....	1,717,228	2,690,560	5,100,215	874,748	1,849,376
Interest income.....	(13,374)	(7,561)	(25,294)	(2,504)	(2,098)
Interest expense.....	233,468	312,190	501,299	84,985	231,478
Amortization of debenture discount and offering costs, including gain or loss on repurchase of debentures (Note 6).....	139,781	78,042	77,599	20,257	17,310
	<u>6,414,055</u>	<u>9,296,200</u>	<u>16,512,168</u>	<u>2,928,739</u>	<u>6,119,695</u>
Income (loss) before provision for taxes on income.....	(448,951)	70,480	1,388,442	52,231	955,018
PROVISION FOR TAXES ON INCOME (Note 2).....	—	20,150	666,000	21,952	486,600
Net income (loss).....	<u>\$ (448,951)</u>	<u>\$ 50,330</u>	<u>\$ 722,442</u>	<u>\$ 30,279</u>	<u>\$ 468,418</u>
EARNINGS (LOSS) PER SHARE (Note 8):					
Earnings (loss) per common share and common equivalent share.....	<u>\$ (.28)</u>	<u>\$.03</u>	<u>\$.22</u>	<u>\$.01</u>	<u>\$.14</u>
Weighted average number of shares outstanding.....	<u>1,608,400</u>	<u>2,934,700</u>	<u>3,335,900</u>	<u>3,271,700</u>	<u>3,426,000</u>

The accompanying notes are an integral part of these statements.

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COMPUCORP

STATEMENTS OF SHAREHOLDERS' EQUITY

**For the Years Ended December 31, 1979, 1980, and 1981
and the Three Months Ended March 31, 1982 (Unaudited)**

	Preferred Stock		Common Stock		Retained Earnings (Deficit)
	Shares	Amount	Shares	Amount	
BALANCES, December 31, 1978	900,000	\$150,000	1,580,797	\$ 291,101	\$(145,604)
Exercise of debenture warrants.....	—	—	33,648	54,049	—
Conversion of preferred stock	(46,782)	(7,797)	21,655	7,797	—
Preferred stock dividends.....	—	—	—	—	(4,500)
Net loss for the year	—	—	—	—	(448,951)
BALANCES, December 31, 1979	853,218	142,203	1,636,100	352,947	(599,055)
Exercise of debenture and underwriter warrants ...	—	—	477,032	911,941	—
Conversion of preferred stock	(35,370)	(5,895)	16,373	5,895	—
Net proceeds from sales of common stock (Note 3) —					
Private placement.....	—	—	285,075	788,631	—
Employee Stock Purchase Plan.....	—	—	88,562	173,069	—
Preferred stock dividends.....	—	—	—	—	(11,606)
Tax reduction from pre-December 31, 1977 operating losses and compensation related to stock issued under Employee Stock Purchase Plan (Note 2).....	—	—	—	20,150	—
Net income for the year.....	—	—	—	—	50,330
BALANCES, December 31, 1980	817,848	136,308	2,503,142	2,252,633	(560,331)
Exercise of debenture warrants.....	—	—	34,000	50,732	—
Exercise of stock purchase warrants (Note 3).....	—	—	133,105	473,125	—
Conversion of preferred stock	(153,801)	(25,634)	71,201	25,634	—
Employee Stock Purchase Plan.....	—	—	191,510	244,466	—
Preferred stock dividends.....	—	—	—	—	(7,083)
Tax reduction from pre-December 31, 1977 operating losses and compensation related to stock issued under Employee Stock Purchase Plan (Note 2).....	—	—	—	643,000	—
Net income for the year.....	—	—	—	—	722,442
BALANCES, December 31, 1981	664,047	110,674	2,932,958	3,689,590	155,028
(Unaudited)					
Exercise of debenture warrants.....	—	—	7,800	31,200	—
Exercise of stock purchase warrants (Note 3).....	—	—	178,825	706,171	—
Conversion of preferred stock	(476,154)	(79,358)	220,434	79,358	—
Employee Stock Purchase Plan.....	—	—	6,186	9,437	—
Preferred stock dividends.....	—	—	—	—	(470)
Tax reduction from pre-December 31, 1977 operating losses and compensation related to stock issued under Employee Stock Purchase Plan (Note 2).....	—	—	—	398,819	—
Net income for three month period	—	—	—	—	468,418
BALANCES (Unaudited), March 31, 1982.....	187,893	\$ 31,316	3,346,203	\$4,914,575	\$ 622,976

The accompanying notes are an integral part of these statements.

COMPUCORP

STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Year ended December 31,			Three Months Ended March 31,	
	1979	1980	1981	1981 (Unaudited)	1982
SOURCES OF WORKING CAPITAL:					
Operations —					
Net income (loss).....	\$ (448,951)	\$ 50,330	\$ 722,442	\$ 30,279	\$ 468,418
Add (deduct) — Items not affecting working capital —					
Depreciation and amortization	216,656	297,033	356,257	61,632	121,800
Tax reduction from pre-December 31, 1977 operating losses and compensation related to stock issued under Employee Stock Purchase Plan	—	20,150	643,000	21,952	398,819
Working capital provided by (used in) operations	(232,295)	367,513	1,721,699	113,863	989,037
Issuance of common stock and warrants, net of applicable expenses	—	788,631	—	—	—
Exercise of debenture warrants.....	54,049	911,941	50,732	1,713	31,200
Exercise of stock purchase warrants	—	—	473,125	—	706,171
Exercise under employee stock purchase plan.....	—	173,069	214,466	210,017	27,068
Decrease in deposits and other assets	—	—	—	12,084	—
Increase in long term debt	—	—	—	1,121	—
Long-term note payable to bank	—	—	2,500,000	—	—
	<u>(178,246)</u>	<u>2,241,154</u>	<u>4,960,022</u>	<u>338,798</u>	<u>1,753,476</u>
USES OF WORKING CAPITAL:					
Purchase of property, plant and equipment, net	108,130	214,737	873,639	23,490	256,169
Increase (decrease) in rental equipment	—	—	430,795	—	(114,987)
Reduction of long-term debt due to —					
Redemption of debentures	200,335	310,520	158,100	2,000	—
Repayments and reclassification of current maturities	276,610	225,280	355,467	238,000	243,600
Increases in deposits and other assets	165,217	214,303	106,278	—	42,895
Dividends	4,500	11,606	7,083	2,045	470
	<u>754,792</u>	<u>976,446</u>	<u>1,931,362</u>	<u>265,535</u>	<u>428,147</u>
INCREASE (DECREASE) IN WORKING CAPITAL ...	<u>\$ (933,038)</u>	<u>\$1,264,708</u>	<u>\$3,028,660</u>	<u>\$ 73,263</u>	<u>\$1,325,329</u>
ANALYSIS OF INCREASE (DECREASE) IN WORKING CAPITAL:					
Cash.....	\$ (615,715)	\$ (47,844)	\$ 369,774	\$ (39,806)	\$ (262,719)
Accounts receivable.....	557,936	761,357	3,065,555	756,343	1,450,516
Inventories.....	626,358	310,949	2,597,797	356,684	1,782,270
Prepaid expenses.....	(30,807)	(4,293)	436,818	(22,584)	157,992
Distribution rights	—	—	151,000	—	(2,621)
Notes payable to bank.....	(660,000)	(135,000)	(1,055,000)	—	(330,000)
Current portion of long-term debt and debentures	(247,804)	170,520	(298,867)	(238,400)	(45,321)
Accounts payable	(531,818)	240,818	(1,744,839)	(498,914)	(956,395)
Accrued liabilities.....	(31,188)	(31,799)	(493,578)	(240,060)	(468,393)
INCREASE (DECREASE) IN WORKING CAPITAL ...	<u>\$ (933,038)</u>	<u>\$1,264,708</u>	<u>\$3,028,660</u>	<u>\$ 73,263</u>	<u>\$1,325,329</u>

The accompanying notes are an integral part of these statements.

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COMPUCORP

NOTES TO FINANCIAL STATEMENTS

(Information contained herein, insofar as it relates to the three months ended March 31, 1981 and 1982, has not been examined by independent public accountants.)

(1) Operations and summary of significant accounting policies —

Compucorp (the Company) designs, develops, manufactures and markets word processing systems. The Compucorp product line also includes data processing systems. See Note 9 for sales by major geographic area.

Revenue Recognition —

Revenue is recognized primarily when goods are shipped to the customer. For the year ended December 31, 1981, revenue aggregating approximately \$3,972,000 was recognized at the time the customer was billed under agreements related to the development and manufacture of the retail information system for Pharmex Computers, Inc. ("Pharmex"). Of this amount, finished products and components in the amount of \$3,335,000 at December 31, 1981 and \$2,007,000 at March 31, 1982 were stored by the Company pursuant to Pharmex's instructions.

Rental revenue is recognized monthly based upon rental agreements.

Warranty Costs —

The Company does not accrue warranty costs because the costs have not been and are not expected to be significant.

Property, plant and equipment —

Property, plant and equipment are stated at cost and are depreciated over the estimated useful lives of the assets or the remaining terms of the leases, using primarily the straight-line method. Estimated useful lives are as follows:

Equipment on rental.....	5 years
Machinery and equipment.....	3-8 years
Tooling.....	2 years
Furniture and fixtures.....	5-8 years
Leasehold improvements.....	Remaining term of leases

The Company has classified equipment rented to dealers and other customers as equipment on rental.

The Company has followed the policy of capitalizing expenditures which materially increase asset lives, and charging ordinary maintenance and repairs to operations as incurred. When assets are sold or otherwise disposed of, the cost and related reserves are removed from the accounts, and any resulting gain or loss is included in income.

Inventories —

Inventories are priced at the lower of cost (first-in, first-out) or market. Inventories used in determining cost of sales for each of the three years in the period ended December 31, 1981 were:

	1978	1979	1980	1981
Raw materials and purchased parts.....	\$ 397,440	\$ 685,520	\$1,003,502	\$1,772,526
Work in process.....	336,914	458,622	391,280	2,323,009
Finished goods.....	386,576	603,146	663,455	560,499
	<u>\$1,120,930</u>	<u>\$1,747,288</u>	<u>\$2,058,237</u>	<u>\$4,656,034</u>

Inventories at March 31, 1981 and 1982 are taken directly from the regular accounting records and are not based upon the physical counting of inventory.

COMPUCORP

NOTES TO FINANCIAL STATEMENTS (Continued)

(2) Taxes on income —

There were no taxes payable for 1980 and no Federal taxes payable for 1981 as a result of pre-December 31, 1977 operating loss carryovers and because the Company obtained a tax deduction for compensation recognized by employees as a result of their participation in the Employee Stock Purchase Plan. The reduction of taxes payable was credited to common stock.

The provision for taxes on income is as follows:

	Year Ended December 31,		Three Months Ended March 31,	
	1980	1981	1981 (Unaudited)	1982
Federal income taxes	\$13,350	\$580,000	\$ 16,952	\$394,900
State franchise taxes —				
Currently payable.....	—	210,000	—	87,781
Tax effect of expenses deducted from income for accounting purposes in current period, but for tax purposes in future years	—	(187,000)	—	—
Tax effect of compensation deductions related to the Employee Stock Purchase Plan and prior years' timing differences	6,800	63,000	5,000	3,919
	<u>6,800</u>	<u>86,000</u>	<u>5,000</u>	<u>91,700</u>
	<u>\$20,150</u>	<u>\$666,000</u>	<u>\$ 21,952</u>	<u>\$486,600</u>

At December 31, 1981 the Company had net operating loss and tax credit carryovers available to reduce future Federal taxable income and income taxes as follows:

Year of Expiration	Net Operating Loss Carryovers	Investment Tax Credits	R & D Tax Credits
1992	\$1,800,000	\$ 9,000	\$ —
1993	100,000	3,000	—
1994	600,000	4,000	—
1995	1,000,000	12,000	—
1996	—	108,000	41,000
	<u>\$3,500,000</u>	<u>\$136,000</u>	<u>\$ 41,000</u>

Future tax benefits from the utilization of \$2,900,000 of net operating loss carryovers from 1977 and prior years (prior to the quasi-reorganization described in Note 7) and losses from compensation deductions related to the Employee Stock Purchase Plan (see Note 3) will be credited to common stock when realized.

(3) Stock options, warrants, Employee Stock Purchase Plan and preferred stock —

Debenture warrants —

In October 1978, the Company sold in a public offering an aggregate of \$2,600,000 principal amount of 9.25 percent sinking fund debentures (the "debentures", see Note 6) and 520,000 common stock purchase warrants (the "warrants"). The warrants entitle the registered holder thereof or his or her assigns to purchase shares of common stock of the Company at the rate of one share per warrant, at prices (subject to adjustment) increasing from \$2.00 per share at October 1, 1978 to \$5.00 per share from October 1, 1982 until September 30, 1983, when the warrants will expire. As of December 31, 1981, 22,520 warrants exercisable at \$4.00 were outstanding. At March 31, 1982, 14,720 warrants were outstanding.

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COMPUCORP

NOTES TO FINANCIAL STATEMENTS (Continued)

In connection with the offering, the Company issued to the managing underwriter warrants (the "underwriter warrants") to purchase an aggregate of \$250,000 of the debentures and 50,000 warrants. As of December 31, 1981, there were no underwriter warrants outstanding.

Employee Stock Purchase Plan —

On May 30, 1980 the Company's Board of Directors approved the sale of the 300,000 shares of common stock reserved under the Employee Stock Purchase Plan for \$1.28 per share, an amount equal to 85 percent of the fair market value on that date, and directed that 145,000 of such shares be sold to certain key employees and a director and that the remaining 155,000 shares be sold to the Company's other employees, exclusive of certain officers and directors. A registration statement on Form S-8 covering such shares was filed with the Securities and Exchange Commission and 147,675 of the 155,000 shares were allocated to specific employees upon its becoming effective in September 1980. Payment for a portion of such shares and the shares granted to key employees is being made through payroll withholdings over a three-year period. The Company recognized compensation expense of approximately \$64,000 in 1980 and \$10,000 in 1981 applicable to the granting of stock purchase rights.

As of December 31, 1981 rights to purchase 3,698 shares of common stock have been terminated and rights for 18,370 shares are outstanding. As of March 31, 1982 rights for 12,084 shares are outstanding.

Private placement —

In September and October 1980, the Company issued an aggregate of 285,075 shares of common stock and 320,075 stock purchase warrants (including 35,000 warrants to two participating brokers) in connection with a private offering under Rule 146 of the Rules and Regulations under the Securities Act of 1933. Each stock purchase warrant entitles the holder to purchase one share of common stock during a three-year period expiring September 30, 1983, at an exercise price (subject to anti-dilution adjustments) of \$4.09265 per share. As of December 31, 1981, 186,970 of the common stock purchase warrants relating to the private offering were outstanding. As of March 31, 1982, 8,145 of these common stock purchase warrants were outstanding.

1981 Stock Option Plan —

In May 1981, the Company's shareholders ratified the 1981 Stock Option Plan for the issuance of 300,000 shares of the Company's common stock to qualified persons, including employees, officers and directors of the Company and others. The options may qualify as incentive stock options or non-qualified options, are nontransferable, expire 5 years from the date of grant, are exercisable at a price equal to 100% of the fair market value at date of grant and are exercisable in installments determined by each agreement. As of December 31, 1981 no options had been granted under this Plan. As of March 31, 1982, 272,500 options had been granted at \$9.625 per share, exercisable in equal installments over a five-year period beginning one year from the date of grant.

Preferred stock —

Each share of preferred stock is convertible at any time at the option of the holder into approximately .463 shares of the Company's common stock. Each share has one vote and a cumulative annual dividend requirement of \$.01. The determination of preferences of the preferred stock provides that the approval of the holders of two-thirds of the outstanding shares is required for the Company to consummate certain substantial corporate transactions.

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COMPUCORP

NOTES TO FINANCIAL STATEMENTS (Continued)

(4) Commitments —

The Company leases its facilities under long-term leases which expire at various dates through September, 1991. The lease agreements are subject to cost of living increases and require the Company to pay taxes, insurance, utilities and maintenance. Rental expense for all facilities was \$133,600, \$148,600 and \$251,300 in 1979, 1980 and 1981, respectively, and rental expense for the three-month periods ended March 31, 1981 and 1982 was \$43,000 and \$176,800, respectively. Aggregate future rentals under the long-term leases are as follows:

1982.....	\$ 632,000
1983.....	676,000
1984.....	675,000
1985.....	615,000
1986.....	464,000
1987-1991.....	<u>1,376,000</u>

(5) Notes Payable —

Notes payable consisted of the following:

	<u>December 31,</u>		<u>March 31,</u>
	<u>1980</u>	<u>1981</u>	<u>1982</u>
			(Unaudited)
Notes payable to banks —			
Interest at 1½% over the bank's prime rate, payable on demand or if no demand, on March 31, 1981	\$ 95,000	\$ —	\$ —
Interest at 2% over the bank's prime rate, due April 30, 1983.....	—	2,500,000	2,500,000
Advances under bank line of credit, interest at 2% over the bank's prime rate	<u>700,000</u>	<u>1,850,000</u>	<u>2,180,000</u>
	795,000	4,350,000	4,680,000
Less — Current portion	<u>795,000</u>	<u>1,850,000</u>	<u>2,180,000</u>
	<u>\$ —</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>

In May 1981, the Company entered into an agreement, which was amended in December 1981, whereby advances under the bank line of credit were limited to the lesser of \$5,000,000 or an aggregate of 75% of qualifying domestic and foreign receivables plus up to \$700,000 for the cost of equipment on rental plus 20% of inventory cost up to a maximum of \$1,000,000. Advances so calculated include the \$2,500,000 note due April 30, 1983. The note payable to bank and advances are secured by all of the Company's accounts receivable, inventories and property, plant and equipment. The Company must, among other things, maintain working capital of not less than \$500,000 and net worth of not less than 25% of total liabilities. The Company must also maintain a compensating cash balance of 5% of the average amounts

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COMPUCORP

NOTES TO FINANCIAL STATEMENTS (Continued)

borrowed and has agreed to pay interest on any deficiency at the interest rate then in effect. Information concerning advances under the line of credit are as follows:

	December 31,			March 31,
	1979	1980	1981	1982 (Unaudited)
Maximum short term borrowings outstanding	\$500,000	\$900,000	\$4,350,000	\$2,180,000
Average outstanding short term borrowings, based on month-end balances.....	375,000	607,583	1,680,500	1,957,500
Weighted average interest rate, based on month-end outstanding borrowings.....	<u>18%</u>	<u>17%</u>	<u>20%</u>	<u>18%</u>

For the purpose of calculating the weighted average interest rate, interest expense for the period is divided by the monthly average balances outstanding.

(6) Long-term debt —

Debentures —

In October 1978, the Company sold, in a public offering, 26,000 units of its 9.25 percent sinking fund debentures, due in 1983. Each unit consisted of a \$100 debenture and 20 detachable common stock purchase warrants.

According to the terms of the Indenture and Debenture agreements, the Company is required to make interest payments semiannually through April 1, 1983. Furthermore, the Company is required semiannually through March 31, 1983 to make payments to a sinking fund, in an amount sufficient to redeem, on each of the redemption dates, \$240,000 in principal amounts of debentures. (The balance of the debentures and interest is due September 30, 1983). The Company may receive credit against sinking fund payments for debentures retired through open market purchases, and for debentures utilized for purchasing common stock upon exercise of warrants.

The debentures represent direct unsecured obligations of the Company and are subordinated to all senior indebtedness, as defined in the Indenture and Debenture agreements. The Indenture limits the Company's ability to pay cash dividends on the common stock to an amount equal to 25 percent of the Company's net income accumulated after December 31, 1978.

At December 31, 1980 and 1981, the following amounts relating to the debentures were outstanding:

	December 31, 1980			December 31, 1981		
	Face Amount	Unamortized Discount	Net	Face Amount	Unamortized Discount	Net
Long-term portion.....	\$1,400,000	\$44,827	\$1,355,173	\$ 920,000	\$14,060	\$ 905,940
Current portion	149,080	43,500	105,580	439,380	30,400	408,980
	<u>\$1,549,080</u>	<u>\$88,327</u>	<u>\$1,460,753</u>	<u>\$1,359,380</u>	<u>\$44,460</u>	<u>\$1,314,920</u>

At March 31, 1982 the following amounts relating to the debentures were outstanding (unaudited):

	March 31, 1982		
	Face Amount	Unamortized Discount	Net
Long-term portion	\$ 680,000	\$ 8,300	\$ 671,700
Current portion.....	479,980	26,800	453,180
	<u>\$1,159,980</u>	<u>\$35,100</u>	<u>\$1,124,880</u>

The Company capitalized expenses incurred in connection with the public offering. Such costs are amortized based on the debentures outstanding. At December 31, 1981, \$37,760 of the offering costs

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COMPUCORP

NOTES TO FINANCIAL STATEMENTS (Continued)

remained unamortized, of which approximately \$25,800 will be amortized in 1982. The current and long-term portions of these expenses are included in the accompanying balance sheets in prepaid expenses and other assets, respectively.

Other long-term debt —

Other long-term debt consisted of the following:

	<u>December 31,</u>	
	<u>1980</u>	<u>1981</u>
12 percent unsecured notes (including accrued interest) payable to Franchise Tax Board, due in annual installments of \$25,000 with the remaining principal and interest due May, 1982.....	\$45,467	\$20,467
Less — Current portion	<u>(25,000)</u>	<u>(20,467)</u>
	<u>\$20,467</u>	<u>\$ —</u>

(7) Reorganization —

On December 30, 1977, the Board of Directors, without action by the shareholders, approved a quasi-reorganization, effective December 31, 1977, to be effected by the transfer of the Company's accumulated deficit (\$11,863,253) at December 31, 1977, to the common stock account. The effect of such quasi-reorganization has been reflected in the financial statements as of December 31, 1977. No adjustments were made to the Company's assets and liabilities at December 31, 1977 in connection with the quasi-reorganization as the carrying value of such assets and liabilities approximated fair market value. The effect of this quasi-reorganization allows the Company to show retained earnings for undistributed net income amounts, if any, earned subsequent to December 31, 1977.

(8) Earnings Per Share —

Earnings (loss) per common share and common equivalent share have been computed using the weighted average number of shares of common stock and common stock equivalents outstanding for each period. The convertible preferred stock has been considered to be the equivalent of common stock from the time of its issuance in 1977. In 1979, the outstanding warrants and preferred stock were excluded from the computation of earnings (loss) per share, since the effect of their inclusion would be antidilutive. Fully diluted earnings (loss) per share is not presented since the effect is antidilutive or the additional dilutive effect applicable to employee stock purchase rights and warrants is not material.

COMPUCORP

NOTES TO FINANCIAL STATEMENTS (Continued)

The following are computations of earnings per common share and common equivalent share as of December 31, 1980 and 1981:

	December 31,			
	1980		1981	
	Shares	Net Income	Shares	Net Income
Net income		\$50,330		\$722,442
Dividend requirements on preferred stock		(8,200)		(7,400)
Earnings applicable to common stock		42,130		715,042
Average outstanding shares of common stock	2,138,200	—	2,712,034	—
Effect of assumed conversions or exercise of common stock equivalents —				
Preferred stock	377,800	8,200	341,494	7,400
Warrants and stock purchase rights	418,700	—	282,372	—
Interest adjustment (net of income taxes) for assumed redemption of debentures		30,850		8,671
	<u>2,934,700</u>	<u>\$81,180</u>	<u>3,335,900</u>	<u>\$731,113</u>
Earnings per common share and common equivalent share		<u>\$.03</u>		<u>\$.22</u>

The following are computations of earnings per common share and common equivalent share as of March 31, 1981 and 1982:

	March 31,			
	1981		1982	
	Shares	Net Income (Unaudited)	Shares	Net Income
Net income		\$30,279		\$468,418
Dividend requirements on preferred stock		(2,045)		(470)
Earnings applicable to common stock		28,234		467,948
Average outstanding shares of common stock	2,587,308	—	3,223,726	—
Effect of assumed conversions or exercise of common stock equivalents —				
Preferred stock	378,632	2,045	158,000	470
Warrants and stock purchase rights	305,760	—	44,274	—
Interest adjustment (net of income taxes) for assumed redemption of debentures		3,182		964
	<u>3,271,700</u>	<u>\$33,461</u>	<u>3,426,000</u>	<u>\$469,382</u>
Earnings per common share and common equivalent share		<u>\$.01</u>		<u>\$.14</u>

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COMPUCORP

NOTES TO FINANCIAL STATEMENTS (Continued)

(9) Summary of sales by major geographic area —

The Company sells its products worldwide from its operating facilities in the United States. The following are sales by major geographic area in 1979, 1980, 1981 and for the three months ended March 31, 1981 and 1982:

	Year Ended December 31,			Three Months Ended March 31,	
	1979	1980	1981	1981 (Unaudited)	1982
International sales —					
Western Europe(1).....	\$3,700,177	\$5,685,411	\$10,227,918	\$1,741,656	\$2,742,133
Asia-Pacific.....	411,352	506,609	283,514	98,640	64,128
Eastern Europe.....	50,509	28,169	9,719	9,719	—
South America.....	351,674	178,666	26,540	318	8,156
	<u>4,513,712</u>	<u>6,398,855</u>	<u>10,547,691</u>	<u>1,850,333</u>	<u>2,814,417</u>
Domestic sales(2).....	1,451,392	2,967,825	7,352,919	1,130,637	4,260,296
	<u>\$5,965,104</u>	<u>\$9,366,680</u>	<u>\$17,900,610</u>	<u>\$2,980,970</u>	<u>\$7,074,713</u>

(1) Includes sales of \$3,972,000 (22 percent of total sales) to Pharmex (See Note 1) in 1981. Sales to Pharmex in the three months ended March 31, 1981 and 1982 were \$103,000 and \$363,000 respectively.

(2) Includes sales of \$1,369,000 (8 percent of total sales) to Exxon in 1981 and \$2,155,000 (30 percent of total sales) in the three months ended March 31, 1982.

Certain of the Company's distributors accounted for significant portions of the Company's sales as follows:

Distributor —	Year Ended December 31,			Three Months Ended March 31,	
	1979	1980	1981	1981 (Unaudited)	1982
Belgium and France.....	14%	9%	5%	5%	8%
West Germany.....	15	12	10	18	3
Sweden, Denmark, Finland and Norway.....	15	22	11	24	16

(10) Litigation —

On November 12, 1981, the Company initiated a civil action to recover approximately 26,000 shares of common stock issued to a former employee in connection with his participation in the 1979 Employee Stock Purchase Plan. The former employee and a related entity have also initiated litigation against the Company regarding this same transaction. The former employee contends that he is entitled to purchase these 26,000 shares and the related entity contends that it is entitled to certain commissions and to purchase an additional 50,000 shares. Both the former employee and the related entity seek compensatory damages against the Company. The Company denies these claims and believes it unlikely that it will incur any material liability in this matter.

(11) Distribution rights —

During 1981, the Company purchased distribution rights for certain Southern California counties from a dealer having exclusive rights thereto, at a cost of \$232,411. The portion of such cost representing a covenant not to compete (\$138,525) is being amortized over 24 months and the balance will be amortized as new dealers are established in those areas and revenue from the new dealer agreements is realized. The amounts of unamortized distribution rights as of December 31, 1981 and March 31, 1982 are \$202,724 and \$185,408, of which \$51,724 and \$37,029 have been included in Other Assets in the accompanying balance sheets.

UNDERWRITING

Subject to certain conditions, the Underwriters named below have severally agreed to purchase from the Company 710,000 shares of its Common Stock and from the Selling Shareholders an aggregate of 90,000 shares of Common Stock. The number of shares of Common Stock that each Underwriter has agreed to purchase is set forth opposite its name below:

	Number of Shares
Donaldson, Lufkin & Jenrette Securities Corporation	120,250
Cowen & Co.	120,250
Bache Halsey Stuart Shields Incorporated	16,500
Bear, Stearns & Co.	16,500
Blyth Eastman Paine Webber Incorporated	16,500
Drexel Burnham Lambert Incorporated	16,500
E. F. Hutton & Company Inc.	16,500
Lehman Brothers Kuhn Loeb Incorporated	16,500
L. F. Rothschild, Unterberg, Towbin	16,500
Shearson/American Express Inc.	16,500
Smith Barney, Harris Upham & Co. Incorporated	16,500
Warburg Paribas Becker Incorporated	16,500
Wertheim & Co., Inc.	16,500
Bateman Eichler, Hill Richards Incorporated	16,500
William Blair & Company	10,500
J. C. Bradford & Co., Incorporated	10,500
Alex. Brown & Sons	10,500
Dain Bosworth Incorporated	10,500
A. G. Edwards & Sons, Inc.	10,500
First of Michigan Corporation	10,500
Hambrecht & Quist	10,500
Legg Mason Wood Walker, Incorporated	10,500
McDonald & Company	10,500
Montgomery Securities	10,500
Oppenheimer & Co., Inc.	10,500
Piper, Jaffray & Hopwood Incorporated	10,500
Prescott, Ball & Turben	10,500
Robertson, Colman, Stephens & Woodman	10,500
Rotan Mosle Inc.	10,500
Thomson McKinnon Securities Inc.	10,500
Tucker, Anthony & R. L. Day, Inc.	10,500
Wheat, First Securities, Inc.	10,500
Birr, Wilson & Co., Inc.	7,500
Branch, Cabbell & Co.	7,500
Butcher & Singer Inc.	7,500
Carolina Securities Corporation	7,500
Crowell, Weedon & Co.	7,500
Davis, Skaggs & Co., Inc.	7,500
Doft & Co., Inc.	7,500
Eppler, Guerin & Turner, Inc.	7,500
First Albany Corporation	7,500
Howard, Weil, Labouisse, Friedrichs Incorporated	7,500
Jefferies, Wagenseller & Company	7,500
Johnson, Lane, Space, Smith & Co., Inc.	7,500

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	Number of Shares
Cyrus J. Lawrence Incorporated	7,500
A. E. Masten & Co. Incorporated.....	7,500
Neuberger & Berman.....	7,500
Parker/Hunter Incorporated.....	7,500
Schneider, Bernet & Hickman, Inc.	7,500
Seidler, Arnett & Spillane Incorporated	7,500
Stephens Inc.....	7,500
Stifel, Nicolaus & Company Incorporated.....	7,500
Sutro & Co. Incorporated.....	7,500
Underwood, Neuhaus & Co., Incorporated.....	7,500
William K. Woodruff & Company, Incorporated	7,500
Total	<u>800,000</u>

The Underwriting Agreement provides that the several Underwriters will be obligated to purchase all of the shares of Common Stock offered hereby (other than the shares covered by the over-allotment option referred to below) if any are purchased.

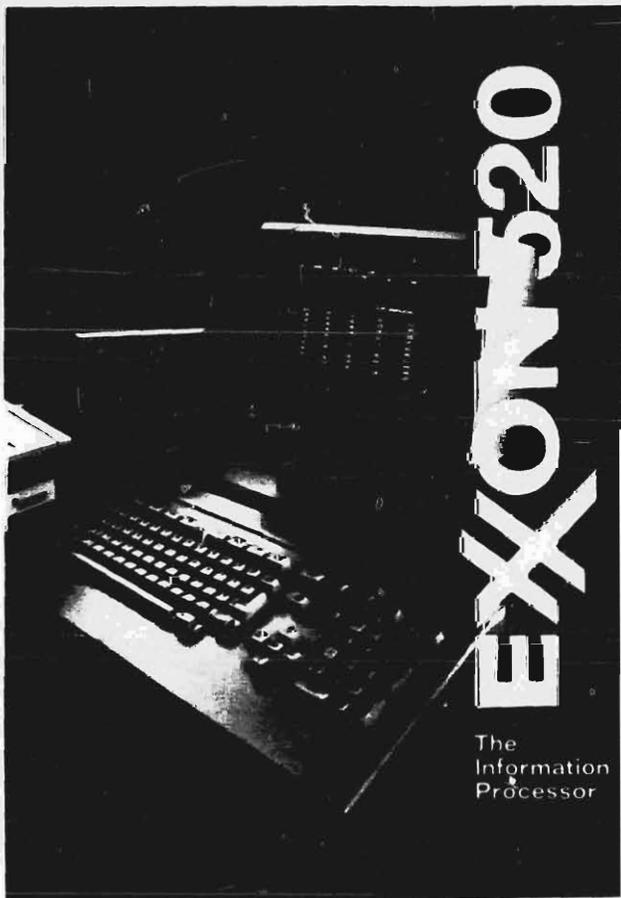
The Company has been advised by Donaldson, Lufkin & Jenrette Securities Corporation and Cowen & Co., as Representatives of the Underwriters, that the Underwriters propose to offer the shares of Common Stock to the public initially at the Price to the Public set forth on the cover page of this Prospectus and to certain dealers at such price less a concession not in excess of \$.375 per share; that the Underwriters may allow, and such dealers may reallow, a discount not in excess of \$.25 per share on sales to other dealers; and that the Price to the Public, concession and discount to dealers may be changed by the Representatives of the Underwriters after the initial offering.

The Company has granted to the Underwriters an option, exercisable for 30 days from the date of this Prospectus, to purchase up to 80,000 additional shares of Common Stock at the initial Price to the Public less Underwriting Discounts and Commissions. The Underwriters may exercise such right of purchase solely for the purpose of covering over-allotments, if any, incurred in the sale of shares of Common Stock offered hereby. To the extent such right of purchase is exercised, each Underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of such additional shares as the number of other shares to be purchased by the Underwriters bears to 800,000.

In the Underwriting Agreement, the Company, the Selling Shareholders and the Underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act of 1933.

The Company and the Selling Shareholders have agreed not to sell, contract to sell or otherwise dispose of any shares of Common Stock (except to the Underwriters pursuant to the Underwriting Agreement or otherwise with the Representatives' consent) for a period of 120 days after the commencement of the offering made hereby.

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Private label systems are marketed by Exxon Office Systems Company and the Pharmex (France) subsidiary of IMS International, Inc

Compucorp

Metalogic runs under IBM's PC-DOS 2.0 or the MSD-DOS system, requires 64K bytes of random-access memory and uses either monochrome or color display. Metalogic, on diskette with a user's manual, is priced at \$45. Logical Software, 15731 Daleport Circle, Dallas, Texas 75248.

DATA GENERAL CORP.
MS-DOS to market Friday!, Dbase II

Data General Corp. has announced it will market two Ashton-Tate programs, Friday! and Dbase II, for use on its Desktop Generation computers.

Friday! is an electronic file management system said to provide integrated file capability. Dbase II is a relational data base management system.

Friday! is being offered by Data General for \$295, in a Microsoft, Inc. MS-DOS version only. Dbase II is being offered in MS-DOS and Digital Research, Inc. CP/M 86 versions, both priced at \$695.

DG, 4400 Computer Drive, Westboro, Mass. 01580.

ARTEMIS SYSTEMS, INC.
Metalogic

Artemis Systems, Inc. has announced Metalogic, a three-dimensional graphics program for users of the Apple Computer, Inc. Apple II+ and Apple IIe microcomputers.

A vendor spokeswoman said Metalogic is a set of ampersand commands that interface Basic programs to Sublogic Corp.'s A2-3D2 interpreter system to produce three-dimensional color graphics. By embedding "&" statements in a regular Basic program, individual objects or complex animated scenes can be generated.

The system requirements are the Sublogic A2-3D2 interpreter, Apple II+ with 16K-bytes random-access memory card or Apple IIe and Apple DOS 3.3 operating system.

Metalogic is priced at \$75 separately, or \$180 for Metalogic plus the complete A2-3D2 graphics package.

Artemis Systems, 41 Parkview Drive, Millburn, N.J. 07041.

COMPUCORP
Level E Omega

CompuCorp has announced Level E Omega, the latest version of its Omega office automation software for CompuCorp's 600 and 700 series processors, in stand-alone or local-area network configurations.

The vendor said 14 improvements and 11 new features have been included with Level E Omega. The package includes word processing, mathematical calculations, forms creation, data entry, index access and data base management functions.

The enhancements and additions reportedly include an instant page format feature that can restructure an entire document even when only one page is format-changed, the ability to edit independent columns of text with right justification and proportional spacing and a phonetic spell checker feature that will search for a word after allowing the operator to spell the word phonetically, according to the vendor.

The standard Level E Omega package is priced at \$650 for each stand-alone processor, according to a spokesman. CompuCorp also charges a software license fee of \$595 for

each new customer.
CompuCorp, 2811 Michigan Ave., Santa Monica, Calif. 90404.

SMC SOFTWARE SYSTEMS
Thoroughbred/OS

SMC Software Systems, a division of Science Management Corp., has announced the availability of Thoroughbred/OS on the IBM Personal Computer XT.

The vendor said the new software will allow users of the IBM computer, as well as other computers that support Microsoft, Inc.'s MS-DOS or PC-DOS, to run all business applications programs written in Basic Four Corp.'s Business Basic. The retail price of the software is \$795.

SMC Software Systems, 1011 Rt. 22, Bridgewater, N.J. 08807.

SCHUHARDT SOFTWARE SYSTEMS, INC.
Intesoft series

Schuhardt Software Systems, Inc. has introduced the Intesoft series, a system for the IBM Personal Computer that allows office automation software packages to be used as independent modules or as an integrated system, according to the vendor.

The components of the Intesoft series are the Intemate, an integration and application management system, and Inteword, a word processing system. Intevate, an interactive applications generator, will be available by June. Intemate costs \$249. Inteword is \$395, and Intevate will be \$249.

Schuhardt Software Systems, 515 Northgate Drive, San Rafael, Calif. 94903.

KRONOS, INC.
IBM PC Terminal Emulator, High Level Communications Interface, File Transfer, Host Emulator

Kronos, Inc. has introduced four software modules designed to facilitate the integration of the vendor's Timekeepers product, a stand-alone dedicated microcomputer for time accounting use.

One module, the IBM PC Terminal Emulator, provides emulation capabilities for users who prefer to use an IBM Personal Computer instead of a local video terminal with the Timekeepers unit. Use of a Personal Computer reportedly enables the user to write the time and attendance data in the Timekeepers' memory to diskette for permanent storage.

Continued on page 126

This Control Concepts 3270 compatible terminal keeps Rand McNally-TDM moving in the fast lane.



When Rand McNally-TDM sells their state-of-the-art MILEMAKER software product to major freight carriers and shippers, they recommend a Control Concepts 3270 compatible terminal. Because they know that our integrated direct connect modem allows you to get our terminal and their program up and running fast. It's important to Rand McNally-TDM to get new clients on line quickly and they know we can deliver in 72 hours. But just as important is staying on line. Should a problem arise, it can usually be resolved with just a telephone call.

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McNally-TDM doesn't hesitate to recommend our product: it's the least expensive 3270 compatible terminal on the market.

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A DIVISION OF RESEARCH CORPORATION

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LEVEL 1 - 8 OF 13 STORIES

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December 6, 1982

SECTION: OFFICE AUTOMATION; Pg. 77

LENGTH: 303 words

HEADLINE: Compucorp Unveils Series Of OA Products

DATELINE: SANTA MONICA, Calif.

BODY:

Compucorp, Inc. has introduced a series of office automation products, including workstations with word processing and communications capabilities. Each of the 700 series devices reportedly can be used as a word processor, personal computer, data communications terminal or intelligent localarea network workstation.

The Model 745 intelligent (diskless) workstation has 192K bytes to 256K bytes of internal memory and was designed for use on the vendor's Omeganet

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local-area network.

The Model 765 information processor has two to four 315K-byte flexible disk drives providing 630K bytes to 1.26M bytes of disk storage. It also has 64K bytes of internal memory expandable to 256K bytes.

The Model 775 information processor has two to four 655K-byte flexible disk drives providing 1.31M bytes to 2.62M bytes of disk storage, according to the vendor. It also has 64K bytes of internal memory expandable to 256K bytes.

The Model 785 information processor has one to three 5M-byte Winchester disks plus a single 655K-byte flexible disk drive providing 10.65M bytes to 30.65M bytes of disk storage. It also has 192K bytes of internal memory expandable to 256K bytes.

The Model 790 information processor has one to three 10M-byte Winchester disks plus a single 655K-byte flexible disk drive providing 10.65M bytes to 30.65M bytes of disk storage. It also has 192K bytes of internal memory expandable to 256K bytes, the vendor said.

The Model 795 information processor has one to three 15M-byte Winchester disks, a single 655K-byte flexible disk drive providing 15.65M bytes to 45.65M

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bytes of disk storage and 192K bytes of internal memory expandable to 256K bytes.

The 700 series products range in price from \$5,000 to \$25,000, Compucorp said from 2211 Michigan Blvd., Santa Monica, Calif. 90404.

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LEVEL 1 - 2 OF 11 STORIES

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June 4, 1984

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SECTION: HARDWARE; New Products; Pg. 50

LENGTH: 104 words

HEADLINE: Printer complements transportable OmegaKite computer

BYLINE: Christine McGeever

BODY:

The CC-20 from Compucorp weighs less than 30 pounds and is designed to produce letter-quality copy for a low price.

Running Compucorp's Omega word-processing software, the CC-20 features proportional character spacing, fractional ling spacing, and shadow bolding as well as other word-processing functions.

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More than 15 print wheels are available. The 64-petal daisywheel provides 128 characters per wheel. All wheels have legal and European characters as well. The CC-20 prints 20-25 characters per second. The printer sells for \$1,099.

Compucorp, 2211 Michigan Avenue, Santa Monica, CA 90404; (213) 829-7453.

GRAPHIC: Picture, Compucorp's CC-20 letter-quality printer

LEVEL 1 - 4 OF 11 STORIES

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Computerworld

April 9, 1984

SECTION: MICROCOMPUTERS; Software; Pg. 125

LENGTH: 184 words

HEADLINE: COMPUCORP;
Level E Omega

BODY:

Compucorp has announced Level E Omega, the latest version of its Omega office automation software for Compucorp's 600 and 700 series processors, in stand-alone or local-area network configurations.

The vendor said 14 improvements and 11 new features have been included with Level E Omega. The package includes word processing, mathematical calculations, forms creation, data entry, index access and data base management functions.

(c) 1984 Computerworld, April 09, 1984

The enhancements and additions reportedly include an instant page format feature that can restructure an entire document even when only one page is format-changed, the ability to edit independent columns of text with right justification and proportional spacing and a phonetic speller feature that will search for a word after allowing the operator to spell the word phonetically, according to the vendor.

The standard Level E Omega package is priced at \$650 for each stand-alone processor, according to a spokesman. Compucorp also charges a software license fee of \$595 for each new retail customer.

Compucorp, 2211 Michigan Ave., Santa Monica, Calif. 90404.

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LEVEL 1 - 13 OF 13 STORIES

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February 22, 1982

SECTION: COMMUNICATIONS; Pg. 62

LENGTH: 88 words

HEADLINE: Omeganet Links DP, WP Devices

DATELINE: ANAHEIM, Calif.

BODY:

Compucorp has unveiled a local-area network designed to link its word and data processing devices.

Omeganet emphasizes a departmental grouping of two to 16 workstations which in turn can be connected in network fashion to any number of additional departmental networks. Thus, any workstation in any subnetwork can communicate with any other workstation or data base.

(c) 1982 Computerworld, February 22, 1982

The approximate price of a typical Omeganet with seven workstations is \$48,000, Compucorp said from 2211 Michigan Ave., Santa Monica, Calif. 90404.

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