



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 2175

DATE FILMED 11-18-88 CAMERA NO. 3

CAMERAMAN PC.

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FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20461

May 7, 1986

MEMORANDUM

TO: CHARLES N. STEELE  
GENERAL COUNSEL

THROUGH: JOHN C. SURINE  
STAFF DIRECTOR

FROM: ROBERT J. COSTA  
ASSISTANT STAFF DIRECTOR  
AUDIT DIVISION

SUBJECT: AMERICANS WITH HART, INC. - MATTERS  
REFERRABLE TO THE OFFICE OF GENERAL COUNSEL

On May 7, 1986, the Commission approved for referral to your office four matters resulting from the audit of Americans With Hart, Inc. (See Attachments 2 through 5.)

If you have any questions regarding these matters, please contact Ray Lisi or Rick Halter at 376-5320.

Attachment as stated

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Receipt of Apparent Excessive Contributions From Individuals

The Act provides, at 2 U.S.C. § 441a(a)(1)(A) that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

A review of the Committee's contribution records disclosed that the Committee received contributions from 49 individuals which were in excess of the individual's contribution limitation. The excessive portions totalled \$19,606.97. This amount included unrefunded contributions, contributions attributed to other individuals without obtaining the signature of those individuals, and contributions not reattributed or refunded within a reasonable period of time after the date of receipt. The Committee Treasurer stated that he would forward to the Audit staff a response detailing the Committee's efforts in handling excessive contributions.

The interim report recommended that the Committee provide evidence that the contributions were not excessive or issue refund checks and provide copies (both front and back) of the negotiated refund checks.

On September 4, 1985, the Committee submitted documentation relating to the reattribution or refund of the excessive portions of contributions totaling \$17,659.90. This documentation includes copies of refund checks or signed statements from individuals whose signatures on the statements affirm an interest in the account on which the original contribution was made. The Committee's response included documentation for the remaining excessive contributions totaling \$1,947.07, however, the Audit staff deemed it inadequate for the following reasons: 1) a reattribution of an excessive contribution to an apparent corporation (\$25); 2) lack of signed statements for four contributions totaling \$1,298.57; and 3) the lack of the copy of the reverse side of 2 refund checks totaling \$623.50.

In addition, our review revealed that of the \$17,659.90 reattributed above, three statements show a reattribution to individuals with different surnames than the original contributor, and in one case, the contribution was reattributed to an individual with a different surname who resides in a different state. (See Exhibit B).

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Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel.

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FEDERAL ELECTION COMMISSION  
999 E STREET, N.W.  
WASHINGTON, D.C. 20463

**SENSITIVE**

FIRST GENERAL COUNSEL'S REPORT

Date and Time of Transmittal  
By OGC to the Commission \_\_\_\_\_

MUR # 2175  
Staff  
Eric Kleinfeld

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENTS' NAMES: Americans With Hart, Inc.  
Michael Moore, treasurer  
Gary W. Hart  
Lee L. Hart  
Semper/Moser Associates, Inc.  
Group III Communications, Inc.

RELEVANT STATUTES: 2 U.S.C. §§ 431(8)(A)(i); 431(9)(A)(i)  
441a(a)(1)(A); 441a(f); 441b  
26 U.S.C. § 9035(a)  
11 C.F.R. §§ 100.7(a)(1); 100.7(a)(4);  
100.7(b)(11); 100.8(a);  
114.10; 9034.2(c)(1);  
9036.5

INTERNAL REPORTS  
CHECKED: Audit Referral

FEDERAL AGENCIES  
CHECKED: None

GENERATION OF MATTER

On May 7, 1986, the Federal Election Commission ("Commission") approved certain matters for referral from the Audit Division to the Office of General Counsel, resulting from the audit of Americans With Hart, Inc. ("Americans With Hart" or the "Committee").

SUMMARY OF ALLEGATIONS

The matters referred to the Office of General Counsel involving Americans With Hart are summarized below:

1. The Audit referral alleges that Americans With Hart and Michael R. Moore, as treasurer, accepted contributions

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P. 24

from 49 individuals, in excess of the contribution limitations of 2 U.S.C. § 441a(a)(1)(A). Concurrently, the referral alleges that those 49 individuals made contributions to Americans With Hart, in excess of the limitations contained at 2 U.S.C. § 441a(a)(1)(A).

2. The audit referral alleges that the Senator's wife, Mrs. Lee Hart, made contributions to Americans With Hart, in excess of the contribution limitation of 2 U.S.C. § 441a(a)(1)(A), by using a Visa credit card to make advances to the Hart campaign. Similarly, the referral alleges that Americans With Hart and Michael R. Moore, as treasurer, accepted the contributions from Mrs. Hart, in violation of 2 U.S.C. § 441a(f).
3. The audit referral alleges that Gary Hart exceeded the limitations on expenditures from a candidate's own funds, contained at 26 U.S.C. § 9035, by making direct contributions and loans to Americans With Hart and by using his personal American Express credit card for campaign-related purposes. Also, the referral alleges that Hart exceeded the limitation of 26 U.S.C. § 9035, by using a Visa credit card on which he and Americans With Hart were jointly and severally liable, for campaign-related purposes.
4. The audit referral alleges that Americans With Hart and Michael R. Moore, as treasurer, accepted corporate contributions from two media firms, in violation of 2 U.S.C. § 441b(a), in the form of credit that was extended for an unreasonable period of time and outside

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the ordinary course of business. Finally, the referral alleges that those two corporations made prohibited contributions to Americans With Hart, in violation of 2 U.S.C. § 441b(a).

**FACTUAL AND LEGAL ANALYSIS**

**A. Background**

On January 10, 1983, Americans With Hart, Inc. ("the Committee") registered with the Commission as the principal campaign committee for Senator Gary Hart's presidential campaign. The Audit Division of the Commission conducted an audit of the Committee for the period April 26, 1982 through July 31, 1984. For this period, the Committee reported a beginning cash balance of \$-0-, total receipts of \$22,226,334.53 and total disbursements of \$22,074,699.05, with a closing cash balance on July 31, 1984 of \$151,635.48. The matters referred to the Office of General Counsel involve both the Federal Election Campaign Act of 1971, as amended, ("FECA") and the Presidential Primary Matching Payment Account Act.

The analysis of this matter is further subdivided based on the subject of the alleged violations.

**B. Individual Contributions in Excess of the Limitations**

Section 431(8)(A)(i) of Title 2, United States Code, defines the term "contribution" to include any gift, subscription, loan, advance or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal

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office.

No person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed \$1000. 2 U.S.C. § 441a(a)(1)(A). Furthermore, no candidate or political committee shall knowingly accept any contribution in violation of the limitation of § 441a(a)(1)(A). 2 U.S.C. § 441a(f).

1. Direct Contributions By Individuals

The Audit Staff's review of Committee reports revealed contributions from 49 individuals which were in excess of those person's individual contribution limitations of 2 U.S.C. § 441a(a)(1)(A). These contributions were in the form of checks, with the total excessive portion equalling \$19,606.97. The Audit Staff noted that this total included (1) unrefunded contributions, (2) contributions attributed to other persons without obtaining the signature of those persons, and (3) contributions which were reattributed or refunded, but which were not done in a reasonable time following receipt.

In response to the interim audit report, the Committee submitted refund and reattribution documentation for the excessive contributions. This documentation included refund checks and signed statements. However, as the Audit Staff noted, the documentation was insufficient for the total amount in excess, showing a lack of signed statements for four contributions, incomplete photocopies of two refund checks, four

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reattributions to persons with different surnames from the original contributors, one reattribution to a person in a different state, and one reattribution to a corporation.

Additionally, the Audit Staff noted that none of the refunds or reattributions took place in a timely manner. In fact, the average time in which the Committee took action on the excessive contributions, in the form of a refund or reattribution, was 241 days from the date of receipt.

2. Excessive Contribution By a Candidate's Spouse

In August 1983, the candidate's spouse, Mrs. Lee Hart secured a Visa credit card with a line of credit of \$6000. Both Mrs. Hart and the Committee were to be jointly and severally liable for all transactions on the Visa account. The Audit staff reviewed credit card statements from September 1983 through October 1984.<sup>2/</sup>

<sup>2/</sup>According to Audit's review, during this period the balance of the original account was first transferred into a second credit card account (on January 31, 1984) and then subsequently into a third account (on March 27, 1984).

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The Committee received the monthly Visa bills and made all payments on the account. However, according to the terms of issuance of the Visa card, it appears that Mrs. Hart, as an authorized user, was personally obligated on each credit charge. The terms state,

The business and individual(s) listed herein understand that the business and authorized users will be held jointly and severally responsible for all transactions made on the account(s).

The language of the authorized user agreement is clear. Mrs. Hart incurred a personal obligation to pay the Visa bill. The form signed by Mrs. Hart allows the card-issuer to proceed against Mrs. Hart's personal assets, in the event that the Committee failed to pay its Visa bill.<sup>3/</sup>

The Office of General Counsel notes that the Audit Division in inquiring into when a contribution has occurred, has focused on the payment due date as the key date for credit card usage. In the past, the Audit Division has pursued only those instances where credit card bills submitted directly to the campaign committee go unpaid beyond the due date.

As a result, the Audit Division has identified three occasions where monthly account balances exceeded \$1000 and were

<sup>3/</sup>Before proceeding against Mrs. Hart, the collateral which was used to secure the line of credit, i.e., federal matching funds, would be looked to for payment.

not paid by the Committee within the payment time limits set forth by the card-issuer institution.

These are outlined in the chart below:

STATEMENT DATE	OVERDUE BALANCE <sup>4/</sup>	DUE DATE	PAYMENT DATE
November 2, 1983	\$3614.74	November 27, 1983	January 6, 1984
December 2, 1983	16,336.02	December 27, 1983	January 6, 1984
February 2, 1984	2298.00	February 27, 1984	March 16, 1984

However, such a practice by Audit is not supported by the Act and may lead to problems in application. When viewing credit card usage in the transactional terms of what is occurring, it is at the point of payment that the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual payer.

No provision of the Act or Commission regulations exempts or otherwise carves out an exception for credit card usage under the general rules which define the term "contribution." Although Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of time within normal business or trade practice, the Commission has

<sup>4/</sup>This figure reflects Audit's calculations of the amounts owed for the billing cycle by subtracting any payments and credits on the account for that cycle from the original balance.

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recognized that this limited exception is geared toward business and commercial vendors, i.e., those receiving payment for goods or services. The benefit of this specific exemption does not extend to an authorized card user who is not in a vendor-buyer relationship with the Committee.

The Commission should view a legal obligation as occurring from the moment the card holder uses the card, for purposes of the Act. In essence, the utilization of a credit card by the Committee is analogous to the receipt of a loan. The Committee receives a present benefit in return for the promise of future payment. In agreeing to the terms of the authorized user agreement, Mrs. Hart was in effect legally responsible to the Committee. A loan, under the Act, is a contribution at the moment the money is borrowed. The contribution is not "postponed" until actual repayment by the borrower. Similarly here, all credit card charges should be considered contributions at the time the card is presented for payment; the contributory aspect of the transaction is not lost until the date when (and if) the bill is unpaid beyond the billing date. Such an interpretation would, for example, permit a cardholder to charge goods or services totalling \$50,000 and pay the card issuer within the billing cycle without a contribution resulting, whereas a charge of \$2000 which was not paid until the expiration of the billing cycle, would result in an excessive contribution.

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Therefore, Mrs. Hart was making a contribution to the Committee, pursuant to 2 U.S.C. § 431(8)(A) and 11 C.F.R. § 100.7(a), each time the Visa card was tendered, because she was personally liable for the credit card balance. To the extent that the credit card charges exceeded \$1000, in the aggregate, Mrs. Hart had made a contribution to the Committee in excess of the limitation of 2 U.S.C. § 441a(a)(1)(A). Similarly, the Committee had accepted contributions in violation of FECA's limits. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that Mrs. Lee Hart violated 2 U.S.C. § 441a(a)(1)(A) and also that the Committee and Michael R. Moore, as treasurer, violated 2 U.S.C. § 441a(f).

**C. Expenditures In Excess of the Candidate's Limitation**

Section 431(9)(A)(i) of Title 2, United States Code defines the term "expenditure" to include any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value made by any person for the purpose of influencing any election for Federal office. Furthermore, no candidate shall knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election to the Office of President in excess of, in the aggregate, \$50,000. 26 U.S.C. § 9035(a).

In application of this provision, credit card liability by the candidate should not be treated in the same manner as is credit card liability by any other individual, including members

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of the candidate's immediate family. Instead, credit card liability incurred on a card issued to the candidate himself should be subject to a specific exception. Where expenditures are made using a credit card for which the candidate is jointly or solely liable, such expenditures should count against the limits of Section 9035 to the extent that the balance due is not paid by the date on which payment must be made according to the terms of the credit card agreement. Because the candidate may in effect be extending credit to the campaign if his/her committee does not pay the balance due by the payment date, this proposition provides that the failure to pay the outstanding charge by the payment due date will result in the use of such credit card counting against the \$50,000 expenditure limit.

Thus, a candidate's liability for credit card usage should be subject to an exception to the general rule that a contribution occurs at the moment payment for goods or services (in any form) is tendered. Instead, the key moment for the candidate, when an expenditure occurs, is upon expiration of the billing period. A credit card balance unpaid at this moment should be applied to the candidate's expenditure limitation.

On June 28, 1983, Gary Hart made a direct contribution of \$3,750 to the Committee. On July 27, 1983, Hart guaranteed a loan of \$45,000 to the Committee, bringing his contribution total

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to \$48,750. 5/ Therefore, as of July 27, 1983, the candidate had made two contributions for the purposes of the \$50,000 expenditure limitation of 26 U.S.C. § 9035(a) and, as of that date, could spend no more than \$1,250 without exceeding the personal limitation.

The Audit staff examined Hart's use of five credit card accounts and for two of those accounts noted occasions when the candidate apparently exceeded the limit of 26 U.S.C. § 9035(a). One card was a Visa account, and the other was an American Express.

The Visa card was issued in September, 1983 on the same terms (and in the same transaction) as the Visa Card issued to Mrs. Hart, as discussed above. Thus, this account was issued in the names of both the candidate and the committee, and each was to be held jointly and severally liable for all transactions made on the account. According to Audit's review of account statements available from October 1983 through October 1984, all payments on the account for qualified campaign expenses were made by the Committee.

However, the Audit Division identified nine occasions during the review period when the Committee failed to pay this Visa bill

5/ Hart obtained a release on this guarantee on February 14, 1984, and on the same date, borrowed another \$45,000, secured by a second mortgage on real property. The proceeds of this loan were lent to the committee, also on February 14, 1984.

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by its due date, and where the outstanding balance was greater than \$1250, as outlined below:

Due Date	Unpaid Balance <sup>6/</sup>
November 27, 1983	\$5074.54
December 27, 1983	5790.81
February 27, 1984	1461.72
April 27, 1984	2276.27
May 27, 1984	1817.91
June 29, 1984	1468.91
July 27, 1984	1496.47
August 27, 1984	1529.65
October 2, 1984	1355.59

Mr. Hart, by virtue of his joint and several liability, was, in effect, guaranteeing payment of the account. Under the analysis stated above, that where credit card bills submitted directly to the campaign committee go unpaid beyond the due date, a contribution results by the individual cardholder equal to the outstanding balance, Gary Hart was making contributions to the Committee.

The American Express card was the candidate's personal credit card, and as such any charges made on this account were the personal obligation of Senator Hart, to the extent that they were not paid by the Committee in a timely manner.<sup>7/</sup> The Audit

<sup>6/</sup>The Audit Division determined the account balances taking into consideration any payments made or credits due to the account.

<sup>7/</sup> The credit card issuer indicated on the billing statements that payment in full was to be made upon receipt of the statement, and to avoid any delinquency charge, payment was to be received approximately 22 days from the statement date.

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Division identified thirteen occasions on which the Committee did not timely pay the bill for this account and where the unpaid balance exceeded \$1250:

Due Date	Unpaid Balance <sup>8/</sup>
August 30, 1983	\$22,108.53
September 30, 1983	23,190.56
October 29, 1983	23,511.32
November 29, 1983	24,321.83
December 29, 1983	24,929.88
January 31, 1984	17,453.13
March 1, 1984	17,889.46
March 31, 1984	10,398.70
May 1, 1984	7,398.70
May 31, 1984	7,398.70
June 30, 1984	4,498.70
July 31, 1984	2,398.70
August 31, 1984	2,000.00

These unpaid balances were the personal obligations of the candidate. For each monthly statement which the Committee did not remit payment by the due date, Gary Hart was making a contribution to the Committee in the amount of the unpaid balance. When the amounts due to be paid for billing periods of the American Express account are added to the unpaid amounts for the Visa account for the same period, it is clear that Gary Hart, on several occasions was liable for more than \$1,250 in credit card charges. Thus, Gary Hart was making contributions in excess of \$1,250 to the Committee and in doing so was exceeding his

<sup>8/</sup> Although these figures reflect a declining unpaid balance, in actuality, the card issuer had cancelled the account on November 7, 1983, when the unpaid balance exceeded \$24,000.

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\$50,000 personal expenditure limitation under 26 U.S.C. § 9035(a) by the difference of the unpaid balance and \$1,250. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that Senator Gary Hart violated 2 U.S.C. § 9035(a).

**D. Prohibited Corporate Contributions**

Section 441b of Title 2, United States Code, states in relevant part, that it is unlawful for any corporation to make a contribution in connection with any election to any political office and for any candidate, political committee or other person knowingly to accept or receive any contribution prohibited by this section.

Section 100.7(a)(4) of Title 11, Code of Federal Regulations states that the extension of credit by any person for a length of time beyond normal business or trade practice is a contribution, unless the creditor has made a commercially reasonable attempt to collect the debt. A debt owed by a political committee which is forgiven or settled for less than the amount owed is a contribution unless such debt is settled in accordance with the standards set forth at 11 C.F.R. § 114.10.

Section 114.10(a) of Title 11, Code of Federal Regulations, states, in part, that a corporation may extend credit to a political committee in connection with a Federal election provided that the credit is extended in the ordinary course of the corporation's business.

timely fashion in the early stages of the campaign. Therefore, they argued, it was reasonable for them to continue to extend credit, even though the Committee had fallen behind on its payments.

The affidavits, however, were conclusory, and were not supported by any documentation to show past practices of these firms. According to the Audit Division, this extension of credit is not in keeping with the industry practice of accepting cash-only for spot buys. However, whether or not the initial extension of credit was in the ordinary course of business, corporate contributions may still have resulted had the firms not made commercially reasonable attempts to collect, pursuant to 11 C.F.R. 110.14(a). The Audit Division did not, however, request additional documentation on this matter.

The Office of General Counsel is of the opinion that the Audit Division's experience is sufficient to raise a question as to industry practice. Accordingly, this Office recommends that the Commission find reason to believe that Group III and Semper/Moser violated 2 U.S.C. § 441b by making prohibited corporate contributions, and the Committee and Michael Moore, as treasurer, violated 2 U.S.C. § 441b for accepting prohibited corporate contributions.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/ JOSHUA MCFADDEN *JM*

DATE: FEBRUARY 11, 1987

SUBJECT: OBJECTIONS TO MUR 2175-1'ST GENERAL COUNSEL'S RTP.  
SIGNED FEBRUARY 9, 1987

The above-captioned document was circulated to the Commission on Tuesday, February 10, 1987 at 11:00 A.M.

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

Commissioner Aikens \_\_\_\_\_  
Commissioner Elliott \_\_\_\_\_ X  
Commissioner Josefiak \_\_\_\_\_ X  
Commissioner McDonald \_\_\_\_\_  
Commissioner McGarry \_\_\_\_\_  
Commissioner Thomas \_\_\_\_\_

This matter will be placed on the Executive Session agenda for Wednesday, February 18, 1987.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / JOSHUA MCFADDEN *JM*

DATE: FEBRUARY 12, 1987

SUBJECT: OBJECTION TO MUR 2175-1'ST GENERAL COUNSEL'S RTP.  
SIGNED FEBRUARY 9, 1987

The above-captioned document was circulated to the Commission on Tuesday, February 10, 1987 at 11:00 A.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>          X          </u>
Commissioner McGarry	<u>                          </u>
Commissioner Thomas	<u>                          </u>

This matter will be placed on the Executive Session agenda for Wednesday, February 18, 1987.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / JOSHUA MCFADDEN *JM*

DATE: FEBRUARY 13, 1987

SUBJECT: OBJECTION TO MUR 2175-1'ST GENERAL COUNSEL'S RTP.  
SIGNED FEBRUARY 9, 1987

The above-captioned document was circulated to the Commission on Tuesday, February 10, 1987 at 11:00 A.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>          X          </u>
Commissioner McGarry	<u>                          </u>
Commissioner Thomas	<u>          X          </u>

This matter will be placed on the Executive Session agenda for Wednesday, February 18, 1987.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

MEMORANDUM TO: CHARLES N. STEELE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *JM*

DATE: FEBRUARY 13, 1987

SUBJECT: COMMENTS ON MUR 2175 - FIRST GENERAL COUNSEL'S REPORT  
SIGNED FEBRUARY 9, 1987

Attached is a copy of Commissioner Thomas's  
vote sheet with comments regarding the above-captioned matter.

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Attachment:  
copy of vote sheet

BALLOT

18

**CONFIDENTIAL**



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: TUESDAY, FEBRUARY 10, 1987 11:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFIAK, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY THURSDAY, FEBRUARY 12, 1987 11:00

SUBJECT: MUR 2175 - FIRST GENERAL COUNSEL'S REPORT  
SIGNED FEBRUARY 9, 1987

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- ( ) I approve the recommendation
- (✓) I object to the recommendation

COMMENTS: for discussion purposes

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DATE: 2/12/87 SIGNATURE [Signature]

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.  
PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.  
PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**SENSITIVE**

07 MAR 27 1987 5:29

March 27, 1987

MEMORANDUM

TO: The Commission  
FROM: Lawrence M. Noble *LMN*  
Acting General Counsel  
SUBJECT: MUR 2175

During Executive Session on February 24, 1987, the Commission made the following reason to believe determinations: that Gary Hart violated 26 U.S.C. § 9035(a); that Americans With Hart, Inc. and Michael Moore, as treasurer, violated 2 U.S.C. § 441a(f) and § 441b(a); and that Group III Communications, Inc. and Semper/Moser Associates, Inc. violated 2 U.S.C. § 441b(a).

Also on February 24, 1987, the Commission directed the Office of General Counsel to draft the appropriate letters and factual and legal analyses. Attached are the revised letters and factual and legal analyses for Gary Hart, Americans With Hart and Michael Moore, as treasurer, Group III Communications, Inc. and Semper/Moser Associates, Inc. 1/

RECOMMENDATION

1. Approve the attached letters and factual and legal analyses.

Attachments

1. Letters
2. Factual and legal analyses

1/ Because the Commission decided to take no action at this time with regard to Lee Hart, no letter will be sent to her. Should the Commission subsequently determine to take action with regard to Lee Hart, she will be notified at that time.

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FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE  
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *JM*

DATE: MARCH 31, 1987

SUBJECT: COMMENTS TO MUR 2175 - MEMORANDUM TO THE COMMISSION  
DATED MARCH 27, 1987

Attached is a copy of Commissioner Elliott's  
vote sheet with comments regarding the above-captioned matter.

Attachment:  
copy of vote sheet

83040723956

BALLOT

SENSITIVE



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: MONDAY, MARCH 30, 1987 11:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFIK, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY WEDNESDAY, APRIL 1, 1987 11:00

SUBJECT: MUR 2175 - MEMORANDUM TO THE COMMISSION  
DATED MARCH 27, 1987

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FEDERAL ELECTION COMMISSION SECRETARY

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- ( ) I approve the recommendation
- (X) I object to the recommendation

COMMENTS: For the record

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DATE: 3-30-87 SIGNATURE Leona Elliott

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.  
PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.  
PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.



BALLOT

SENSITIVE



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: MONDAY, MARCH 30, 1987 11:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFLAK, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY WEDNESDAY, APRIL 1, 1987 11:00

SUBJECT: MUR 2175 - MEMORANDUM TO THE COMMISSION  
DATED MARCH 27, 1987

97 APR 1 11:00

COMMUNICATIONS SECTION

- ( ) I approve the recommendation
- (✓) I object to the recommendation

COMMENTS: for the record only

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DATE: 4/1/87 SIGNATURE [Signature]

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.  
PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.  
PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Americans With Hart, Inc. )  
Michael Moore, treasurer ) MUR 2175  
Gary W. Hart )  
Lee L. Hart )  
Semper/Moser Associates, Inc. )  
Group III Communications, Inc. )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of February 24, 1987, do hereby certify that the Commission took the following actions in MUR 2175:

1. Decided by a vote of 6-0 to find reason to believe that Americans With Hart, Inc. and Michael R. Moore, as treasurer, violated 2 U.S.C. § 441b(a)

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

2. Decided by a vote of 4-2 to reject recommendation Number 2 in the General Counsel's report and take no action on it at this time.

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

(continued)

83040723959

BALLOT

SENSITIVE



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: MONDAY, MARCH 30, 1987 11:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFIK, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY WEDNESDAY, APRIL 1, 1987 11:00

SUBJECT: MUR 2175 - MEMORANDUM TO THE COMMISSION  
DATED MARCH 27, 1987

97 APR 1 11:00  
COMMUNICATIONS SECTION  
FEDERAL ELECTION COMMISSION

38040723960

- ( ) I approve the recommendation
- (✓) I object to the recommendation

COMMENTS: for the record only.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE: 4/1/87 SIGNATURE [Signature]

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.  
PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.  
PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.

3. Decided by a vote of 5-1 to find reason to believe that Gary Hart violated 26 U.S.C. § 9035(a) with reference to the personal credit card used by him.

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

4. Decided by a vote of 6-0 to
- a) Find reason to believe that Group III Communications, Inc. violated 2 U.S.C. § 441b(a).
  - b) Find reason to believe that Semper/Moser Associates, Inc. violated 2 U.S.C. § 441b(a).

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

5. Decided by a vote of 5-1 to find reason to believe that Americans With Hart, Inc. and Michael R. Moore as treasurer, violated 2 U.S.C. § 441a(f).

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

(continued)

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6. Decided by a vote of 6-0 to direct the Office of General Counsel to draft appropriate letters and appropriate factual and legal analyses and circulate them to the Commission for approval on a tally vote basis.

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

Attest:

2-26-87

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

88040723962

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Gary Hart, Americans With Hart, Inc., and ) MUR 2175  
Michael Moore, treasurer )  
 )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 1, 1987, the Commission decided by a vote of 4-2 to approve the letters and factual and legal analysis, as recommended in the Memorandum to the Commission dated March 27, 1987.

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

Attest:

4-1-87

Date

*Marjorie W. Emmons*

Marjorie W. Emmons  
Secretary of the Commission

Received in the Office of Commission Secretary: Fri., 3-27-87, 5:29  
Circulated on 48 hour tally basis: Mon., 3-30-87, 11:00  
Deadline for vote: Wed., 4-01-87, 11:00

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 9, 1987

*plm*

Michael Moore, treasurer  
Americans With Hart, Inc.  
707 17th Street  
Suite 3800  
Denver, Colorado 80202

RE: MUR 2175  
Americans With Hart, Inc. and  
Michael Moore, treasurer

Dear Mr. Moore:

On February 24, 1987, the Federal Election Commission determined there is reason to believe that Americans With Hart, Inc. and you, as treasurer, violated 2 U.S.C. § 441a(f) and § 441b(a), provisions 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 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 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 Chris Petersen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures

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

cc: Senator Gary Hart

83740723965



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 9, 1987

*plm*

Peter A. Semper  
Semper/Moser Associates, Inc.  
1744 West Washington Blvd.  
Venice, California 90291

RE: MUR 2175  
Semper/Moser Associates, Inc.

Dear Mr. Semper:

On February 24, 1987, the Federal Election Commission determined there is reason to believe that Semper/Moser Associates, Inc. violated 2 U.S.C. § 441b(a), 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 Semper/Moser Associates, 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 Semper/Moser Associates, Inc., 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 Chris Petersen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures

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

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plm



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 9, 1987

Group III Communications, Inc.  
921 Crawford Parkway  
Portsmouth, Virginia 23704

RE: MUR 2175  
Group III Communications, Inc.

Dear Sirs:

On February 24, 1987, the Federal Election Commission determined there is reason to believe that Group III Communications, Inc. violated 2 U.S.C. § 441b(a), 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 Group III Communications, 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 Group III Communications, Inc., 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 Chris Petersen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures

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

88040723959



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 9, 1987

The Honorable Gary W. Hart  
836 Dexter Street  
Denver, Colorado 80220

RE: MUR 2175  
Senator Gary W. Hart

Dear Senator Hart:

On February 24, 1987, the Federal Election Commission determined there is reason to believe you violated 26 U.S.C. § 9035(a), a provision of 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. 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 you, 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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*Plan*

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 Chris Petersen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures

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

cc: Americans With Hart, Inc.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Mrs. Lee Hart  
836 Dexter Street  
Denver, Colorado 80220

RE: MUR 2175  
Lee Hart

Dear Mrs. Hart:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission ("Commission") considered the issue of whether you violated 2 U.S.C. § 441a(a)(1)(a), a provision of the Federal Election Campaign Act of 1971, as amended, (the "Act"), by making a contribution in excess of the Act's limitations to Americans With Hart, Inc. On February 24, 1987, the Commission decided to take no action at this time.

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

98040723972

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QCC# 3176

87 APR 22 10: 04

STEPTOE & JOHNSON

ATTORNEYS AT LAW

1330 CONNECTICUT AVENUE

WASHINGTON, D. C. 20036

ROGER E. WARIN  
(202) 429-6280

April 20, 1987

Chris L. Petersen, Esquire  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2175

Dear Chris:

I am writing to confirm our conversation of this afternoon. As I told you at that time, we have been retained to represent Group III Communications in connection with MUR 2175. I am in the process of having my client execute the Designation of Counsel form.

As agreed, we will meet with you at your office on Monday, April 27, at 2:00 p.m. At that time, I will bring with me the executed Designation of Counsel form, as well as a request for extension of time to respond to the Commission's April 9 Reason to Believe notice. Thank you for your cooperation.

Very truly yours,



Roger E. Warin

csd

87 APR 22 10: 15

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

33040723973

6cc 3189

STEPTOE & JOHNSON

ATTORNEYS AT LAW

1330 CONNECTICUT AVENUE

WASHINGTON, D. C. 20036

ROGER E. WARIN  
(202) 429-6280

April 23, 1987

Chris Petersen, Esquire  
General Counsel's Office  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2175  
Group III Communications, Inc.

87 APR 24 9:49

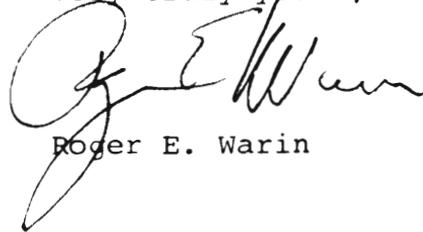
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OFFICE OF THE  
GENERAL COUNSEL

Dear Chris:

I am writing to confirm our telephone conversations of Monday, April 20, and Thursday, April 23. As I informed you, I have been retained to represent Group III Communications, Inc., in connection with MUR 2175. My client received the Commission's letter of April 9 on Thursday, April 16. According to the letter, Group III would have fifteen days until Friday, May 1, to respond. Because I have only recently been retained to assist in connection with this matter, and because it will be necessary for my client to review and gather a significant number of documents concerning its past dealings with Americans With Hart, Inc., I hereby request an extension of twenty days until May 21 to respond to the Commission's letter.

Thank you for your consideration in this regard.

Very truly yours,



Roger E. Warin

csd

93040723074

GCC 3188

LAW OFFICES  
**SONOSKY, CHAMBERS & SACHSE**

1050 31<sup>ST</sup> STREET, N.W.  
WASHINGTON, D.C. 20007  
(202) 342-9131

ANCHORAGE OFFICE  
SUITE 700  
900 WEST FIFTH AVENUE  
ANCHORAGE, ALASKA 99501  
(907) 258-6377  
TELECOPIER (907) 272-8332

MARVIN J. SONOSKY  
HARRY R. SACHSE  
REID PEYTON CHAMBERS  
WILLIAM R. PERRY  
LLOYD BENTON MILLER\*  
DONALD J. SIMON  
DOUGLAS B. L. ENDRESON\*\*

KEVIN A. GRIFFIN  
MARY V. BARNEY  
LOUISE LYNCH

OF COUNSEL  
LOFTUS E. BECKER, JR.  
ROGER W. DUBROCK

April 23, 1987

\*RESIDENT PARTNER, ANCHORAGE OFFICE  
\*\*ADMITTED IN WISCONSIN

97 APR 23 P 3: 51

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

HAND DELIVERED

Chris Petersen, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, D.C. 20463

Re: MUR 2175

Dear Mr. Petersen:

I am enclosing a Statement of Designation of Counsel on behalf of Senator Gary Hart, Michael R. Moore and Americans with Hart, Inc., respondents in the above-captioned MUR. By letter dated April 9, 1987, we were notified that the Commission had made a reason to believe finding in this matter. We received this notification on April 13, 1987. Our response in this matter is accordingly due on April 28, 1987.

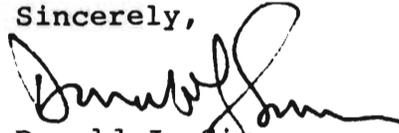
I am hereby requesting that you grant an extension of twenty days in order for us to submit our response in this matter. This extension is warranted given the complexity of the three matters involved in the MUR, and our desire to present a comprehensive response to the Commission. Since the audit report from which the MUR matters were referred was adopted almost ten months ago, on June 26, 1986, I believe that an additional delay of merely twenty days for the Committee to respond will not prejudice an expeditious resolution of the matter.

93040728975

Chris Peterson, Esq.  
April 23, 1987  
Page 2

A grant of this request will move the date of our response to May 18, 1987. Please contact me as to your Office's decision on this request.

Sincerely,



Donald J. Simon  
Counsel for Senator Gary Hart,  
Americans with Hart, Inc. and  
Michael R. Moore

DJS/cmt  
Enclosure

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**STATEMENT OF DESIGNATION OF COUNSEL**

**MUR** 2175

**NAME OF COUNSEL:** Donald J. Simon

John M. Quinn

**ADDRESS:** Sonosky, Chambers & Sachse

Arnold & Porter

1050 31st Street, N.W.

1200 New Hampshire Ave, N.W.

Washington, D.C. 20007

Washington, D.C. 20036

**TELEPHONE:** (202) 342-9131

(202) 872-6904

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.

April 13, 1987

Date

*Michael R. Moore*

Signature

**RESPONDENT'S NAME:** Michael R. Moore

**ADDRESS:** Americans With Hart, Inc.

707 17th Street, Suite 3800

Denver, Colorado 80202

**HOME PHONE:** (303) 761-2430

**BUSINESS PHONE:** (303) 297-9500

88040723977

CCC 3199

ATTORNEYS AT LAW

# SWANKIN & TURNER

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEHRFELD  
MARY ELLEN R. FISE

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

April 24, 1987

Mr. Chris Petersen  
Federal Election Commission  
Washington, DC 20463

RE: MUR 2175  
Semper-Moser Associates, Inc.

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OFFICE OF THE  
GENERAL COUNSEL  
87 APR 24 P 2: 58

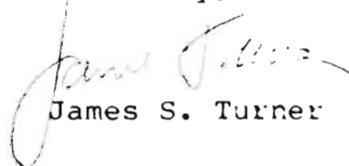
Dear Mr. Petersen,

This letter requests an extension of time to respond to FEC notice MUR 2175, Semper-Moser Associates, Inc., dated April 9, 1987, until May 11, 1987. Enclosed please find a designation of counsel appointing James S. Turner and Betsy E. Lehrfeld as legal representatives of Semper-Moser executed by Mr. Peter Semper, president of Semper-Moser.

We request this extension on behalf of Mr. Semper and his company because Mr. Semper did not receive his copy of the documents in this matter until April 23, 1987 and we as his attorneys did not receive the papers until April 24, 1987. May 11, 1987 is the first Monday after the 15th day from the date of my receipt of these papers.

Substantively, the questions raised in this matter are complex and require the development of complicated documentary files, a task which will take the better part of the time of the extension sought. Thank you for your consideration.

Sincerely,

  
James S. Turner

cc: Mr. Peter Semper

8804072078

**STATEMENT OF DESIGNATION OF COUNSEL**

**MUR** 2175

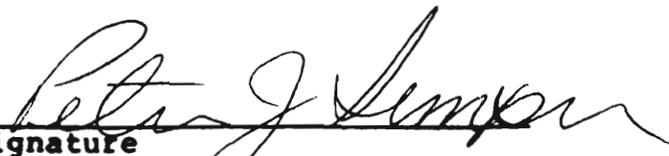
**NAME OF COUNSEL:** JAMES TURNER or BETSY LEHRFELD

**ADDRESS:** SWANKIN & TURNER  
1424 16th St. N.W. Suite 105  
Washington D.C. 10036

**TELEPHONE:** (202) 462-8800

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.

4/23/87  
**Date**

  
**Signature**  
Peter J. Semper  
President

**RESPONDENT'S NAME:** SIMPER MOSER ASSOCIATES, INC.  
**ADDRESS:** 15576 Washington Blvd. Suite 7  
Los Angeles, Ca. 90066-5108

**HOME PHONE:** (805) 969-9772  
**BUSINESS PHONE:** (213) 825-5588

38040723979



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 29, 1987

Donald Simon, Esquire  
Sonosky, Chambers & Sachse  
1050 31st Street, N.W.  
Washington, D.C. 20007

RE: MUR 2175  
Senator Gary Hart  
Americans with Hart, Inc.  
and Michael R. Moore, as  
treasurer

Dear Mr. Simon:

This is in response to your letter dated April 23, 1987, requesting an extension of 20 days to respond to the Commission's reason to believe finding in MUR 2175. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on May 18, 1987.

If you have any questions, please contact Chris Petersen, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
Acting General Counsel

*George F. Rishel*  
By: George F. Rishel  
Acting Associate General Counsel

88040723980



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 29, 1987

Mr. Roger E. Warin, Esquire  
Steptoe & Johnson  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036

RE: MUR 2175  
Group III Communications, Inc.

Dear Mr. Warin:

This is in response to your letter dated April 23, 1987, which we received on April 24, 1987, requesting an extension until May 21, 1987 to respond to the Commission's reason to believe finding in MUR 2175. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on May 21, 1987.

If you have any questions, please contact Chris Petersen, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
Acting General Counsel

*George F. Rishel*  
By: George F. Rishel  
Acting Associate General Counsel

88040723981

*rlm*

STATEMENT OF DESIGNATION OF COUNSEL

BCC 3275  
RECEIVED AT THE FEC

87 MAY 1 AM: 88

MUR 2175

NAME OF COUNSEL: Roger F. Warin

ADDRESS: Stephoe & Johnson

1330 Connecticut Avenue, N.W.

Washington, D.C. 20036

TELEPHONE: 429-6280

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.

98040723982

4/27/87  
Date

[Signature]  
Signature

RESPONDENT'S NAME: Dave Iwans

ADDRESS: Group III Communications, Inc.

600 Crawford Street

Portsmouth, Virginia 23704

HOME PHONE: \_\_\_\_\_

BUSINESS PHONE: (804) 397-9148

QCC# 3309

ATTORNEYS AT LAW

# SWANKIN & TURNER

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEHRFELD  
MARY ELLEN R. FISE

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

May 5, 1987

Mr. Chris Petersen  
Federal Election Commission  
Washington, DC 20463

RE: MUR 2175  
Semper-Moser Associates, Inc.

Dear Mr. Petersen,

This letter requests an extension of time to respond to FEC notice MUR 2175, Semper-Moser Associates, Inc., dated April 9, 1987, until May 25, 1987.

We request this extension on behalf of Mr. Semper and his company because of the difficulty of retrieving stored records from the time period in question.

We have previously requested that the date for Mr. Semper's response be established as May 11, 1987, since he did not receive his copy of the documents in this matter until April 23, 1987 and Mr. Turner and I as his attorneys did not receive the papers until April 24, 1987. This request is for an extension to two weeks thereafter.

Thank you for your consideration.

Sincerely,

  
Betsy E. Lehrfeld

cc: Mr. Peter Semper

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GENERAL COUNSEL

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87 MAY 14 9:00

LAW OFFICES  
**SONOSKY, CHAMBERS & SACHSE**  
1050 81<sup>ST</sup> STREET, N.W.  
WASHINGTON, D.C. 20007  
(202) 342-9131

ANCHORAGE OFFICE  
SUITE 700  
900 WEST FIFTH AVENUE  
ANCHORAGE, ALASKA 99501  
(907) 258-6377  
TELECOPIER (907) 272-8332

MARVIN J. SONOSKY  
HARRY R. SACHSE  
REID PEYTON CHAMBERS  
WILLIAM R. PERRY  
LLOYD BENTON MILLER\*  
DONALD J. SIMON  
DOUGLAS B. L. ENDRESON\*\*

KEVIN A. GRIFFIN  
MARY V. BARNEY  
LOUISE LYNCH  
  
OF COUNSEL  
LOFTUS E. BECKER, JR.  
ROGER W. DUBROCK

May 12, 1987

\*RESIDENT PARTNER, ANCHORAGE OFFICE  
\*\*ADMITTED IN WISCONSIN

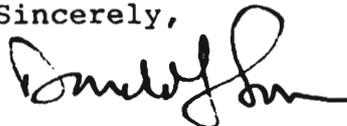
Chris Petersen, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Steet N.W.  
Washington, D.C. 20463

Re: MUR 2175

Dear Mr. Petersen:

I am enclosing a Designation of Counsel signed by  
Senator Gary Hart in the above-referenced matter.

Thank you.

Sincerely,  
  
Donald J. Simon

DJS/cmt  
Enclosure

93040723984

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MAY 14 1987

**STATEMENT OF DESIGNATION OF COUNSEL**

**MUR** 2175

<b>NAME OF COUNSEL:</b>	<u>Donald J. Simon</u>	<u>John M. Quinn</u>
<b>ADDRESS:</b>	<u>Sonosky, Chambers &amp; Sachse</u>	<u>Arnold &amp; Porter</u>
	<u>1050 31st Street, N.W.</u>	<u>1200 New Hampshire Ave, NW</u>
	<u>Washington, D.C. 20007</u>	<u>Washington, D.C. 20036</u>
<b>TELEPHONE:</b>	<u>(202) 342-9131</u>	<u>(202) 872-6904</u>

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.

\_\_\_\_\_  
Date

Gary Hart  
Signature

**RESPONDENT'S NAME:** Gary Hart

**ADDRESS:** 1600 Downing Street  
Denver, Colorado 80218

**HOME PHONE:** \_\_\_\_\_

**BUSINESS PHONE:** (303) 544-1988

83040723985

CCC# 3348

LAW OFFICES  
**SONOSKY, CHAMBERS & SACHSE**

1050 31ST STREET, N.W.  
WASHINGTON, D.C. 20007  
(202) 342-9131

ANCHORAGE OFFICE  
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KEVIN A. GRIFFIN  
MARY V. BARNEY  
LOUISE LYNCH

OF COUNSEL  
LOFTUS E. BECKER, JR.  
ROGER W. DUBROCK

May 12, 1987

\*RESIDENT PARTNER, ANCHORAGE OFFICE  
\*\*ADMITTED IN WISCONSIN

HAND DELIVERED

Lawrence M. Noble, Esq.  
General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, D.C. 20463

Re: MUR 2175

Dear Mr. Noble:

I am counsel for Senator Gary Hart, Americans with Hart, and Michael R. Moore, respondents in the above-referenced matter.

I am writing to request an additional extension of time of 30 days in which to file a response to the reason to believe finding in this MUR. Our response is currently due on May 18.

As is obvious from recent press accounts, Senator Hart and his 1988 campaign have undergone great disruption over the past ten days. Under these circumstances, it is difficult to compile the evidence needed to complete our submission to the Commission in response to the MUR. This evidence includes both documentation and affidavits in support of the respondents' positions. Many of the proposed affiants have been involved with the 1988 campaign and are distracted by the recent events affecting that campaign.

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MAY 12 1987

Lawrence M. Noble, Esq.  
May 12, 1987  
Page 2

Accordingly, I request that the time for submission of the response to this MUR be extended to June 18, 1987.

Thank you.

Sincerely,



Donald J. Simon

DJS/cmt

Copy to:

Chris Peterson, Esq.  
Michael R. Moore

38040725987

**STEPTOE & JOHNSON**

ATTORNEYS AT LAW

1330 CONNECTICUT AVENUE  
WASHINGTON, D. C. 20036

87 MAY 14 8:49

ROGER E. WARIN  
(202) 429-6280

May 13, 1987

Chris Petersen, Esquire  
General Counsel's Office  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2175

Dear Chris:

I am writing on behalf of Group III Communications, Inc., to request a further extension of time to respond to the Commission's reason to believe letter of April 9, 1987. That letter indicated that the Commission had found reason to believe that Group III and Americans With Hart had violated Section 441b of the Act by making and receiving respectively a prohibited corporate contribution.

In order to submit all of the facts to the Commission so as to demonstrate that there was no violation of law, it has been necessary for us to gather records of transactions which took place more than four years ago, and to try to contact witnesses who participated in those transactions. Many of the witnesses are current or former employees of Gary Hart's presidential campaign. Because of recent events affecting that campaign, we have been unable to obtain the time, attention and cooperation from those individuals that we will need in order to submit a full and complete record to the Commission. We have only recently been informed that the Hart campaign has, itself, requested a thirty-day extension to respond to the Commission's reason to believe determination. We, therefore, request a similar extension of time to respond to the Commission's request.

Thank you for your consideration.

Very truly yours,



Roger E. Warin

csd

cc: Larry Noble

88040723988

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 14, 1987

Betsy E. Lehrfeld, Esquire  
Swankin & Turner  
Suite 105  
1424 16th Street, N.W.  
Washington, D. C. 20036

RE: MUR 2175  
Semper-Moser Associates, Inc.

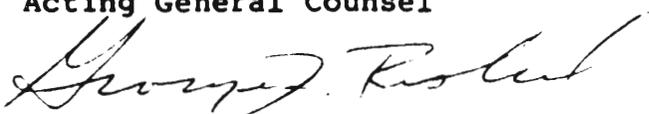
Dear Ms. Lehrfeld:

This is in response to your letter dated May 5, 1987, requesting an extension of two weeks to respond to the Commission's reason to believe finding in MUR 2175. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on May 26, 1987.

If you have any questions, please contact Celia Jacoby, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
Acting General Counsel

  
By: George F. Rishel  
Acting Associate General  
Counsel

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**SENSITIVE**



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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COMMUNICATIONS SECRETARY  
D

May 15, 1987

MEMORANDUM

TO: The Commission  
FROM: Lawrence M. Noble *LMN*  
Acting General Counsel  
SUBJECT: MUR # 2175 - Request for Extension of Time

By letter dated May 13, 1987, Roger E. Warin, counsel for and on behalf of Group III Communications, Inc., requested an extension of thirty (30) days in which to respond to the Commission's finding of reason to believe (Attachment 1). The letter explains that the compilation of evidence necessary to respond requires the cooperation of persons who have been involved with Senator Hart's 1988 presidential campaign. The recent events involving that campaign have interrupted the gathering of information. This is the second request for additional time to respond. The response from Group III Communications, Inc. is currently due on May 21.

The Office of the General Counsel recommends that the Commission grant the requested extension of time to respond.

RECOMMENDATIONS

1. Grant an extension of thirty (30) days to Group III Communications, Inc.
2. Approve and send the attached letter.

Attachments

1. Request for Extension
2. Letter

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Group III Communications, Inc. ) MUR 2175

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 20, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2175:

1. Grant an extension of thirty (30) days to Group III Communications, Inc., as recommended in the General Counsel's Memorandum to the Commission dated May 15, 1987.
2. Approve and send the letter, as recommended in the General Counsel's Memorandum to the Commission dated May 15, 1987.

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

Attest:

5-20-87  
Date

*Marjorie W. Emmons*  
Marjorie W. Emmons  
Secretary of the Commission

Received in the Office of Commission Secretary: Fri., 5-15-87, 2:16  
Circulated on 48 hour tally basis: Mon., 5-18-87, 11:00  
Deadline for vote: Wed., 5-20-87, 11:00

98040723991



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 26, 1987

Donald J. Simon, Esquire  
Sonosky, Chambers & Sachse  
1050 31st Street, N.W.  
Washington, D. C. 20007

RE: MUR 2175  
Senator Gary Hart,  
Americans for Hart, Inc.,  
and Michael R. Moore,  
as treasurer

Dear Mr. Simon:

This is in response to your letter dated May 12, 1987, which we received on May 12, 1987, requesting an extension of thirty (30) days to respond to the Commission's reason to believe finding. After considering the circumstances presented in your letter, the Federal Election Commission has granted the requested extension. Accordingly, your response is due by close of business on June 18, 1987.

If you have any questions, please contact Celia L. Jacoby, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
Acting General Counsel

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ATTORNEYS AT LAW

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEHRFELD  
MARY ELLEN R. FISE

CCC# 3469

May 26, 1987

Mr. Scott E. Thomas  
Chairman  
Federal Election Commission  
Washington, DC 20463

RE: MUR 2175  
Semper-Moser Associates, Inc.

Dear Chairman Thomas:

By letter dated April 9, you notified Semper-Moser Associates, Inc. ("Semper-Moser") that on February 24, 1987, the Federal Election Commission ("the Commission") had determined there was reason to believe that Semper-Moser violated 2 U.S.C. 441b(a), enclosing the General Counsel's factual and legal analysis and a description of preliminary procedures, and advising Semper-Moser to direct inquiries to Chris Petersen, the attorney assigned to this matter.

On April 24, 1987 James S. Turner of our firm responded to your letter by requesting Mr. Petersen to take notice of the fact that your letter was not received by Semper-Moser until April 23, 1987 and by us as his attorneys until April 24, 1987. At that time Semper-Moser also filed a Statement of Designation of Counsel naming James S. Turner or myself to act as its attorneys in this matter.

On May 5, 1987 I requested an extension of time to respond to your notice, which was extended by letter dated May 14, 1987 to May 26, 1987. That letter also informed us that Celia Jacoby is currently the attorney assigned to this matter.

Semper-Moser denies that its actions constitute a violation of 2 U.S.C. 441b(a) and in support of its position submits the enclosed Memorandum in Response with attachments. With the exception of the affidavit of Peter J. Semper, all the material enclosed is being presented to the Commission for the first time.

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GENERAL COUNSEL  
87 MAY 28 3:00

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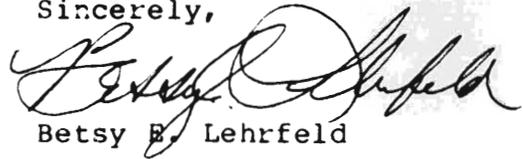
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The enclosed material contains trade secrets and commercial and financial information that is privileged and confidential and is presented to the Commission in the expectation of confidentiality. Semper-Moser asserts its right to require that such information not be disclosed by the Commission pursuant to 5 U.S.C. Sec. 552(b)(4), the "trade secrets" exemption to the Freedom of Information Act.

Please feel free to contact me for more information. We anticipate a favorable response once your staff has the opportunity to review these materials.

Sincerely,



Betsy E. Lehrfeld

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BEFORE THE FEDERAL ELECTION COMMISSION

RESPONSE TO COMMISSION'S FINDING THAT  
THERE IS REASON TO BELIEVE  
A VIOLATION OF 2 U.S.C. 441B(a)  
WAS COMMITTED BY  
SEMPER-MOSER ASSOCIATES, INC.

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SUMMARY OF COMMISSION'S FINDINGS

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According to the General Counsel's Factual and Legal Analysis, which formed the basis for the Commission's findings, there were two grounds for finding the existence of reason to believe the actions of Semper-Moser in extending credit to the Americans With Hart Committee ("the Committee) were corporate contributions in violation of the statute. First, the audit division found industry practice to be to require cash payment for spot buys of media time, and in the absence of documentation to the contrary, concluded this extension of credit was not in the ordinary course of business. Second, again in the absence of documentation, it did not find commercially reasonable attempts to collect.

RESPONSE

I. Statement of Facts

Semper-Moser is a full service advertising and public relations firm located in Los Angeles, California. On March 7, 1984 Semper-Moser entered into an agreement with the Committee for the purchase of media time and subsequently purchased media in six states (Oklahoma, Nevada, Missouri, Montana, Washington and Wyoming). A copy of the signed agreement ("the agreement") is attached hereto as Exhibit A., pp. 1-5. A summary of the media purchases is attached as Exhibit B, p. 6. (Exhibits are indicated alphabetically; all pages in the attachment, however, are numbered consecutively for ease of reference.)

The agreement called for extension of credit of sixty days;

thereafter, unpaid balances would be charged 1.5% interest per month. The agreement further called for 15% commission to Semper-Moser. The media time was purchased through a media time-buying service with payment in advance by Semper-Moser.

It is in the nature of Semper-Moser's business to advance costs provided payment is made by the client within the terms of the invoice or longer with payment of monthly interest. Interest is charged as a penalty for late payment, not as a means of extending credit. The ability to advance costs for a short period is an important aspect of the business. See Exhibit C, pp. 7-72.

On March 28, 1987 Semper-Moser contacted the Committee by telephone to see what progress there was on the expected funds, and when it could expect payment, but was told there would be some delay. (Semper-Moser was unaware, but its collection efforts have subsequently disclosed, that the Committee borrowed \$3.5 million from National Bank of Washington on March 19, 1987, pledging as security, inter alia, payments from the Presidential Primary Matching Payment Account, as well as funds from fundraisers and direct mail.) Semper-Moser was repeatedly told the Committee had no money but expected to have shortly, during the three-plus years it has tried to collect this debt -- during which time, FEC records disclose, the Committee paid off or settled debts of approximately \$3 million, including all but about \$500,000 of its debt to National Bank of Washington.

In light of this nonpayment, Semper-Moser neither solicited nor did any further business with the Committee. All subsequent contacts were initiated by Semper-Moser for purposes of debt collection.

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The record of Semper-Moser's collection efforts is attached at Exhibit D, pp. 73-242. On February 13, 1985 the Committee paid \$2,363.00, on threat of attachment. No further payments have been made.

On November 24, 1986 a default judgment was entered against the Committee in United States District Court for the District of Columbia (Civil Action No. 86-2711, attached at Ex. D, p. 225-242), in the amount of \$162,754.57 (as amended December 15, 1986). In its effort to collect, Semper-Moser registered its judgment in California and Colorado. On April 15, 1987 Semper-Moser directed the United States Marshal in Los Angeles, California to seize funds from two fundraisers; these funds, approximately \$30,000, are being held by the court until a hearing on third party claims which is scheduled for July 13, 1987. Semper-Moser is pursuing collection action in Denver with respect to funds in a bank account there. In Washington, D.C., attachments served on the National Bank of Washington have revealed the existence of approximately \$45,000 in funds plus substantial physical collateral. Semper-Moser has filed a motion for judgment of condemnation of these funds and property which is being opposed by the bank. National Bank of Washington has also filed a third party claim to the funds in California, based on an alleged security interest therein.

On April 17, 1987, Semper-Moser's attorneys met with attorneys and representatives of the Committee to discuss a repayment schedule; no agreement was reached but negotiations continued until Senator Hart's withdrawal. On April 23, 1987, Mr.

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Semper received notice of this investigation.

On May 8, 1987 Mr. Hart withdrew from the 1988 Presidential campaign race and no further discussions with the Committee have taken place except with reference to the legal actions underway.

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## II. Analysis

### A. The Extension of Credit by Semper-Moser to the Committee Was Not for a Length of Time Beyond its Normal Business Practice and Was in the Ordinary Course of Business.

Examples of similar commercial arrangements of Semper-Moser, including invoices for payment showing dates of payment are attached at Ex. C, pp. 7-72. These demonstrate that its normal business practice was to extend credit from 30 to 180 days or more, provided the monthly interest penalty was paid.

Mr. Semper initially proposed his standard thirty day payment clause to the Committee, but was persuaded that since the Committee was certain the federal matching funds from which he would be paid would be received "within 45 days maximum," it was unfair to impose an interest penalty that the Committee could not avoid for a payment that would be, he was repeatedly assured, no more than two weeks late.

At the time the contract with the Committee was signed, Mr. Semper hoped for an ongoing commercial relationship with the Committee. Mr. Hart had recently won the New Hampshire primary, the California primary was coming up and California was an important state for the campaign. The Committee represented that it would be raising large amounts of money, in California and elsewhere, in addition to the federal election funds it expected, and presented itself as a sound business opportunity.

Mr. Semper and his company had never worked for a politician or political campaign before, and saw no reason to think this was not a ordinary business opportunity. While subsequent events have caused Mr. Semper to suspect the Committee may never have intended to pay him in a full or timely manner, he had no reason to

nor did he think so at the time the contract was entered into and performed. While Mr. Semper has a long background in the advertising field, he was and remains unaware of any industry practice such as that cited by the Commission's audit division, whereby advertising agencies do not extend credit to political campaigns. It is his understanding that credit is extended in business on the basis of a reasonable belief in the ability to repay and the integrity of the client, both of which appeared to him secure in the case of Senator Hart's campaign.

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B. Semper-Moser Made Commercially Reasonable Attempts to Collect the Debt.

The following chronology amply demonstrates the substantial and continual efforts made by Semper-Moser to collect this debt.

- 3/7/84 Letter of Agreement signed. Ex. A, pp. 1-5.
- 3/28-12/85 Frequent telephone calls by Semper-Moser employees and attorneys, during which the Committee made assurances that payment would be forthcoming soon, from one set of funds or another.
- 12/85 Negotiations between Milton Davis, attorney for Semper-Moser resulting in agreement to pay 18% of California-raised funds.
- 2/4/85 Invoice from Davis and Davis, attorneys, for services related to collection efforts
- 2/6/85 Personal letter from Gary Hart to Mr. Semper, promising to pay debt soon.
- 2/12/85 Letter from Milton Davis, attorney, to James Dwinell, referencing agreement reached December 14, 1984, assigning funds to payment of debt
- 2/20/85 Letter from Peter Semper to Milton Davis, evidencing receipt of \$2,363
- 3/28/85 Inter-Office Memo of Semper-Moser directing office manager to call the Committee regularly and inquire about payment
- 3/28-4/4 Notes of telephone calls to Scott Van Hove of Committee
- 4/4/85 Letter to Mr. Van Hove in response to his statement that he was unaware of the interest due on this debt
- 4/8/85 First draft of complaint to be filed in U.S. District Court for the District of Columbia
- 4/13/85 Invitation to Gary Hart gathering, which Mr. Semper attended, speaking to Mike Novelli, finance chairman for the Committee, and John Emerson, believed to be its California chairman
- 5/15/85 Letter from Ms. Lehrfeld to Mr. Novelli, containing agreement negotiated with the Committee for payment (never signed)

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6/18/85 Copy of revised agreement, after negotiation, sent to Scott Van Hove by Ms. Lehrfeld

8/6/85 Invoice summary showing interest accruing on unpaid interest invoices, with cover note from Teri Semper

8/28/85 Letter from Les J. Weinstein, attorney, to Senator Hart indicating that further nonpayment and poor treatment of Semper-Moser would have the gravest consequences

9/4/85 Affidavit of Peter J. Semper, requested by letter from Donald Simon, attorney for the Committee for FEC matters

10/18/85 Letter from Mr. Weinstein to William C. Oldaker referencing telephone conferences regarding payment of the debt, along with Wall Street Journal article of April 1, 1985 identifying Mr. Oldaker as former General Counsel of the Federal Election Commission

1/86 Mr. Semper met in Washington, D.C. with Messers. Novelli, Van Hove, and Oldaker and was told the debts were being paid in a certain order and that his was in a group that would be paid later, but hopefully during the first half of the year

6/10/86 Letter from Mr. Semper to Mr. Novelli, referencing negotiations in January 1986

7/7/86 Letter from Mr. Semper to Mr. Emerson referencing January meeting with Messers. Novelli, Van Hove and Oldaker and alluding to a statement by Mr. Oldaker that all or part of the debt could be forgiven and would not be an illegal contribution

10/1/86 Complaint filed in U.S. District Court, District of Columbia

Legal papers related to C.A. 86-2711, Semper-Moser Associates, Inc. v. Americans With Hart, Inc., U.S. District Court for the District of Columbia, including registration of judgments in other jurisdictions and collection efforts made there are attached as Exhibit D. Selected newspaper stories are also included concerning Semper-Moser's collection efforts in California.

This is the record of a diligent and thorough collection

effort.

III. Conclusion

On the basis of the facts and analysis presented herein, the General Counsel should recommend to the Commission that there is no probable cause to find that a violation has been committed by Semper-Moser.

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SEMPER/MOSER ASSOCIATES INC.

LETTER OF AGREEMENT

Americans for Hart, Inc.  
Name of Advertiser

507 8th Street S.E.  
Address of Advertiser

Washington, D.C. 20003  
City of Advertiser

Gentlemen:

This letter outlines the terms and conditions under which it is agreed that you appoint Semper/Moser Associates, Inc. to serve as your advertising agent and counsel.

TERMS AND CONDITIONS

GENERAL PROVISIONS:

We agree to devote our best efforts to your interests, and to endeavor in every way to make your advertising successful, and you agree to aid us in doing so by making available to us such information pertaining to your business as we may need and to cooperate with us in expediting our work.

This agreement shall be subject to any present or future obligation on our part to or requirements of media. We agree to secure your approval of all our expenditures in connection with your advertising.

We will exercise reasonable care to preserve any of your property in our possession, but shall have no other obligation in connection therewith either as to insurance or otherwise. We shall use our best efforts to obtain the return of any of your property turned over by us to third parties but shall have no further obligation.

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GENERAL PROVISIONS, CONT'D:

You reserve the right, in your own best interest, to modify, reject, cancel or stop any and all plans, schedules or work in process; and in such event we shall immediately take proper steps to carry out your instructions; but you agree to assume our liability for all commitments, and to reimburse us for any losses we may sustain by reason of your action, and for all expenses incurred in connection with your advertising on your authorization, and to pay us any service charges relating thereto, in accordance with the provisions of this agreement.

We will use our best efforts to guard against any loss to you through failure of media or suppliers properly to execute their commitments, but we shall not be held responsible for any failure on their part.

CHARGES FOR ADVERTISING SPACE, RADIO AND TELEVISION TIME:

You agree to pay us at card rates (current published rates) for advertising run in all media, except in media allowing no commission or less than 15% commission. In such exceptional cases you agree to pay us at card rates plus an amount which, together with the commission, if any, allowed by media, will yield us 15% of our total charge to you, before cash discount.

RATE ADJUSTMENTS:

If, in a medium having a schedule of graduated rates, less space or radio time than contracted for is used, you are to pay us the difference, if any, between the amount due at the rate named in the contract and the amount due at the rate applicable to the quantity of space or radio and television times used, in accordance with such short rate payments as we may be obligated for in connection with your advertising.

If, in a medium having a schedule of graduated rates, more space or radio and television time than contracted for is used, we shall refund to you any excess you may have paid us over the amount due at the rate earned, in accordance with such refunds as may be made to us by the media.

We shall refund or credit to you any other refunds received by us in connection with advertising space, radio and television time, or material for which you have paid us.

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CASH DISCOUNTS:

The exact amount of cash discount allowed to us by media for prompt payment will be allowed to you provided payment is made to us in accordance with the cash discount terms stated on our invoices, and provided that there is no overdue indebtedness at the time of payment.

No cash discount is allowed on our bills for materials and services purchased for you since such bills usually represent funds already disbursed by us, such charges being accumulated and billed to you on completion of each job.

CHARGES FOR MATERIALS AND SERVICES PURCHASED:

You agree to pay us the gross invoice price of all materials and services (other than space, radio or television time) purchased for you on your authorization plus 20% of such gross invoice price except cash outlays provided for in section headed: "Charges for Special Services Performed By Us."

Items to be billed on this basis include the following:

- 1) Artwork purchased
- 2) Engravings, electros, typography, matrices and other mechanical parts
- 3) Printed matter
- 4) Special writers
- 5) Radio talent, scripts, musical arrangements and production, and electrical transcriptions
- 6) Surveys contracted for with independent research organizations or individuals

CHARGES FOR SPECIAL SERVICES PERFORMED BY US:

- 1) Upon our performing the services listed below, you agree to reimburse us such cash outlays as we make in connection with them:

Forwarding and mailing (including packing, postage, express, import duties, and messenger service)

Telephoning and telegraphing on client's behalf

Traveling except between agency's and client's main office

Taxes incurred in the performances of this agreement

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CHARGES FOR SPECIAL SERVICES PERFORMED BY US, CONT'D:

- 2) If you should desire other special services from time to time, the compensation we are to receive shall be agreed upon between us in advance in writing, or failing such agreement, the reasonable value of the services.

TERMS OF PAYMENT:

It is agreed that all outside purchases performed for you by the agency will be marked-up 20%.

Two fundamental principles on which the client-agency-medium financial relationship is based are (1) that the advertising agency shall finance its own service, but not the advertising of its clients, and (2) that the advertising agency is held by media as liable for payment. Therefore it is essential that we collect from you in time to satisfy our media bills.

Therefore, we agree to pay media bills for you in advance, contrary to our usual policy, providing you keep your account current within 60 days of billing. If media cash discounts are offered, we will pass them on to you if you pay within ten days of billing.

Unless specified otherwise in writing agreed to by both parties, a service fee of 1½% per month will be applied to any unpaid invoice thirty days after billing.

We reserve the right in case of delinquency in your payments to us, or such impairment of your credit as in our opinion might endanger future payments to us to change the requirements as to terms of payment under this agreement, or to cancel this agreement on ten days' notice.

TERMINATION OF AGREEMENT:

This agreement shall become effective the 7th day of March, 1984, and shall continue in force unless terminated in writing given by either party to the other and sent by certified mail to the principle place of business of the party to whom such notice is addressed. The rights, duties and responsibilities of the agency shall continue in full force during the period of notice, including the ordering and billing of all advertising in media where closing dates fall within such period.

93040724008



TERMINATION OF AGREEMENT, CONT'D:

After the expiration of the above-specified interval following notice, no rights or liabilities shall arise out of this relationship, regardless of any plans which may have been made for future advertising, with the following exceptions:

That any uncancellable contract made on your authorization, and still existing at the expiration of the agreed-on interval following notice, shall be carried to completion by us and paid for by you unless mutually agreed in writing to the contrary, in accordance with the provisions herein.

That any time and expense on our part incurred during or prior to period of notice not covered by commission or fees as outlined herein before shall be paid for by you at our cost plus.

Upon the termination of this contract, we shall upon request by you in writing, transfer, assign, and make available to you, or your representative, all property and materials in our possession or control belonging to and paid for by you. We also agree to give all reasonable cooperation toward transferring all reservations, contracts and arrangements with advertising media, or others, for advertising space, radio time, yet to be used and all rights and claims thereto and therein, upon being duly released from the obligation thereof.

However, at termination, unused or unpublished advertising plans and ideas prepared by us shall remain our property, regardless of whether or not the physical embodiment of the creative work is in your possession in the form of copy, art work, plates, etc.

EXAMINATION OF RECORDS:

It is understood that you may at any time during the life of this contract, and upon reasonable notice, and at any time during business hours consistent with proper conduct of our business, examine our files and records pertaining to the handling of your advertising.

ACCEPTED:

ACCEPTED:

Americans for Hart, Inc.  
Client

SEMPER/MOSER ASSOCIATES, INC.  
1744 Washington Boulevard  
Venice, California 90291

*[Signature]*  
By *[Signature]*  
Title

*[Signature]*  
By *[Signature]*  
*President*

005

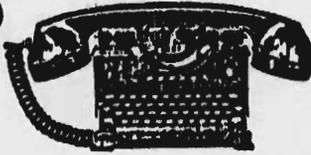
33040724009

<u>Station/Location</u>	<u>Gross Billing</u>	<u>Net Paid</u>	<u>Agency Com.</u>
KYCU Cheyenne, WY	5190.00	4411.50	778.50
KWTO Casper, WY	6095.00	5180.75	914.25
KCWY-TV Casper, WY	2730.00	2320.50	409.50
KCWY-TV Tacoma, WA	5500.00	4675.00	825.00
KOMO-TV-4 Seattle, WA	7065.00	6005.25	1059.75
KIRO-TV Seattle, WA	7825.00	6651.25	1173.75
KING-TV-5 Seattle, WA	9800.00	8330.00	1470.00
KW TV OK City, OK	5765.00	4900.25	864.75
KTVY OK City, OK	915.00	777.75	137.25
KOCO-TV OK City, OK	4490.00	3816.50	673.50
KTEN Ada, OK	600.00	510.00	90.00
KTVN-2 Reno, NV	2950.00	2507.50	442.50
KOLO-TV Reno, NV	3830.00	3255.50	574.50
KLAS-TV Las Vegas, NV	762.00	647.70	114.30
KVVU-TV Las Vegas, NV	1630.00	1385.50	244.50
KVBC-TV Las Vegas, NV	370.00	314.50	55.50
KPAX-TV Missoula, MT	2685.00	2282.25	402.75
<b>Sub Total</b>	<b>56,830.70</b>		
KECI-TV Missoula, MT	755.00	641.75	113.25
KYUS Miles City, MT	500.00	425.00	75.00
KRTU Great Falls, MT	3075.00	2613.75	461.25
KFBB Great Falls, MT	460.00	391.00	69.00
KXGN Glendive, MT	1050.00	892.50	157.50
KXLF Butte, MT	3650.00	3102.50	547.50
KULR Billings, MT	1615.00	1372.75	242.25
KLVQ-2 Billings, MT	1605.00	1364.25	240.75
KOUS-TV Billings, MT	325.00	276.25	48.75
KDNL-TV-30 St. Louis, MO	1900.00	1615.00	285.00
KMOX St. Louis, MO	14,075.00	11,963.75	2111.25
KOTV Tulsa, OK	4640.00	3944.00	696.00
KXII-TV Ardmore, OK	1079.00	917.15	161.85
KAME Reno, NV	1055.00	896.75	158.25
KTVG Helena, MT	495.00	420.75	74.25
	<b>104,481.00</b>	<b>88,808.85</b>	

(1519.00 short)  
(add Wichita)

EXHIBIT B

003



SEMPER/MOSER ASSOCIATES INC.

STATEMENT OF ACCOUNT: Month of November, 1986

AMERICANS WITH HART, INC.  
122 C St. N.W.  
Washington D.C.  
ATTN: Accts. Payable

UNPAID INVOICES: \$163,189.05

Service fee at 1½% per month  
on unpaid balance per contract \$2,447.84

AMOUNT OWING AS OF THIS STATEMENT \$165,636.89

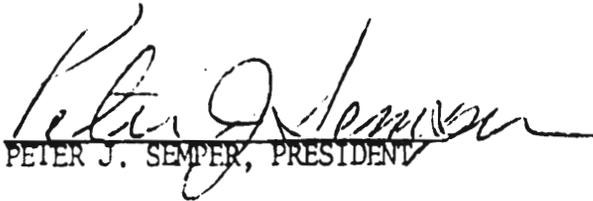
  
PETER J. SEMPER, PRESIDENT

EXHIBIT D

83040724011



SEMPER/MOSER ASSOCIATES INC.

STATEMENT OF ACCOUNT: Month of October, 1986

AMERICANS WITH HART, INC.  
311 Massachusetts Ave., N.E.  
Washington D.C. 20002  
ACCTS PAYABLE

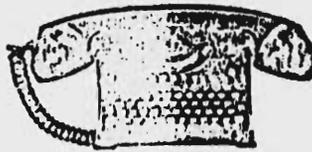
UNPAID INVOICES: 160,777.39

Service fee at 1½% per month  
on unpaid balance per contract 2,411.66

AMOUNT OWING AS OF THIS STATEMENT \$163,189.05

  
PETER J. SEMPER, PRESIDENT

33040724012



SEMPER/MOSER ASSOCIATES INC.

STATEMENT OF ACCOUNT: September 1986

AMERICANS WITH HART, INC.  
311 Massachusetts Ave, N.E.  
Washington D.C. 20002  
ACCTS PAYABLE

UNPAID INVOICES: 158,401.37

Service fee at 1½% per month  
on unpaid balance per contract 2,376.02

AMOUNT OWING AS OF THIS STATEMENT \$160,777.39

PETER J. SEMPER, PRESIDENT

3304024013



SEMPER/MOSER ASSOCIATES INC.

STATEMENT OF ACCOUNT: August 1986

AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ACCTS PAYABLE

UNPAID INVOICES: \$156,060.46

Service fee at 1½% per month  
on unpaid balance per contract 2,340.91

AMOUNT OWING AS OF THIS STATEMENT \$158,401.37

  
PETER J. SEMPER, PRESIDENT

93040724014



SEMPER/MOSER ASSOCIATES INC.

STATEMENT OF ACCOUNT:

July 11, 1986

AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ACCTS PAYABLE

UNPAID INVOICES: \$153,754.15

Service fee at 1½% per month  
on unpaid balance per contract 2,306.31

AMOUNT OWING AS OF THIS STATEMENT \$156,060.46

PETER J. SEMPER, PRESIDENT

38040724015



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: **03353**  
Date: **June 10, 1986**  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott van Hove

Description: To charge you for services fee at 1 1/2% per month on unpaid invoices per contract

Unpaid invoices	150,989.31	
Interest due		2264.84

TOTAL DUE THIS INVOICE 2264.84

TOTAL DUE ON ACCOUNT: \$153,754.15

  
PETER J. SEMPER, PRESIDENT

078

88040724016



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03332

Date: 5/13/86

Our job no:

Account no:

To: AMERICANS WITH PART, INC.  
311 Massachusetts Ave. N.F.  
Washington D.C. 20002  
ATTN: Accounts Payable

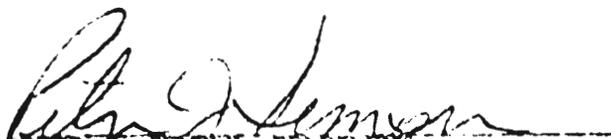
Description: To charge you for service fee at 1 1/2% on unpaid invoices per contract

UNPAID INVOICES \$148,757.94

INTEREST DUE 2231.57

TOTAL DUE ON ACCOUNT: \$150,989.31

TOTAL DUE THIS INVOICE \$2231.57

  
PETER J. SEMPER, PRESIDENT

88040724017



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03323

Date: 4/20/56

Our job no:

Account no:

1

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 30002  
ATTN: Accounts Payable

Description: To charge you for service fee at 1 1/2% on unpaid invoices

TOTAL UNPAID INVOICES

146,559.55

INTEREST

2199.39

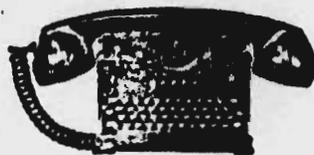
TOTAL DUE ON ACCOUNT: \$148,757.94

TOTAL DUE THIS INVOICE

2199.39

  
PETER J. SEMPER, PRESIDENT

83040324018



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03280  
Date: 3/14/86  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott Van move

Description: To charge you for service fee at 1 1/4% on unpaid invoices

TOTAL UNPAID INVOICES

\$144,393.65

INTEREST

2165.90

TOTAL DUE ON ACCOUNT \$146,559.55

TOTAL DUE THIS  
INVOICE

\$2165.90

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

93040724019



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03246

Date: 2/13/86

Our job no:

Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott Van Hove

Description: To charge you for service fee at 1 1/2% on unpaid invoices

Total unpaid invoices

\$142,259.75

INTEREST

2133.89

TOTAL DUE ON ACCOUNT: \$144,393.65

TOTAL DUE

THIS INVOICE \$2133.89

PETER J. SEMPER, PRESIDENT

28040724020



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03208

Date: 1/ 25/80

Our job no:

Account no:

To: AMERICANS WITH HARTS, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott van Hove

Description: To charge you for services fee at 1 1/2% on unpaid invoices per contract

Total unpaid invoices

\$140,157.41

INTEREST

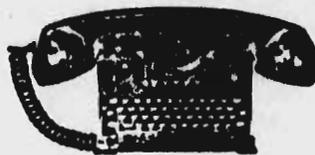
2102.35

TOTAL DUE ON ACCOUNT: \$142,259.76

TOTAL DUE THIS INVOICE 2102.35

PETER J. SIMMER, PRESIDENT

38040324021



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 031.55

Date: 12/6/85

Our job no:

Account no:

To: AMERICANS WITH HAKT, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002

Description: To charge you for service fee at 1 1/4% on unpaid invoices

Total unpaid invoices

\$138,086.13

INTEREST

2071.28

TOTAL DUE ON ACCOUNT: \$140,157.41

TOTAL DUE THIS INVOICE

2071.28

  
PETER J. SEMPER, PRESIDENT

38040724022



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 031.01

Date: 11/13/85

Our job no:

Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002

Description: To charge you for servicesfee at 1 1/2% on unpaid invoices

Total unpaid invoices

\$136,045.46

INTEREST

2040.67

TOTAL DUE ON ACCOUNT: \$138,086.13

TOTAL DUE THIS INVOICE: \$2040.67

PETER J. SEMPER, PRESIDENT

38040704023



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03060  
Date: 10/10/85  
Our job no:  
Account no:

To: AMERICANS WITH HARTS, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott van Hove  
Accounts Payable

Description: To charge you for service fee at 1 1/2% on unpaid invoices

33040324024

<u>INVOICE #</u>	<u>INVOICE AMOUNT</u>	<u>PAID ON ACCT.</u>	<u>INTEREST DUE</u>
2181	106010.00		1590.15
2301	1590.15		23.85
2341	1614.00		24.21
2402	1638.21		24.57
2407	62.44		.94
2430	1662.78		24.41
2479	1688.66		25.33
2492	1713.99		25.71
2561	1739.70		26.11
2613	1765.80		26.49
2629	1792.29		26.87
2705	1819.17		27.24
2736	1846.46	2363.00	(7.75)
2777	1838.71		27.56
2831	1866.29		27.93
2866	1894.28		28.41
2931	1922.69		28.88
2957	1951.53		29.27
3056	1980.80		29.71

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

TOTAL DUE: \$136,045.46

TOTAL INTEREST DUE \$2010.51  
THIS INVOICE



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03056  
Date: 9/25/85  
Our job no:  
Account no:

To: AMERICANS WITH HABBS, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott van Hove

Description: To charge you for service fee at 1 1/8% on unpaid invoices

3904025  
24025

<u>INVOICE #</u>	<u>INVOICE AMOUNT</u>	<u>PAID ON ACCT.</u>	<u>INTEREST DUE</u>
2181	106010.00		1590.15
2301	1590.15		23.85
2341	1614.00		24.21
2402	1638.21		24.57
2407	62.44		.95
2430	1662.78		24.64
2479	1688.66		25.33
2492	1713.99		25.71
2561	1739.70		26.10
2613	1765.80		26.49
2629	1792.29		26.88
2705	1819.17		27.29
2736	1846.16	2363.00	(7.75)
2777	1838.71		27.55
2831	1866.29		27.95
2866	1894.28		28.41
2921	1922.69		28.84
2957	1951.53		29.27
INTEREST DUE			1960.80

TOTAL DUE: \$134,034.95

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02957

Date: 8/6/85

Our job no:

Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
ATTN: Scott van Hove

Description: To charge you for service fee at 1 1/4% on unpaid invoices

3804024026

<u>INVOICE</u>	<u>INVOICE AMOUNT</u>	<u>PAID ON ACCOUNT</u>	<u>INTEREST DUE</u>
2181	10010.00		1590.15
2301	1590.15		23.85
2341	1614.00		24.21
2402	1638.21		24.57
2409	62.44		.94
2430	1662.78		24.94
2479	1638.66		25.33
2492	1713.99		26.71
2561	1739.70		26.10
2613	1765.80		26.49
2629	1792.29		26.88
2705	1819.17		27.29
2736	1846.46	2363.00	(7.75)
2777	1838.71		27.56
2831	1866.29		27.87
2866	1894.26		28.41
2921	1922.69		28.86
Interest due this invoice			1951.55

TOTAL DUE: \$132,054.15

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02901  
Date: 07/11/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
Attn: Scott van Hove

Description: To charge you for service fee @ 1 1/2% on unpaid invoices.

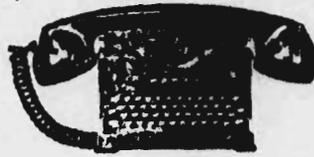
Invoice	Inv. Amount	Paid on Account	Interest Due
2181	106,010.00		1,590.15
2361	1,590.15		23.85
2341	1,014.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.66		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
2736	1,846.46	2363.00	( 7.75)
2777	1,838.71		27.58
2831	1,866.29		27.98
2860	1,894.28		28.37

Interest Due: \$1,922.69

TOTAL AMOUNT DUE: \$130,102.62

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

88040524027



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02800  
Date: 06/07/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave., N.E.  
Washington D.C. 20002  
Attn: Scott Van Hove

8 8 0 4 0 2 8  
2 4 0 2 8

Description: To charge you for service fee @ 1 1/2% on unpaid invoices:

INVOICE	INV. AMOUNT	PAID ON A/C	INTEREST DUE
2181	106,010.00		1,590.15
2301	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.66		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
2736	1,846.46	2,363.00	(7.75)
2777	1,838.71		27.58
2831	1,866.29		27.98

Interest Due on this Invoice:

\$1,894.28

TOTAL DUE: \$128,179.93

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02891  
Date: 5/13/65  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave., N.E.  
Washington D.C. 20002  
ATTN: Scott Van Hove

Description: To charge you for service fee at 1 1/4% on unpaid invoices

99040724029

<u>INVOICE</u>	<u>INVOICE AMOUNT</u>	<u>PAID ON ACCOUNT</u>	<u>INTEREST DUE</u>
2181	106010.00		1590.15
2301	1590.15		25.85
2341	1614.00		24.21
2402	1638.21		24.57
2409	62.44		.94
2430	1662.78		24.94
2479	1688.66		25.33
2492	1713.99		25.71
2561	1739.70		26.10
2613	1765.80		26.49
2629	1792.29		26.88
2705	1819.17		27.29
2736	1846.46	2363.00	(7.75)
2777	1838.71		27.50
Current			-----

INTEREST DUE ON THIS INVOICE

\$1560.00

TOTAL DUE: \$126,285.65

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02777  
Date: 04/03/65  
Our job no:  
Account no:

To: AMERICANS WITH HART  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002  
Attn: Scott Van Hove

33040724030

Description: To charge you for service fee @ 1 1/4% on unpaid invoices:

Invoice #	Invoice Amount	Paid on A/C	Interest Due
Invoice #2181	106,010.00		1,590.15
2301	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.66		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
2736	1,846.46	2,363.00	(7.75)
Current	1,838.71		-
	<u>126,782.36</u>	<u>2,363.00</u>	

Interest on this Invoice: 1,838.71

TOTAL AMOUNT DUE: 124,419.36

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02706  
Date: 03/01/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
Attn: James Dwinell

Description:

To charge you for Service Fee @ 1 1/2% on unpaid invoices:

Invoice		Pd. on A/C	
2181	106,010.00		1,590.15
2301	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.66		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
Current	1,846.4	2,363.00	
TOTAL:	124,943.65	2,363.00	<del>127,306.65</del> 1846.46

TOTAL DUE: ~~127,306.65~~  
1846.46

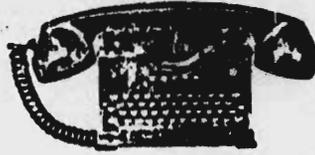
*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

2831 1-66 27

-/b

093

88040024031



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02705

Date: 2/8/85

Our job no:

Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
ATTN: James Dwinell

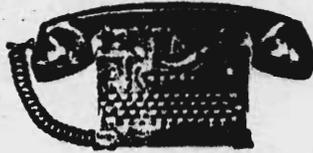
Description: To charge you for service fee at 1.5% on unpaid invoices

8 8 0 4 0 2 4 0 3 2

	INVOICE AMOUNT	INTEREST DUE
INVOICES: 2181	106010.00	1590.15
2301	1590.15	23.85
2341	1614.00	24.21
2402	1638.21	24.57
2409	62.44	.94
2430	1662.78	24.94
2479	1688.66	25.33
2492	1713.99	25.71
2561	1739.70	26.10
2613	1765.80	26.49
2629	1792.29	26.88
Current	1819.17	---
	<b>\$123097.19</b>	<b>\$1819.17</b>

TOTAL DUE: \$123,097.19

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT



SEMPER/MOSER ASSOCIATES INC.

INVOICE

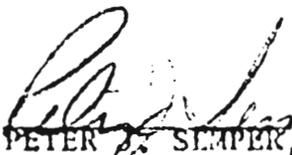
Invoice no: 02629  
Date: 1/15/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
ATTN: James Dwinell

Description: To charge you for service fee @1.5% on unpaid invoices:

Invoices:	2181	106,010.00	1590.15
	2301	1,590.15	25.85
	2341	1,614.00	24.21
	2402	1,638.21	24.57
	2409	62.44	.94
	2430	1,662.78	24.94
	2479	1,688.66	25.33
	2492	1,713.97	25.71
	2501	1,738.70	26.10
	2613	1,765.80	26.49
	Current month	1,792.29	---
		<u>\$121,278.02</u>	<u>1792.29</u>

TOTAL DUE: \$121,278.02

  
PETER SEMPER, PRESIDENT

33040724033



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02613  
Date: 12/07/84  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002  
Attn: James Dwinell

Description:

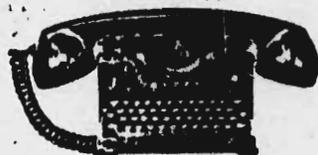
To charge you for Service Fee @ 1 1/2% on unpaid invoices:

830400724034

	Invoice Amount	Fee Amount
Invoice 2181	106,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2402	1,638.21	24.57
2409	62.44	.94
2430	1,662.78	24.94
2479	1,688.66	25.33
2492	1,713.99	25.71
2561	1,739.70	26.10
Current Month	1,765.80	---
	<u>119,485.73</u>	<u>1,765.80</u>

TOTAL DUE: \$119,485.73.

PETER J. SEMPER, PRESIDENT



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02561  
Date: 11/06/84  
Our job no:  
Account no:

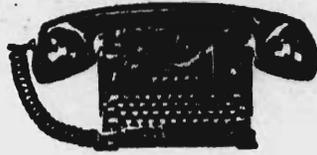
To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002  
Attn: James Dwinell

83040724035

Description: To charge you for service fee @ 1 1/2% on unpaid invoices:

	<u>Invoice Amount</u>	<u>Fee Amount</u>
Invoice: 2181	106,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2402	1,638.21	24.57
2409	62.44	.94
2430	1,662.78	24.94
2479	1,688.66	25.33
2492	1,713.99	25.71
Current Month Fee	1,739.70	1,739.70
<b>TOTAL DUE:</b>	<b>117,719.93</b>	

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02492  
Date: 10/03/84  
Our job no:  
Account no:

To: AMERICANS WITH HARTT INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

38040024036

Description:

To charge you for Service Fee @ 1 1/2% on unpaid invoices:

Invoice:	Inv. Amnt.	Fee
2181	106,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2408	1,638.21	24.57
2409	62.44	.94
2430	1,662.78	24.94
2479	1,688.60	25.33
<b>Total Invoice:</b>	<b>114,266.24</b>	<b>1,713.99</b>

TOTAL DUE: \$1,713.99

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

/b



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02470  
Date: 09/14/64  
Our job no:  
Account no:

To: AMERICANS WITH HART INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: ~~James H. Wallace~~  
*James H. Wallace*

Description:

To charge you for service fee @ 1 1/2% on unpaid invoices:

Invoice:	2181	\$106,010.00	\$1,590.15
	2301	1,590.15	23.85
	2341	1,614.00	24.21
	2402	1,638.21	24.57
	2409	62.44	.94
	2430	1,662.78	24.94

Invoice Total: \$112,577.58

TOTAL FEE DUE:

\$1,688.66

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

v/b

98040037



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02430  
Date: 08-08-84  
Our job no:  
Account no:

To: AMERICANS WITH HART  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: Accounts Payable/Scott Van Hove

Description: To charge you for Service Fee @ 1 1/2% on unpaid invoices:

Invoice 2181	106,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2402	1,638.21	24.57
TOTAL:	<u>110,852.36</u>	
TOTAL FEE:		1,662.78

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

/b

88040724038



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02400  
Date: 07/17/84  
Our job no: AWH-1003  
Account no: 412-157

To: AMERICANS WITH HART  
507 8th Street, S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

880400724039

Description:

Telephone charges...

\$13.44

Federal Express:

Material to J. Dwinell & S. Van Hove

49.00  
\$62.44

TOTAL DUE:

\$62.44

  
PETER J. SEMPER, PRESIDENT

/b



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02402  
Date: 06/30/84  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
507 8th St. S.E.  
Washington, D.C 20003  
Attn: James Dwinell

880400724040

Description: TO CHARGE YOU FOR SERVICE FEE @ 1 1/2% ON UNPAID INVOICES:

Invoice 2181	\$106,010.00	\$1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21

TOTAL: \$109,214.15

TOTAL SERVICE FEE DUE: \$1,638.21

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

v/b



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02341  
Date: 06/06/84  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

Description: TO CHARGE FOR SERVICE FEE AT 1%  
ON UNPAID INVOICES:

Invoice	2181	\$106,010.00	\$1,590.15
	2301	1,590.15	<u>23.85</u>

TOTAL SERVICE FEE DUE: \$1,614.00

  
PETER J. SEMPER, PRESIDENT

/b

93740324041



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02301  
Date: 05/14/84  
Our job no: APH-1001  
Account no:

To: AMERICANS WITH HART INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

Description:

To charge for service - 14% on unpaid invoice:

Our Invoice 02181 \$106,010.00

Service fee due; \$1,590.15

  
PETER J. SEMPER, PRESIDENT

✓/b

83040324042

*Handwritten notes*



*Scott Van Hove  
Finance*

SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: **02181**  
Date: **3/13/84**  
Our job no: **AFH-1001 & 1002**  
Account no: **412-**

To: **AMERICANS FOR HART, INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attention: James Dwinell**

Description:

<b>APH-1001 --</b>	
<b>TV/Nevada -- 500 GRP's 3/9-3/13 ...</b>	<b>\$ 20,000.00</b>
<b>AFH-1002 --</b>	
<b>TV/Washington -- 500 GRP's 3/9-3/13...</b>	<b>86,000.00</b>
<b>Wire transfer charge ....</b>	<b>19.00</b>
	<b>\$106,019.00</b>

**TOTAL DUE: \$106,010.00**

*Peter J. Semper*  
**PETER J. SEMPER, PRESIDENT**

/b

**PAID** *Part 1001*  
**02/13/85**  
**ch # 2373**  
**\$ 2,363.<sup>00</sup>**

PAYMENT HISTORY

AMERICANS WITH HART, INC.

Principal amount owing:	Invoice #2181 dated 3/13/84	\$106,010.00
	Invoice #2409 dated 7/17/84	62.44
		<hr/>
		\$106,072.44
	LFSS Payment on 2/13/85	2,363.00
	TOTAL AMOUNT DUE EXCLUSIVE OF INTEREST	\$103,709.44

38040724044

ATTORNEYS AT LAW

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 482-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG

BETSY E. LEHRFELD  
MARY ELLEN R. FISE

April 12, 1987

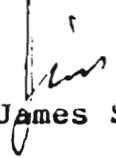
Mr. William P. Dixon  
Campaign Manager  
Friends of Gary Hart 1988  
1600 Downing Street  
Denver, Colorado 80218

Dear Bill:

Please send me a copy of the "1984 Expenditures and Debt Fact Sheet" I read about in today's Washington Post (copy of article enclosed).

I am still looking forward to receiving the items I requested in my March 18, 1987 letter to you, a copy of which I have also enclosed for your reference.

Sincerely,

  
James S. Turner

cc: Congresswoman Schroeder

38040724045

ATTORNEYS AT LAW

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG

BETSY E. LEINFELD  
MARY ELLEN R. FINE

April 12, 1987

The Honorable Patricia Schroeder  
United States House of Representatives  
2410 Rayburn Building  
Washington, DC 20515

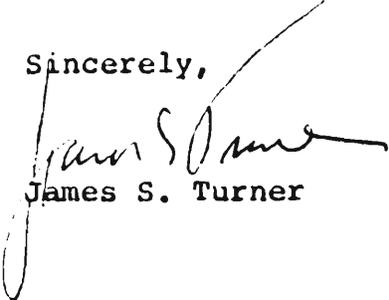
Dear Congresswoman Schroeder,

Please find enclosed my latest correspondence to  
Bill Dickson.

The enclosed Washington Post article, the manipula-  
tion of the Americans With Hart Washington bank account and  
their continued ignoring of my client's judgment tell me  
that Bill Dickson and Gary Hart are still avoiding their  
responsibilities.

With this attitude, Hart will never be President and  
the credibility of politicians associated with him will  
suffer.

Sincerely,

  
James S. Turner

98040724046

# SWANKIN & TURNER

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEINFELD  
MARY ELLEN R. FIFE

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

March 18, 1987

Mr. William P. Dixon  
Campaign Manager  
Friends of Gary Hart 1988  
1600 Downing Street  
Denver, Colorado 80218

Dear Bill,

I was glad to receive your call about my client's debt last Tuesday and would like, if at all possible, to receive a copy of the tape you made of it.

While I was disappointed that you could not say "the check is in the mail" I appreciate the difficulties you outlined and your expressed desire to get this debt paid off and behind us.

You said campaign laws make paying this debt difficult. We will soon discuss this debt with the FEC and need your legal interpretations of bearing on it. We might be able to help with clarifications.

I've enclosed the agreement Mike Novelli and Scott Van Hove negotiated and then failed to sign or acknowledge. Neither my client nor I see how Gary can be elected if he allows his staff to act so shabbily about his responsibilities.

You said you retrieved this \$150,000 debt from the cracks through which it fell. I hope this means the debt will be paid -- sooner rather than later. The enclosed note to Pat Schroeder thanks her for getting your attention.

Thanking you for your consideration, I look forward to our working together to resolve this matter.

Sincerely,

  
James S. Turner

cc: The Honorable Patricia Schroeder

38040724047

June 18, 1985

Mr. Michael Novelli  
Americans with Hart, Inc.  
122 "C" Street, N.W.  
Washington, DC 20001

RE: Semper-Moser Associates, Inc.

Dear Mike:

This letter will serve as a confirmation of the agreement between Americans with Hart, Inc. ("Americans with Hart") and Semper-Moser Associates, Inc. ("Semper-Moser"), regarding the repayment of sums owed to Semper-Moser under the Letter Agreement between the two organizations effective March 7, 1984 ("Letter Agreement"), the terms of which are incorporated herein by reference.

Americans with Hart agrees that fifty percent (50%) of all proceeds from fundraising events held in the State of California which it receives, net of costs it expends on said events, shall be paid over within ten days of receipt to Semper-Moser until such time as all sums due Semper-Moser under the terms of the Letter Agreement have been paid. Semper-Moser acknowledges receipt of \$2,363.00 on account on February 15, 1985.

Americans with Hart also agrees that one hundred percent (100%) of all net proceeds from fundraising events, or any activities resulting in income to Americans with Hart, whether inside or outside the State of California, which have been organized by or on behalf of Semper-Moser, or the organizers of which have specifically designated that the net proceeds be used to retire the debt to Semper-Moser, be paid to Semper-Moser within ten days of receipt until the above referenced amount has been paid in full.

For purposes of this agreement, the term "fund raising events" includes, but is not limited to, all in-person gatherings for the purpose of raising funds to retire the debts of the 1984 presidential campaign of Senator Gary Hart. It does not include direct mail solicitations; however, twenty-five percent (25%) of all funds raised by direct mail solicitation, after such time as all currently outstanding debts to direct mail vendors have been satisfied, net of costs for the mail solicitation including commissions if applicable, shall be paid to Semper-Moser as above.

89040724048

Notwithstanding any of the provisions of this agreement, Americans with Hart agrees to repay its debt to Semper-Moser from whatever funds are available, whether or not originating in the State of California. Semper-Moser does not waive its right to pursue any and all legal remedies in the event of non-payment or in the event of a failure by Americans with Hart to comply with the terms of this agreement, except as provided herein.

In return for the promises of Americans with Hart contained in this agreement, Semper-Moser agrees not to bring any legal action to collect this debt for a period of three months from the date of this agreement. If, after the expiration of three months, Semper-Moser has been paid \$50,000.00 or more, Semper-Moser agrees to continue to forebear from suit for an additional three months. In all other respects, this agreement shall be in effect for eighteen months from the date first written above.

The disposition of funds described herein has been assented to by Americans with Hart's primary creditor, National Bank of Washington.

Sincerely,

Betsy E. Lehrfeld  
Attorney for Semper-Moser

Agreed:

Semper-Moser Associates, Inc.

\_\_\_\_\_ Date: \_\_\_\_\_  
By: Peter J. Semper, President

Americans with Hart, Inc.

\_\_\_\_\_ Date: \_\_\_\_\_  
By: Michael J. Novelli

National Bank of Washington

\_\_\_\_\_ Date: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

99040724049

ATTORNEYS AT LAW

# SWANKIN & TURNER

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEHRFELD  
MARY ELLEN R. FISE

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 452-8800

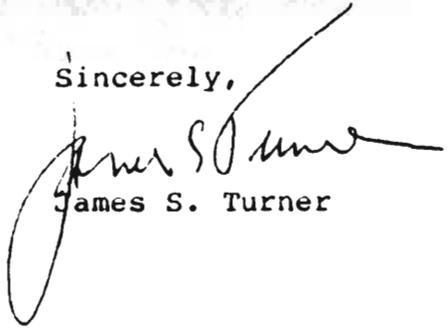
March 18, 1987

The Honorable Patricia Schroeder  
United States House of Representatives  
2410 Rayburn Building  
Washington, DC 20515

Dear Congresswoman Schroeder:

My client Peter Semper, and I both thank you for your help in getting the Hart campaign to focus on Mr. Semper's outstanding debt. The enclosed letter is self explanatory. I trust that the shabby treatment by the campaign will end now that Bill Dixon has taken personal responsibility for resolving the debt.

Sincerely,



James S. Turner

cc: Mr. William P. Dixon

98040724050

ATTORNEYS AT LAW

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8000

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEWISFIELD  
MARY ELLEN R. FIFE

February 9, 1987

The Honorable Patricia Schroeder  
United States House of Representatives  
2410 Rayburn Building.  
Washington, DC 20515

Dear Congresswoman Schroeder:

We represent Mr. Peter Semper in an action to collect over \$162,000 owed him by Americans With Hart. I am writing to you because of the attached article.

Our client, a small businessman, has suffered severe financial difficulties because of the size of this debt, the length of time it has been owed to him by Senator Hart's campaign and the shabby manner in which Senator Hart's agents have treated him, making and breaking promises and ducking all responsibility for this debt.

Enclosed you will find the documents in the collection case, including our attachment of the bank account, which contained zero dollars; our inquiries indicate it is purposely kept at zero despite the fact that it is used to receive and disburse funds.

Contrary to Mr. Manatt's quoted statement (attached article), we and our client believe that Senator Hart's unpaid debt is a serious obstacle to his being elected president.

Mr. Semper has already found it necessary to begin collection action against the campaign and against individuals and organizations who may have been unlawfully or fraudulently involved in obtaining the advance of funds from him and/or preventing its repayment.

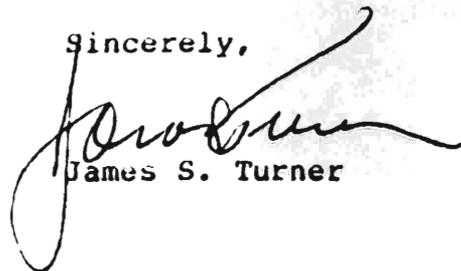
98040724051

Mr. Semper is in the communications industry and he has finally and reluctantly begun to wonder whether this debt, owed to him since March of 1984, may only be collected by means embarrassing to the Senator, such as calling attention of persons like yourself to this debt.

We sincerely hope this will help. The behavior of the Senator's representatives, if unchanged, will do serious harm to his Presidential campaign.

We welcome your help and advice to resolve this problem. I am confident I will receive the courtesy of a reply.

Sincerely,



James S. Turner

3 8 0 4 0 7 2 4 0 5 2

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEINFELD  
MARY ELLEN R. FISE

February 9, 1987

The Honorable Jon Mills  
Speaker of the House  
420 The Capitol  
Tallahassee, Florida 32399-1300

Dear Mr. Speaker:

We represent Mr. Peter Semper in an action to collect over \$162,000 owed him by Americans With Hart. I am writing to you because of the attached article.

Our client, a small businessman, has suffered severe financial difficulties because of the size of this debt, the length of time it has been owed to him by Senator Hart's campaign and the shabby manner in which Senator Hart's agents have treated him, making and breaking promises and ducking all responsibility for this debt.

Enclosed you will find the documents in the collection case, including our attachment of the bank account, which contained zero dollars; our inquiries indicate it is purposely kept at zero despite the fact that it is used to receive and disburse funds.

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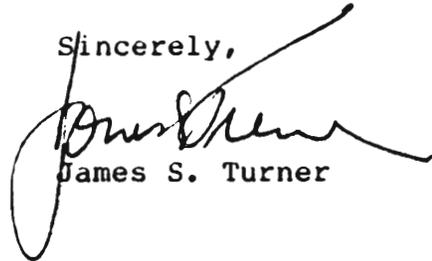
8 9 0 4 0 7 2 4 0 5 3

Mr. Semper is in the communications industry and he has finally and reluctantly begun to wonder whether this debt, owed to him since March of 1984, may only be collected by means embarrassing to the Senator, such as calling attention of persons like yourself to this debt.

We sincerely hope this will help. The behavior of the Senator's representatives, if unchanged, will do serious harm to his Presidential campaign.

We welcome your help and advice to resolve this problem. I am certain I can count on the courtesy of a reply.

Sincerely,



James S. Turner

88040724054

# SWANKIN & TURNER

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEINFELD  
MARY ELLEN R. FIFE

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

February 9, 1987

Charles T. Manatt, Esq.  
Manatt, Phelps, Rothenberg & Phillips  
11355 W. Olympic Blvd.  
9th Floor  
Los Angeles, CA 90064

Dear Mr. Manatt:

We represent Mr. Peter Semper in an action to collect over \$162,000 owed him by Americans With Hart. I am writing to you because of the attached article.

Our client, a small businessman, has suffered severe financial difficulties because of the size of this debt, the length of time it has been owed to him by Senator Hart's campaign and the shabby manner in which Senator Hart's agents have treated him, making and breaking promises and ducking all responsibility for this debt.

Enclosed you will find the documents in the collection case, including our attachment of the bank account, which contained zero dollars; our inquiries indicate it is purposely kept at zero despite the fact that it is used to receive and disburse funds.

Contrary to your quoted statement (attached article), we and our client believe that Senator Hart's unpaid debt is a serious obstacle to his being elected president.

Mr. Semper has already found it necessary to begin collection action against the campaign and against individuals and organizations who may have been unlawfully or fraudulently involved in obtaining the advance of funds from him and/or preventing its repayment.

88040724055

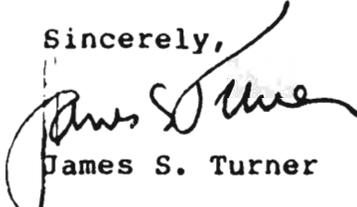
at 12:00

Mr. Semper is in the communications industry and he has finally and reluctantly begun to wonder whether this debt, owed to him since March of 1984, may only be collected by means embarrassing to the Senator, such as calling attention of persons like yourself to this debt.

We sincerely hope this will help. The behavior of the Senator's representatives, if unchanged, will do serious harm to his Presidential campaign.

We welcome your help and advice to resolve this problem. I am certain I can count on the courtesy of a reply.

Sincerely,



James S. Turner

8 8 0 4 0 7 2 4 0 5 6

Marylouise Oates

## The Capital Kisses Its Hart Goodby

WASHINGTON—A bunch of Californians showed up to bid a senatorial farewell to Gary Hart in D.C. this week. But, of course, in Washington nothing is simple—so the party also aimed at helping Hart pay off the \$3-million debt from his '84 presidential campaign.

Kitty and Steve Moses helped spearhead the gathering at the Folger Library. The exquisite Folger, which is available for rent, is usually off-limits for political events—but this party slipped in because the party was also a "retirement tribute" for the Colorado Democratic senator.

The 200-plus crowd was stirred by two arrivals—actor Warren Beatty (naturally), and that of Pamela Harriman, one of the farewell dinner's co-chairs. The widow of Ambassador Averell Harriman (in what was one of her first public appearances since his death this summer), she had raised quite a bit of money in 1984 for Democratic Senate candidates.

And money was, of course, a major concern to Chuck Manatt, who along with U.S. Rep. Pat Schroeder of Colorado and Florida state Rep. Jon Mills, will co-chair the announced-this-week Hart exploratory committee. Manatt said

Please see OATES, Page 12

LOS ANGELES TIMES

12 Part V/Friday, December 12, 1986

## OATES

Continued from Page 1

the \$3-million debt wasn't a serious impediment to Hart's '88 candidacy. When Manatt took over the Democratic National Committee as chair in 1981, there was still \$3 million to be paid off from the 1968 Bobby Kennedy campaign. Staff members were quick to point out that Hart is permitted to raise money for the 1988 campaign while in the process of paying off the '84 debt.

Hart, stiffly serious in '84, seemed almost relaxed. Schroeder, a member of the House Armed Services Committee, contributed to the mood when she joked pointedly that her committee was trying to find out "what happened to all the weapons we have paid for, maybe they've been given away."

Tim Wirth, who has been elected to replace Hart in the Senate, was there, along with wife Wren. Also very present—L.A. expatriates and long-time Hart supporters Miles and Nancy Rubin (he's credited with raising mucho money for Hart in '84), superlobbyist Tommy Boggs, and Norm Brownstein.

PHILIP HINDS

89040724057

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

FILED

DEC 16 1986

Clerk, U. S. District Court  
District of Columbia

SEMPER-MOSER ASSOCIATES, INC. :  
1799 Washington Way :  
Venice, California 90291 :

Plaintiff, :

vs. :

AMERICANS WITH HART, INC. :  
122 C Street, N.W. :  
Washington, DC :

Defendant. :

CIVIL ACTION NO. 86-2711  
Judge Penn

ORDER AMENDING JUDGMENT  
DATED NOVEMBER 21, 1986

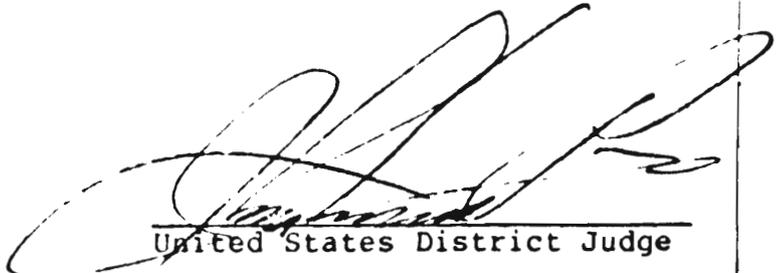
ORDER

A motion having been duly made by the plaintiff for judgment by default, an order entering judgment of default having been issued on November 21, 1986, and a motion having been duly made by plaintiff to amend said order to include interest at the contract rate to date of judgment, it is:

ORDERED AND ADJUDGED:

1. That the Order dated November 21, 1986 be and hereby is amended to enter judgment for plaintiff in the amount of \$162,754.57 plus costs and interest as provided by law.

Dated: DEC 15 1986

  
United States District Judge

88040724058

(2)

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

NOV 21 1936

CLEGG, J. W. ...  
DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. :  
1799 Washington Way :  
Venice, California 90291 :

Plaintiff,

vs.

AMERICANS WITH HART, INC. :  
122 C Street, N.W. :  
Washington, DC :

Defendant. :

CIVIL ACTION NO. 86-2711  
Judge Penn

ORDER FOR ENTRY OF DEFAULT  
JUDGMENT

ORDER

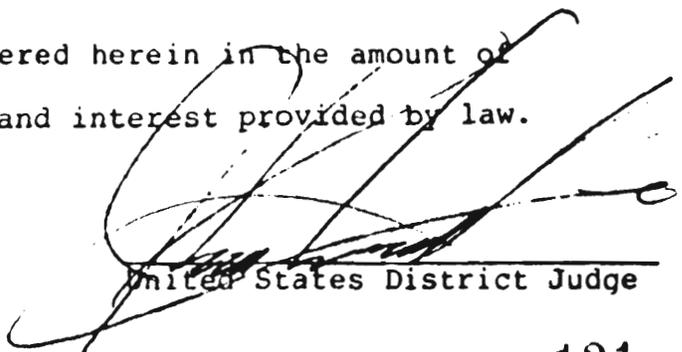
A motion having been duly made by the plaintiff for judgment by default, and it appearing that the defendant herein is in default and that his default has been duly noted, and it further appearing that defendant's damages are a sum capable of being made certain by calculation, it is

ORDERED AND ADJUDGED:

1. That the plaintiff recover of the defendant the damages sustained by him on account of the claim alleged in the complaint;

2. That judgment be entered herein in the amount of \$ 103,709.44 , plus costs, and interest provided by law.

Dated: NOV 21 1936

  
United States District Judge

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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.

Plaintiff

vs.

Civil Action No. 86 - 2711

AMERICANS WITH HART, INC.

Defendant

NOTICE

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National Bank of Washington

619 14th Street, Northwest, Washington, DC

[Address]

, Garnishee:

As a garnishee, you are required by law to file answers to the following Interrogatories in Attachment, within ten (10) days after service of the writ upon you [Title 16, Section 521(a), D.C. Code (1981 ed.)]. If you fail to answer the Interrogatories, judgment may be entered against you for the entire amount of the plaintiff's claim and costs [Title 16, Section 526(b), D.C. Code (1981 ed.)].

The garnishee shall file the original and one copy of the Answers to Interrogatories with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the Answers to Interrogatories or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the Answers to Interrogatories pursuant to Title 15, Section 522, D.C. Code (1981 ed.), the garnishee's obligations under the attachment shall be limited by his answer.

James S. Turner  
Betsy E. Lehrfeld  
Attorney for Plaintiff  
Swankin & Turner

1424 16th Street, N.W.  
Washington, DC 20036

(Address)

Telephone: (202) 462-8800

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. )  
Plaintiff )

vs. )

Civil Action No. 86 - 2711

AMERICANS WITH HART, INC. )  
Defendant )

ATTACHMENT ON JUDGMENT  
(Credits other than Wages, Salary,  
Commissions or Pensions)

0407251

TO: National Bank of Washington  
(Name)  
619 14th Street, Northwest, Washington, DC, GARNISHEE:  
(Address)

You are hereby notified that any credits other than wages, salary, commissions or pensions of the defendant, Americans With Hart, Inc. if to be found in this District, of value sufficient to satisfy the plaintiff's judgment against the said defendant, are seized by this Writ of Attachment, and you are required to hold them and not to pay or surrender them to the said defendant or to anyone else without an order from this Court.

The judgment against the said defendant was entered in the above-entitled cause on the 24<sup>th</sup> day of November, 1986, in the amount of One Hundred Sixty-two Thousand, Seven Hundred Fifty-four and 57/100 (as amended by order dated December 16, 1986) Dollars (\$162,754.57), and costs amounting to \$ 110.00, with interest of \$643.21 less credits of \$ 0.

You are required to answer the annexed INTERROGATORIES IN ATTACHMENT, under penalties of perjury, within ten (10) days after service of the writ upon you.

The garnishee shall file the original and one copy of the answers to INTERROGATORIES with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and also upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the answers to Interrogatories in Attachment or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the answers to Interrogatories pursuant to Title 16, Section 522, D.C. Code (1981 Ed.), the garnishee's obligations under the attachment shall be limited by his answers.

WITNESS The Honorable Chief Judge of said Court, this 19<sup>th</sup> day of December, 1986.

JAMES F. DAVEY, CLERK

By Dorothy Jones  
Deputy Clerk

James S. Turner  
Betsy E. Lehrfeld

James S. Turner  
Betsy E. Lehrfeld  
Attorney for Plaintiff

Swankin & Turner  
1424 16th Street, N.W.

(Address)  
Suite 105  
Washington, DC 20036

Telephone: (202) 462-8800

88040724052

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.

Plaintiff

vs.

Civil Action No. 86 - 2711

AMERICANS WITH HART, INC.

Defendant

INTERROGATORIES

TO: National Bank of Washington, GARNISHEE:

1. Were you at the time of the service of the writ of attachment served herewith, or have you been, between the time of such service and the filing of your answer to this interrogatory, indebted to the defendant

\_\_\_\_\_ ? If so, how and in what amount?

ANSWER: NO FUNDS AVAILABLE

2. Had you, at the time of the service of the writ of attachment, served herewith, or have you had, between the time of such service and the filing of your answer to this interrogatory, any goods, chattels, credits, lands or tenements of the said defendant in your possession or charge? If so, what?

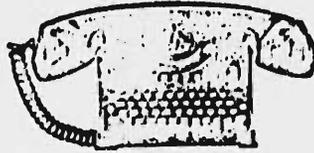
ANSWER: SEE INTERROGATORY #1.

I declare under the penalties of perjury that the answers to the above interrogatories are, to the best of my knowledge and belief, true and correct.

Signed this 23 day of December, 19 86

*[Signature]*

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SEMPER/MOSER ASSOCIATES INC.

7 July 1986

Mr. John Emerson  
Manatt, Phelps, Rothenberg, Tunney and Phillips  
11355 W. Olympic Blvd.  
Los Angeles, Ca. 90064

Dear John:

As you requested, I've enclosed a brief file on Semper Moser's relationship with Americans with Hart. The contract is pretty much our standard one and should be self-explanatory. The letter to Nuvelli sums up things as of June 10th. The meeting in Washington D.C. I refer to included Scott van Hove and Bill Oldeaker (who I understand no longer works for the committee).

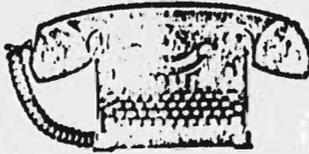
The F.E.C. memorandum in note 8 alludes to the finance charges I mentioned - however, in the quarterly F.E.C. filings this debt is not noted. It seems to me that this should be straightened out. Under no circumstance will I make any contribution of this debt. I feel it may be illegal and have been so advised by counsel.

I've also included some newspaper clips on Jack Kemp's version of a "think tank" similar to Hart's and his recent resignation. I have mixed feelings about Hart's tank. I certainly want him to have all the resources available for the '88 drive, but I feel badly that money is going to that effort rather than debt reduction when my creditors are hounding me daily.

To review briefly - I borrowed over \$100,000.00 from my bank to make a critical media buy previous to Super Tuesday for Hart. This money was spent in Washington, Oregon and Oklahoma, all Hart victories.

Although I was a strong supporter, the media buy was strictly a business proposition, complete with contract and assurances from Dwinell and others that the debt would be repaid within 60 days. In the ensuing 2+ years, I've had enough grief from the bank and creditors to last a lifetime.

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page two  
John Emerson

7 July 1986

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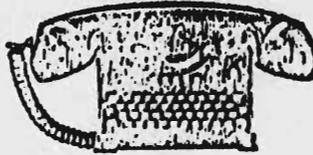
I thought we had the problem solved in May 1985 when we negotiated with Nuvelli and Van Hove to pay us 50% (less costs) of all the money raised in California, but they never signed an agreement and of course, the money never came. I stabilized the situation by more borrowing from friends last fall since it was clear the Committee had no money to pay anyone. Now, according to F.E.C. reports the fund raising is picking up and the debt is being retired. For instance, in the period January 1, 1986 - March 31, 1986 disbursement records show the Committee spent nearly \$7000.00 on current advertising; \$8500 to California National Bank; and over \$46,000 to National Bank of Washington; not to mention an awful lot of money for operating expenses. Naturally, it seems to me our debt could have received some attention, at least debt service. It could make me damned resentful.

But in the face of all that, we still support Senator Hart and want to help with the '88 campaign. Getting some money rolling in will ensure that any resentment is laid to rest.

Your help is deeply appreciated John. We are not asking for special favors; just a fighting chance for our business to survive this thing.

Best,

Peter J. Semper  
President  
SEMPER MOSER ASSOCIATES, INC.



SEMPER/MOSER ASSOCIATES INC.

10 June 1986

Mr. Mike Novelli  
AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002

Dear Mike:

Since you have been unable to speak with me in sometime I thought I should write you about a couple of matters that are disturbing me. I thought it was understood at the conclusion of our meeting in Washington last January that the March 1 direct mail appeal of the Committee for debt reduction would give your team a good handle on when Semper Moser could expect payment on your growing debt to us. Although I have had several pleasant conversations with Weston Franks, I still have not received the kind of commitment from you that I need to keep managing the financial affairs of this company.

Of late Senator Hart has scored very well in the polls and fund raising successes are noted often in the media. It's clear to me that things are picking up for the Senator and since you felt at our last meeting that the campaign debt could be retired by the end of the year with a viable candidate; that payment to us must be near. I've waited my turn Mike, when there was little money in the campaign coffers. I took serious body blows from my bank and creditors (which continue to this day!), but now prompt payment is called for. I know you want to be fair about this matter, Mike and I trust you will get it straightened out quickly.

Additionally I note that in the Committee's reports to the F.E.C. that the interest on the debt to me is not carried. Instead the original \$106,000 (approx.) is shown as the total debt. As you know, my contract calls for interest of 1-1/2% per month on this sum and over the two years plus that the Committee has owed this debt to me the total has grown to over \$150,000.00. That should be the amount shown on the F.E.C. reports, don't you think?

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In order to manage the finances of this business properly and fulfill my obligation to my creditors I must have a schedule for prompt repayment of the \$153,254.15. (Amount owing as of June invoice) This matter has dragged on long enough for both of us and I certainly want to avoid the courts.

Best Regards,

Peter J. Semper

cc: Weston Franks  
encl: Copy of June invoice

✓ File

89040729067

LAW OFFICES  
BLECHER, COLLINS & WEINSTEIN  
TWENTY-EIGHTH FLOOR  
611 WEST SIXTH STREET  
LOS ANGELES, CALIFORNIA 90017

LES J. WEINSTEIN

(213) 622-4222  
TELECOPIER (213) 622-1656

October 18, 1985

William C. Oldaker, Esq.  
Epstein, Becker, Borsody & Green  
1140 19th Street  
Washington, D.C. 20036-6601

Re: The Debt of Americans With Hart, Inc. to  
Semper/Moser Associates, Inc.

Dear Mr. Oldaker:

A few days after I wrote my letter of August 28, 1985 to Senator Hart regarding the above-referenced matter, I received a telephone call from you in which you said you were responding; we discussed the letter and you described yourself as an attorney that has done work for Americans With Hart.

In our discussion, which I will not fully detail here, you explained to me the adverse financial status of the Americans With Hart treasury and I explained to you Mr. Semper's personal plight. After I further explained Mr. Semper's circumstances and his immediate need for funds, you agreed that you would take up the matter personally with the Senator and would call me back within a few days with some information as to what immediate assistance could be afforded Mr. Semper and what could be done to avoid treating him like the large creditor corporations whom you said you believed essentially understood that the debt would be a "gift". You said that you recognized from the tone of my letter to Senator Hart and the circumstances there presented that no gift was intended by Semper/Moser and that special circumstances justified giving special consideration to Mr. Semper in relation to major corporate creditors. Despite your assurances that you would call me back "within a few days", I have not heard from you in these six intervening weeks. In view of the pressing nature of Mr. Semper's situation, I do not know whether to treat that as

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William C. Oldaker, Esq.  
Page Two  
October 18, 1985

a gross oversight, a stall or plain indifference on behalf of Senator Hart and his campaign committee. When someone has extended credit at the personal behest of another party and finds that the failure to honor a commitment is jeopardizing his home and/or business, indifference is not called for and is, indeed, highly inappropriate. No doubt the Senator acknowledges with a personal letter major contributions; he ought to be able to muster some time and a personal letter to someone who has, through no fault of his own, been placed in personal financial jeopardy by his campaign committee. Common decency requires no less. More than words, Mr. Semper needs a prompt and positive response, i.e., repayment.

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I do not know whether you now technically represent Senator Hart individually or whether you will represent him. You indicated to me that you did work for the campaign committee and had personal contact with Senator Hart. I do want you and his campaign committee to know and I want to convey clearly to Senator Hart that under applicable California law we are dealing with what appears to be a case of fraud by his campaign committee and, if the Senator had knowledge of the circumstances and was the indirect beneficiary of that fraud, he may be personally responsible for both the actual damages and punitive damages. I have serious question as to whether the "debt" equals "gift" theory is a defense or even lawful. It certainly isn't applicable in Mr. Semper's case. While it would be with great reluctance and some personal pain that Mr. Semper would take such action against the Senator and his committee, let me assure you that Mr. Semper is not indifferent to his own plight and the wrong that has been perpetrated on him; if he is forced to act because of the indifference or callousness of Senator Hart and his campaign committee, he will do so. Altruistic political rhetoric must have some every day application in the arena of morals and ethics.

I will here assume that you represent both Senator Hart and Americans With Hart and, hence, will accordingly err on the side of caution and refrain from again communicating directly with Senator Hart. I do, however, request and suggest that you bring this letter, my prior letter and our prior telephone conversation to the personal attention of the Senator and the senior

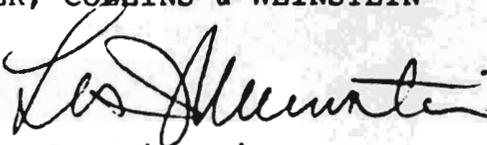
William C. Oldaker, Esq.  
Page Three  
October 18, 1985

members of the campaign committee. If you do not represent Senator Hart in his individual capacity in this matter, advise me immediately and I will again correspond with him directly. Your prompt response will be very much appreciated.

Cordially,

BLECHER, COLLINS & WEINSTEIN

By

  
Les J. Weinstein

LJW/nem

cc: Peter Semper, Semper/Moser Associates, Inc.

88040724070

## POLITICS AND POLICY

# Bank Loans for Candidates, at Times Unsecured, Prompt Concern Over Election-Law Compliance

By BROOKS JACKSON

Staff Reporter of THE WALL STREET JOURNAL  
**WASHINGTON** — By traditional standards, Republican candidate Mac Sweeney seemed a poor prospect for a big bank loan last year. He hadn't drawn a regular salary for months, had few personal assets and was in the midst of an uphill campaign for his first elective office at the age of 29.

Yet Mr. Sweeney was able to borrow \$81,000 from three Texas banks, mostly without putting up any collateral. Today he is Congressman Sweeney.

Meanwhile in Arkansas, Democratic candidate Tommy Robinson was borrowing \$226,588 on his signature from local banks to finance his own bid for the House, although his job as Pulaski County sheriff paid less than \$37,000 a year. He publicly listed few assets and still had debts from his earlier campaign for sheriff, but with the help of the banks he outspent his rivals and became Congressman Robinson.

Increasingly, federal candidates are turning to banks to help them finance their campaigns. And sometimes, bankers are willing to lend on collateral that is skimpy or nonexistent, raising questions about whether the loans violate the intent or the letter of federal election law.

"What you have in effect are contributions by large financial institutions," says Daniel Swilling, a Republican attorney specializing in election law. Democratic attorney William Oldaker, former general counsel of the Federal Election Commission, says the commission's rules on loans are open to abuse. "I think the whole area is one that deserves close scrutiny," he says.

Banks can make the difference between life and death for some campaigns. Last year, Sen. John Glenn of Ohio kept his money-starved presidential campaign going through the early Democratic primaries by borrowing \$2 million from four Ohio banks, with very little collateral.

## Risky Loans

But such loans are unusually risky. Sen. Glenn's presidential bid quickly collapsed, and his campaign still owes the banks \$1.9 million; the loans weren't repaid in full by yesterday's deadline. Glenn aides have been asking the banks for weeks to extend the deadline, and say they expect to hear today how the banks intend to proceed.

Sen. Gary Hart (D., Colo.) borrowed even more for his presidential race than Sen. Glenn. Sen. Hart's bank loans totaled nearly \$5 million, and were backed up largely by his predictions that new donors would flood the campaign with money in response to mass-mailing appeals. But Sen. Hart's predictions proved too optimistic.

## Biggest Bank Loans To Campaigns

(Totals outstanding Dec. 31, 1984)

### President

Sen. John Glenn (D. Ohio)	\$1,900,000
Sen. Gary Hart (D. Colo.)	1,240,771

### Senate

Sen. John Kerry (D. Mass.)	195,000
----------------------------	---------

### House

Tommy Robinson (D. Ark.)	226,588
Chester Atkins (D. Mass.)	115,000
Mac Sweeney (R. Texas)	81,000
Alex McMillan (R. N.C.)	70,000

paid down to just under \$780,000 by the end of February, according to an aide.

Federal law forbids federally regulated banks from lending money to political campaigns, state or federal, except "in the ordinary course of business." So normally banks demand collateral for campaign loans.

For example, freshman Rep. Chester Atkins (D., Mass.) borrowed \$115,000 from banks to help finance his House race last year, but says the loans were backed up by several mortgages on his \$450,000 house and by his collections of expensive antiques and original art works. Similarly, Alex McMillan, a wealthy North Carolina businessman who ran as a Republican for the House last year, says he pledged some corporate stock as security for \$70,000 he borrowed to finance the race. He won.

## Lance's Overdrafts

But banks aren't always so fussy. In 1974, Bert Lance (later to serve briefly as President Carter's budget director) helped finance his own unsuccessful bid to become governor of Georgia with more than \$200,000 in overdrafts on a bank of which he was chairman.

Federal banking regulators referred the matter to the election commission, which formally authorized a lawsuit against Mr. Lance for violating election law. But the FEC was stymied for years by Mr. Lance's legal maneuvers, which at one point reached the Supreme Court. Eventually, the commission voted 4-2 to drop the matter, partly on grounds that the evidence had become stale.

Congress tightened the law a bit in 1979, adding a requirement that bank loans to campaigns must be made "on a basis which assures repayment." But that didn't deter banks from lending millions to Sens. Glenn and Hart without full collateral or any legally binding guarantee of repay-

assets.

Rep. Sweeney says he doubts that he could have won without the bank loans, and says the banks trusted him to repay them because of a good record of repaying previous loans. He says \$40,000 came from a hometown bank that his family had dealt with for a generation.

The congressman says the loans should be paid back soon with the help of former President Ford, who is scheduled to appear at a fund-raising event in his district this month. But had he lost the election, Rep. Sweeney says he and his wife would be repaying the loans "for the rest of our lives."

Rep. Robinson's loans, however, were the subject of complaint filed by one of his primary opponents: an FEC spokesman says the matter is still pending. "We didn't do anything wrong," says Robinson aide Daryl Glascock, adding that his boss is working hard to pay the loans. The congressman already has held several fund-raising receptions attended by representatives of Washington-based political action committees, has three more scheduled for May, and in June he plans a series of six events in Arkansas.

How would he have paid back the \$226,588 if he had lost? "I think he would have had to get a job," says Mr. Glascock.

AFFIDAVIT OF PETER J. SEMPER

Peter J. Semper being duly sworn, states as follows:

1. I am Peter J. Semper and I reside at 1341 Vienna Way, Venice, CA 90291.
2. I am employed as President at Semper/Moser Associates, Inc., 1744 W. Washington Boulevard, Venice, CA 90291.
3. Semper/Moser is a full service advertising agency.
4. I am familiar with the billing and credit practice of Semper/Moser, and with the account of Americans with Hart.
5. Semper/Moser Associates provided media services to the Hart Committee. The Committee was to pay for media purchases, commissions and our services, and reimburse us for spot buys and other expenses within 60 days of our invoices for the services and advances.
6. This arrangement was in the ordinary course of Semper/Moser's business and in accord with its treatment of non-political clients of similar risk.
7. The Committee now owes Semper/Moser \$ 132,054.15 in unpaid invoices.

*Peter J. Semper*

State of California )  
County of Los Angeles) ss.

On September 4, 1985, before the undersigned, A Notary Public for the State of California, personally appeared Peter J. Semper, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.



*Mary Ann Charters*  
Mary Ann Charters, Notary Public  
My Commission Expires August 18, 1989

88040724072

LAW OFFICES  
BLECHER, COLLINS & WEINSTEIN  
TWENTY-EIGHTH FLOOR  
611 WEST SIXTH STREET  
LOS ANGELES, CALIFORNIA 90017

LES J. WEINSTEIN

(213) 622-4222  
TELECOPIER (213) 622-1656

August 28, 1985

The Honorable Gary Hart  
U.S. Senate  
Washington, D.C. 20510

Re: The Debt of Americans With Hart, Inc. to  
Semper/Moser Associates, Inc.

Dear Senator Hart:

This is a most difficult letter to write; I ask that you give it your personal attention. Our client, Semper/Moser Associates, Inc. brings you into the matter because it feels that further dealings with Americans With Hart will be unavailing. Semper/Moser Associates, Inc. of Venice, California, entered into a contract with Americans With Hart, Inc. in March of 1984 in which Semper/Moser agreed to perform certain advertising services for your campaign. Because your campaign was short of cash, our client was asked to make the media buy with its own funds with the firm assurance from Mr. James Dwinell that it would be promptly repaid and that, even during the short delay in payment, interest would be paid on the debt. Because Mr. Peter Semper, the principal of my client, was also a supporter of yours, he reluctantly agreed to do so but went forward after receiving the clear assurance of repayment.

With the exception of \$2,363 paid on February 15, 1985, no other part of the principle or interest has been paid. This money includes my client's needed working capital and, for all practical purposes, Mr. Semper's life savings. Its non-payment is jeopardizing his ability to operate his business; if not promptly repaid it may bring about the foreclosure of his home.

Repeated requests on his part to be repaid have been to no avail. Indeed, Mr. Semper was told by Mr. Dwinell long after

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The Honorable Gary Hart  
 Page Two  
 August 28, 1985

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having extended the credit, that he could not be repaid because your presidential campaign had entered into an agreement with a Washington, D.C. bank, which had extended credit to your campaign, that no funds would be repaid to any other creditors prior to the bank being repaid. In other words, the bank has been granted priority of payment. Since that bank has apparently not been paid, this is the justification now given for your campaign's not meeting its commitment to Semper/Moser. What is particularly troubling now is that if the facts are as set forth, my client was defrauded by your campaign organization. Obviously, Mr. Semper was entitled to be told before he extended credit on your behalf, that he would not be repaid immediately and would be paid only after the bank was paid. He never intended that advance of credit to be a gift or a contribution and never intended to subordinate its debt to the banks.

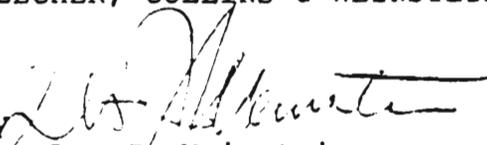
My client rather desperately needs to be repaid immediately. I have told Semper/Moser that if payment is not forthcoming, its only alternative is to institute a contract and a fraud action against your campaign organization and of its responsible officials and that a judgment for fraud is non-dischargeable in bankruptcy and holds at least the prospect for full compensatory damages for other losses suffered and could yield punitive damages which might be necessary to make it truly whole. If this situation is not promptly remedied, Mr. Semper's potential injury and loss, as you can appreciate, could be very great.

As both an admirer and supporter of yours, Mr. Semper is most reluctant to take any steps which would prove embarrassing or harmful to you or your campaign organization. Nonetheless, Mr. Semper must think of himself and his family before he permits Americans With Hart to think of its bank. He asks you to investigate the circumstances promptly and arrange for Semper/Moser to be paid immediately. I stand ready to facilitate this in any way I can; time is truly of the essence.

I am enclosing the full documentary backup which you may need to assist you.

Very truly yours,

BLECHER, COLLINS & WEINSTEIN

By 

Les J. Weinstein

136



SEMPER/MOSER ASSOCIATES INC.

8/6/85

Scott:

You asked us to contact  
you in August. You promised  
we would be paid this month.

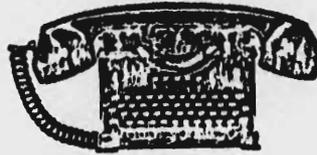
How about some earnest  
money?

Please call me.

Thank you,

Jim Semper

89040724075



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02957  
Date: 8/6/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
ATTN: Scott van Hove

Description: To charge you for service fee at 1½% on unpaid invoices

88040724076

<u>INVOICE</u>	<u>INVOICE AMOUNT</u>	<u>PAID ON ACCOUNT</u>	<u>INTEREST DUE</u>
2181	106010.00		1590.15
2301	1590.15		23.85
2341	1614.00		24.21
2402	1638.21	PAST DUE	24.57
2409	62.44		.94
2430	1662.78		24.94
2479	1688.66		25.33
2492	1713.99		25.71
2561	1739.70	PAST DUE	26.10
2613	1765.80		26.49
2629	1792.29		26.88
2705	1819.17		27.29
2736	1846.46	2363.00	(7.75)
2777	1838.71		27.58
2831	1866.29	PAST DUE	27.99
2866	1894.28		28.41
2921	1922.69		28.84
Interest due this invoice			1951.53

TOTAL DUE: \$132,054.15

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

DAVID A SWANKIN  
JAMES S TURNER  
FRED GOLDBERG

MARY ELLEN R FISE  
BETSY E LEMPFELD

June 18, 1985

Mr. Michael Novelli  
Americans with Hart, Inc.  
122 "C" Street, N.W.  
Washington, DC 20001

RE: Semper-Moser Associates, Inc.

Dear Mike:

This letter will serve as a confirmation of the agreement between Americans with Hart, Inc. ("Americans with Hart") and Semper-Moser Associates, Inc. ("Semper-Moser"), regarding the repayment of sums owed to Semper-Moser under the Letter Agreement between the two organizations effective March 7, 1984 ("Letter Agreement"), the terms of which are incorporated herein by reference.

Americans with Hart agrees that fifty percent (50%) of all proceeds from fundraising events held in the State of California which it receives, net of costs it expends on said events, shall be paid over within ten days of receipt to Semper-Moser until such time as all sums due Semper-Moser under the terms of the Letter Agreement have been paid. Semper-Moser acknowledges receipt of \$2,363.00 on account on February 15, 1985.

Americans with Hart also agrees that one hundred percent (100%) of all net proceeds from fundraising events, or any activities resulting in income to Americans with Hart, whether inside or outside the State of California, which have been organized by or on behalf of Semper-Moser, or the organizers of which have specifically designated that the net proceeds be used to retire the debt to Semper-Moser, be paid to Semper-Moser within ten days of receipt until the above referenced amount has been paid in full.

For purposes of this agreement, the term "fund raising events" includes, but is not limited to, all in-person gatherings for the purpose of raising funds to retire the debts of the 1984 presidential campaign of Senator Gary Hart. It does not include direct mail solicitations; however, twenty-five percent (25%) of all funds raised by direct mail solicitation, after such time as all currently outstanding debts to direct mail vendors have been satisfied, net of costs for the mail solicitation including commissions if applicable, shall be paid to Semper-Moser as above.

88040724077

Notwithstanding any of the provisions of this agreement, Americans with Hart agrees to repay its debt to Semper-Moser from whatever funds are available, whether or not originating in the State of California. Semper-Moser does not waive its right to pursue any and all legal remedies in the event of non-payment or in the event of a failure by Americans with Hart to comply with the terms of this agreement, except as provided herein.

In return for the promises of Americans with Hart contained in this agreement, Semper-Moser agrees not to bring any legal action to collect this debt for a period of three months from the date of this agreement. If, after the expiration of three months, Semper-Moser has been paid \$50,000.00 or more, Semper-Moser agrees to continue to forebear from suit for an additional three months. In all other respects, this agreement shall be in effect for eighteen months from the date first written above.

The disposition of funds described herein has been assented to by Americans with Hart's primary creditor, National Bank of Washington.

Sincerely,



Betsy E. Lehrfeld  
Attorney for Semper-Moser

Agreed:

Semper-Moser Associates, Inc.

By: Peter J. Semper, President Date: \_\_\_\_\_

Americans with Hart, Inc.

By: Michael J. Novelli Date: \_\_\_\_\_

National Bank of Washington

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

8 8 0 4 0 7 2 4 0 7 8

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG

MARY ELLEN R. FISE  
BETSY E. LEHRFELD

May 15, 1985

Mr. Michael Novelli  
Americans with Hart, Inc.  
122 "C" Street, N.W.  
Washington, DC 20001

RE: Semper-Moser Associates, Inc.

Dear Mike:

This letter will serve as a confirmation of the agreement between Americans with Hart, Inc. ("Americans with Hart") and Semper-Moser Associates, Inc. ("Semper-Moser"), regarding the repayment of sums owed to Semper-Moser under the Letter Agreement between the two organizations effective March 7, 1984.

Americans with Hart agrees that fifty percent (50%) of all proceeds from fundraising events held in the State of California which it receives, net of costs it expends on said events, shall be paid over within ten days of receipt to Semper-Moser until such time as the sum of \$106,010.00 plus accrued interest at the rate of 1.5% per month from April 7, 1984, is paid in full. Semper-Moser acknowledges receipt of \$2,363.00 on account on February 15, 1985.

Americans with Hart also agrees that one hundred percent (100%) of all net proceeds from fundraising events, or any activities resulting in income to Americans with Hart, whether inside or outside the State of California, which have been organized by or on behalf of Semper-Moser, or the organizers of which have specifically designated that the net proceeds be used to retire the debt to Semper-Moser, be paid to Semper-Moser within ten days of receipt until the above referenced amount has been paid in full.

For purposes of this agreement, "fund raising events" includes, but is not limited to, all in-person gatherings for the purpose of raising funds to retire the debts of the 1984 presidential campaign of Senator Gary Hart. It does not include direct mail solicitations; however, ten percent (10%) of all funds raised by mail solicitation from residents of the State of California, net of costs including commission for the mail solicitation, shall be paid over to Semper-Moser as above.

88040724079

Notwithstanding any of the provisions of this agreement, Americans with Hart agrees to repay its debt to Semper-Moser from whatever funds are available, whether or not originating in the State of California. Semper-Moser does not waive its right to pursue any and all legal remedies in the event of non-payment or in the event of a failure by Americans with Hart to comply with the terms of this agreement, except as provided herein.

In return for the promises of Americans with Hart contained in this agreement, Semper-Moser agrees not to bring any legal action to collect this debt for a period of three months from the date of this letter agreement. If, after the expiration of three months, Semper-Moser has been paid \$50,000.00 or more, Semper-Moser agrees to continue to forebear from suit for an additional three months. In all other respects, this agreement shall be in effect for eighteen months from the date first written above.

The disposition of funds described herein has been assented to by Americans with Hart's primary creditor, National Bank of Washington.

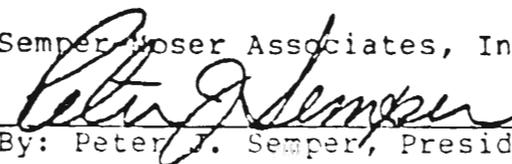
Sincerely,



Betsy E. Lehrfeld  
Attorney for Semper-Moser

Agreed:

Semper Moser Associates, Inc.

  
By: Peter J. Semper, President

Date: 5/15/85

Americans with Hart, Inc.

\_\_\_\_\_  
By: Michael J. Novelli Date: \_\_\_\_\_

National Bank of Washington

\_\_\_\_\_  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

88040724080

88040724081

723 OCEAN FRONT WALK VENICE, CA 90291



ALL EVENING  
WITH SENATOR  
GARY HART!

*RSLP*  
*Nativity*  
*391-0910*

Ms Teri Foster Semper  
1341 Vienna Way  
Venice, CA 90291

*y. Hart unable to attend*  
*Patricia... - spoke to Johnson*





SEMPER/MOSER ASSOCIATES INC.

April 4, 1985

AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002

Attention: Scott Van Hove

Dear Mr. Van Hove:

Per your telephone request, enclosed is a copy of our Letter of Agreement, our April 13, 1984 letter to you and copies of all past due invoices.

As you can see, this account is well past due and the interest is really adding up. I am sure you are as eager as we are to see payments handled in a more timely manner.

Giving you time to review the enclosed, I will soon be in touch to discuss what payment schedule you have arranged.

Yours truly,

*Betty Thomas*

Betty Thomas  
(Accounting Department)

88040724082

To: Jim

Date: 3/28/55

From: Betty

Subject: AWH, Inc.

Expect me immediately - please call  
AWH, Inc in W.D.C. - ask for Accts

Payable - Introduce yourself - Get their  
name. Explain why you're calling.  
Ask the status of acct. When ~~can~~ <sup>can't</sup>  
we expect a check and for how much.  
Est. Please use a nice tone of voice - and  
just be concerned. We don't want to make them

88040724083

mad. we just want to be persistent  
+ consistent in trying to receive  
payment.

Keep a <sup>daily</sup> log of your calls and  
when phone bill comes in - compute  
charges.

Also - xerox all the AWH invoices  
to go in this file.

See me  
I'll explain further

88040724084

A w/H. 202-675-9000  
\$124,154.80

3/28 *James* - "Middletown"  
w/ J - Van Hove. Call Eric. P. 30  
LA Zone."

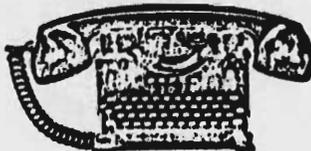
3/29 P. 30 Scott van Hove  
"\$150,000 to bank for primary  
500 vendors to pay

Cannot even make the payments  
at this point - call me in  
about 10:30 AM.

4/3 P. 30 "on another line, call back."  
Says "Some we not needed by the  
Fed. Family Com. Not aware of  
what says to do, but I  
of a report, says read  
"the copy."

4/4 Call to Scott - Letter of agreement -  
Letter 4/13 to SVI.

83040724085



SEMPER/MOSER ASSOCIATES INC.

February 20, 1985

Mr. Milton Davis  
Davis & Davis  
Attorneys at Law  
9171 Wilshire Boulevard  
Suite 600  
Beverly Hills, CA 90210

Dear Milton:

I finally got some money from the Hart people; \$2,363 of the \$121,278.02 that they owed me.

I've attached their handwritten explanation of the LA fund raising distribution.

Dwinell tells me they have another \$500K to pay the bank and then they will pay me; around August.

I plan to keep the pressure on them and the bank for at least partial payment to cover my debt service for the loan I took out to cover this.

I'll keep you informed.

Best,

  
Peter J. Semper  
President

/bt

8804.0724080

Hart Committee  
LA Event Analysis

AJUH  
2/13/85

Proceeds to Date @ 2/13/85

16,810

Less: Event exp.

<3685>

Net proceeds

13,125

Semper Distribution:

Net Proceeds

13,125

X 18% take

x 18%

Semper Distribution

2363

8304.0724087

AMERICANS WITH HART, INC.

2373

PH. 202-675-9000

311 MASSACHUSETTS AVE., N.E.  
WASHINGTON, D.C. 20002

2/13 19 85 <sup>15-7</sup>/<sub>540</sub>

PAY  
TO THE  
ORDER OF

Semper/Moser Associates Inc.

\$ 2363 <sup>00</sup>

two thousand three hundred sixty three <sup>00</sup>/<sub>100</sub> DOLLARS



HEAD OFFICE WASHINGTON, D.C. 20005

FOR LA proceeds distribution

A. J. Van Houe

⑈002373⑈ ⑆054000072⑆ ⑆⑆260 25 ⑆⑆

88040721088

DAVIS AND DAVIS  
ATTORNEYS AT LAW  
9171 WILSHIRE BOULEVARD  
BEVERLY HILLS, CALIFORNIA 90210

MILTON DAVIS  
M. STEPHEN DAVIS

AREA CODE 213  
TELEPHONE 273-0818

February 12, 1985

*file*  
James Dwinell  
~~Americans With Hart~~, Inc.  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002

Re: Semper-Moser Associates, Inc.

Dear Mr. Dwinell:

8 8 0 4 0 7 2 4 0 8 9  
C  
On December 14, 1984, you agreed on behalf of the National Committee of Americans with Hart, Inc., a Colorado corporation, that you would commence to discharge the Committee's very substantial indebtedness to my client, Semper - Moser Associates, Inc., by sending them 18% of amounts raised at various fund raising dinners commencing with the dinner meeting that week in Beverly Hills, California.

O  
On December 26, 1984, you called me and informed me that you were sending me a check that day. As you well know, no such check was sent. This is particularly unfortunate inasmuch as I withheld commencement of suit based upon your promises as I believed that you would discharge your commitments.

P  
I have been attempting to reach you by telephone last week and this week but without success. Accordingly, you have left me no alternative except to commence the suit that I should have begun two months ago. If I do not have a substantial check on account by the end of this week, I will without further notice whatsoever commence appropriate legal action and let the chips fall where they may. If you wish to avoid the unsatisfactoriness of litigation and the additional expense which you will incur, it will be necessary for you to comply with the foregoing demand as no further notice will be given to you before suit.

Yours truly,

Milton Davis

Y  
MD/rv

cc: Semper - Moser Associates, Inc.

GARY HART  
WASHINGTON, D.C.

February 6, 1985

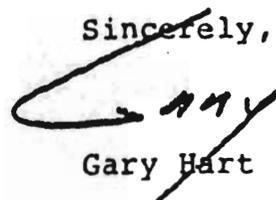
Peter Semper  
1744 W, Washington Blvd.  
Venice, CA 90291

Dear Peter:

Just a short note to tell you how concerned I am about our debt to you, I realize that you were very supportive when I needed you.

We are working hard to pay all our bills. I fully expect you to be paid this year. Thanks for your patience.

Sincerely,



Gary Hart

88040724090

MILTON DAVIS  
M. STEPHEN DAVIS

DAVIS AND DAVIS  
ATTORNEYS AT LAW  
9171 WILSHIRE BOULEVARD  
BEVERLY HILLS, CALIFORNIA 90210  
TELEPHONE 273-0616

February 4, 1985 ACCOUNTS PAYABLE

Semper - Moser Associates, Inc.  
1799 Washington Way  
Venice, California 90291

JOB NO. 440-187  
ENTERED 2/1/85  
PAID 8/8/85  
CHECK NO. 3392  
INVOICE AMT. 524.90  
DISCOUNT 150.00 *partly by another check*  
NET PAID 374.90

89040724091

Services with relation to application of a portion of funds raised to the indebtedness of the Hart National Campaign Committee to Semper - Moser Associates, Inc., including negotiations, telephone conferences, etc.	\$500.00
Long Distance Telephone Charges	<u>24.90</u>
	\$524.90

FEB 11 REC'D

General Telephone of California

BUSINESS OFFICE  
P.O. BOX 1114, SANTA MONICA, CA 90406

ACCOUNT NUMBER PAGE  
821-7256 1C

000003

SERIAL CODE DIVISION CODE  
1R002047 72693

DATE  
JAN 16, 1987

SEE REVERSE SIDE FOR GENERAL EXPLANATIONS

SEMPER MOSER ASSOCIATES

LONG DISTANCE -ATT	FROM	MIN	TYPE	
928AM 12/12 WASHINGTON DC 202 872-7729		1	DD	.55
1116AM 12/15 SANBARBARA CA 805 965-5171		1	DD	.43
1121AM 12/15 SANBARBARA CA 805 963-6611		1	DD	.43
905AM 12/16 JACKSONVL FL 904 634-1271		1	DD	.55
908AM 12/23 WASHINGTON DC 202 462-8800		1	DD	.55
933AM 12/23 WASHINGTON DC 202 872-1488		3	DD	1.27
936AM 12/23 SAN FRAN CA 415 954-2016		2	DD	.84
232PM 12/23 SANBARBARA CA 805 965-5171		1	DD	.43
239PM 12/23 SANBARBARA CA 805 963-6611		3	DD	.93
344PM 12/23 WASHINGTON DC 202 462-8800		14	DD	5.23
358PM 12/23 WASHINGTON DC 202 462-8800		2	DD	.91
1004AM 12/24 SANBARBARA CA 805 683-6651		14	DD	3.68
1021AM 12/24 OAKLAND CA 415 635-6058		5	DD	1.77
1031AM 12/24 SANBARBARA CA 805 569-3119		2	DD	.68
1034AM 12/24 SANBARBARA CA 805 964-5265		2	DD	.68
1039AM 12/24 SANBARBARA CA 805 963-3767		3	DD	.93
139PM 12/30 WASHINGTON DC 202 462-8800		6	DD	2.35
CARRIER TOTAL				22.21

TO ORDER AT&T CARDS, INTERSTATE WATS SERVICES, REACH OUT AMERICA, OR OTHER AT&T LONG DISTANCE SERVICES:

BUSINESS ACCOUNTS CALL 1-800-222-0400  
RESIDENCE ACCOUNTS CALL 1-800-222-0300

88040724092

DETACH HERE

PLEASE DO NOT STAMP

FOR BILLING INQUIRIES  
CALL AT NO CHARGE

PLEASE INDICATE AMOUNT PAID

\$		
----	--	--

PLEASE CLIP TO THE BOTTOM OF THIS RECEIPT FOR MAILING

SEMPER MOSER ASSOCIATES

# General Telephone of California

BUSINESS OFFICE  
**P.O. BOX 1114, SANTA MONICA, CA 90406**  
SERIAL CODE **3R011224** DIVISION CODE **72693**  
**000002**

ACCOUNT NUMBER **823-5388** PAGE **1C**  
 DATE **JAN 25, 1987**

SEE REVERSE SIDE FOR GENERAL EXPLANATIONS

## SEMPER MOSER ASSOCIATES

LONG DISTANCE -ATT	FROM	MIN	TYPE	
1034AM 12/30 SANBARBARA CA 805 964-5265		1	DD	.43
131PM 12/18 SAN MONICA CA 213 822-7774	LTTLFL AZ 602 CC -9344	2	DD	1.82
136PM 12/18 WASHINGTON DC <del>202 482-8800</del>	LTTLFL AZ 602 CC -9344	1	SD	2.10
139PM 12/18 WASHINGTON DC <del>202 872-7729</del>	LTTLFL AZ 602 CC -9344	3	DD	2.32
744PM 12/18 SAN MONICA CA 213 822-7774	SLT LK UT 801 CC -9344	1	SE	1.33
747PM 12/18 SANBARBARA CA 805 682-9860	SLT LK UT 801 CC -9344	1	SE	1.33
858PM 12/18 SAN PEDRO CA 213 832-9865	SLT LK UT 801 CC -9344	1	SE	1.33
852AM 12/19 SAN PEDRO CA 213 832-9865	SLT LK UT 801 CC -9344	7	SD	3.50
202PM 12/19 SAN MONICA CA 213 822-7774	MAGNA UT 801 CC -9345	2	SD	2.35
<b>CARRIER TOTAL</b>				<b>16.51</b>

TO ORDER AT&T CARDS, INTERSTATE WATS SERVICES, REACH OUT AMERICA, OR OTHER AT&T LONG DISTANCE SERVICES:

BUSINESS ACCOUNTS CALL 1-800-222-0400  
 RESIDENCE ACCOUNTS CALL 1-800-222-0300

99040724093

DETAILS HERE  RETURN LOWER PORTION WITH PAYMENT TO THE TELEPHONE COMPANY

PLEASE DO NOT STAMP

FOR BILLING INQUIRIES  
 CALL AT NO CHARGE 

PLEASE INDICATE AMOUNT PAID

\$

AMOUNT DUE

DO NOT SIGN HERE

PLEASE DEPOSIT ANY PART OF THIS BILL WHICH HAS BEEN PAID

ACCOUNT NUMBER

SEMPER MOSER ASSOCIATES

PAYMENT TO

# General Telephone of California 6113

BUSINESS OFFICE  
**P.O. BOX 1114, SANTA MONICA, CA 90406**

ACCOUNT NUMBER PAGE  
**821-7256 1C**

000003

SERIAL CODE DIVISION CODE  
**3R009641 72693**

DATE  
**OCT 19, 1986**

SEE REVERSE SIDE FOR GENERAL EXPLANATIONS

## SEMPER MOSER ASSOCIATES

8 9 0 4 0 7 2 4 0 9 4

LONG DISTANCE -ATT	FROM	MIN	TYPE	
1013AM 9/17 WASHINGTON DC 202 872-1488		1	DD	.55
1014AM 9/17 NEW HOPE PA 215 862-9414		2	DD	.91
1016AM 9/17 NEW YORK NY 212 603-6041		1	DD	.55
1016AM 9/18 NEW HOPE PA 215 862-9414		1	DD	.55
1020AM 9/18 SILVER SPG MD 301 587-2738		8	DD	3.07
256PM 9/18 LITTLETON CO 303 771-7951		1	DD	.47
1111AM 9/19 NEW HOPE PA 215 862-9414		1	DD	.55
1138AM 9/22 OAKLAND CA 415 635-6058		20	DD	6.42
1000AM 9/23 WASHINGTON DC 202 872-1488		1	DD	.55
1013AM 9/23 WASHINGTON DC 202 872-1488		6	DD	2.35
206PM 9/24 NEW HOPE PA 215 862-3341		1	DD	.55
403PM 9/24 WASHINGTON DC 202 882-6664		1	DD	.55
1001AM 9/26 NEW HOPE PA 215 862-3341		2	DD	.91
301PM 9/26 WASHINGTON DC 202 882-6664		1	DD	.55
325PM 9/26 OAKLAND CA 415 635-6058		1	DD	.53
1031AM 9/29 WASHINGTON DC 202 872-1488		1	DD	.55
1032AM 9/29 WASHINGTON DC 202 872-7729		1	DD	.55
335PM 9/30 WASHINGTON DC 202 966-9672		1	DD	.55
956AM 10/ 2 OAKLAND CA 415 635-6058		1	DD	.53
919AM 10/ 3 WASHINGTON DC 202 872-1488		2	DD	.91
1122AM 10/ 7 WASHINGTON DC 202 872-1488		5	DD	1.99
1204PM 10/ 8 ELIZABETH NJ 201 353-7373		1	DD	.55

\* \* CARRIER TOTAL 24.69

TO ORDER AT&T CARDS, INTERSTATE WATS SERVICES, REACH OUT AMERICA, OR OTHER AT&T LONG DISTANCE SERVICES:

BUSINESS ACCOUNTS CALL 1-800-222-0400  
 RESIDENCE ACCOUNTS CALL 1-800-222-0300

DETACH HERE RETURN LOWER PORTION WITH PAYMENT IN THE ENCLOSED ENVELOPE

PLEASE DO NOT TAP  
 FOR BILLING INQUIRIES  
 CALL AT NO CHARGE

PLEASE INDICATE AMOUNT PAID

\$

SEMPER MOSER ASSOCIATES

PAYMENT DUE TO

P.O. BOX 1114, SANTA MONICA, CA 90406  
 SEMPER MOSER ASSOCIATES 72693 821-7256

3R009236 1C  
 SEP 19, 1986

LONG DISTANCE -ATT	FROM	MIN	TYPE	
202PM 8/13 NEW HOPE	PA 215 862-3341	1	DD	.55
1021AM 8/14 NEW HOPE	PA 215 862-9414	2	DD	.91
931AM 8/15 LITTLETON	CO 303 771-7951	4	DD	1.46
1016AM 8/15 FREEBURG	MO 314 744-5366	1	DD	.48
1017AM 8/15 AUSTIN	TX 512 451-9548	1	DD	.48
1019AM 8/15 AUSTIN	TX 512 444-5353	1	DD	.48
946AM 8/27 WASHINGTON	DC 202 872-1488	3	DD	1.27
1008AM 8/27 LITTLETON	CO 303 771-7957	1	DD	.47
1009AM 8/27 LITTLETON	CO 303 771-7951	4	DD	1.46
1014AM 8/27 METUCHEN	NJ 201 494-2889	10	DD	3.79
1044AM 8/27 WASHINGTON	DC 202 462-8800	1	DD	.55
944AM 8/28 NEW HOPE	PA 215 862-9414	2	DD	.91
412PM 8/28 WASHINGTON	DC 202 265-1600	1	DD	.55
416PM 8/28 WASHINGTON	DC 202 659-9000	2	DD	.91
1152AM 8/29 WASHINGTON	DC 202 872-1488	8	DD	3.07
153PM 8/29 WASHINGTON	DC 202 462-8800	1	DD	.55
159PM 9/ 2 OAKLAND	CA 415 635-6058	1	DD	.53
213PM 9/ 2 WASHINGTON	DC 202 879-4278	1	DD	.55
928AM 9/ 3 NEW YORK	NY 212 880-6679	2	DD	.91
1048AM 9/ 3 LITTLETON	CO 303 771-7951	2	DD	.80
1101AM 9/ 3 WASHINGTON	DC 202 879-4278	1	DD	.55
914AM 9/ 4 LITTLETON	CO 303 771-7951	3	DD	1.13
1005AM 9/ 5 ELIZABETH	NJ 201 353-7373	1	DD	.55
330PM 9/ 9 NEW HOPE	PA 215 862-3341	1	DD	.55

\* \* SUBTOTAL 23.46

INTERSTATE DIRECTORY ASSISTANCE USAGE - 4 CALLS  
 2 BILLABLE CALLS 1.20

\* \* CARRIER TOTAL 24.66

TO ORDER AT&T CARDS, INTERSTATE WATS SERVICES, REACH OUT AMERICA, OR OTHER AT&T LONG DISTANCE SERVICES:

BUSINESS ACCOUNTS CALL 1-800-222-0400  
 RESIDENCE ACCOUNTS CALL 1-800-222-0300

SEMPER MOSER ASSOCIATES

3 8 0 4 0 7 2 4 0 9 5

004 P.O. BOX 1114, SANTA MONICA, CA 90406

3R009009 1C

SEMPER MOSER ASSOCIATES

72693

821-7256

AUG 19, 1986

SEE REVERSE SIDE FOR SPECIAL RATES AND CHARGES

LONG DISTANCE -ATT

FROM

MIN TYPE

316PM	7/14	FTLAUDERDL	FL	305	561-5461	17	DD	6.31
335PM	7/14	SALT LAKE	UT	801	350-8766	1	DD	.47
340PM	7/14	PALO ALTO	CA	415	321-5488	1	DD	.53
341PM	7/14	OAKLAND	CA	415	635-6058 <i>Fullme</i>	2	DD	.84
607PM	7/16	FTLAUDERDL	FL	305	561-5461	14	DE	3.13
454PM	7/17	FTLAUDERDL	FL	305	561-5461	21	DD&	5.59
1120AM	7/18	METUCHEN	NJ	201	494-2889	21	DD	7.75
1021AM	7/21	SALT LAKE	UT	801	350-8766	1	DD	.47
1047AM	7/21	LITTLETON	CO	303	771-7951	1	DD	.47
430PM	7/23	STPETERSBG	FL	813	397-5102	13	DD	4.87
950AM	7/24	WASHINGTON	DC	202	872-1488	1	DD	.55
957AM	7/24	WASHINGTON	DC	202	462-8800	1	DD	.55
1000AM	7/24	STPETERSBG	FL	813	397-5102	6	DD	2.35
314PM	7/24	WASHINGTON	DC	202	872-1488	1	DD	.55
315PM	7/24	LITTLETON	CO	303	771-7951	12	DD	4.10
1021AM	7/28	LITTLETON	CO	303	771-7951	1	DD	.47
215PM	7/29	FTLAUDERDL	FL	305	561-5461	26	DD	9.55
304PM	7/29	OAKLAND	CA	415	635-6058	1	DD	.53
1154AM	7/30	WASHINGTON	DC	202	872-1488	11	DD	4.15
407PM	7/31	FTLAUDERDL	FL	305	561-5461	34	DD	12.43
1206PM	8/ 4	FTLAUDERDL	FL	305	561-5461	3	DD	1.27
936AM	8/ 5	LITTLETON	CO	303	771-7951	3	DD	1.13
1030AM	8/ 5	NEW YORK	NY	212	603-6000	1	DD	.55
1122AM	8/ 5	OAKLAND	CA	415	635-6058	10	DD	3.32
159PM	8/ 5	TELLURIDE	CO	303	728-4402	3	DD	1.13
1038AM	8/ 6	WASHINGTON	DC	202	872-1488	6	DD	2.35
439PM	8/12	HAYWARD	CA	415	785-0566	4	DD	1.46
444PM	8/12	WASHINGTON	DC	202	882-6664	1	DD	.55
935AM	8/13	NEW HOPE	PA	215	862-9414	1	DD	.55
1006AM	8/13	LITTLETON	CO	303	771-7951	7	DD	2.45

& CALL RATED IN MULTIPLE RATE PERIODS

\* \* CARRIER TOTAL

80.42

83040724096

DETACH HERE RETURN TO US WITH PROPER PAYMENT TO THE CARRIER

PLEASE DO NOT STAMP

PLEASE INDICATE NUMBER PAID

FOR BILLING INQUIRIES  
CALL AT NO CHARGE

PLEASE DIRECT ANY PART OF THE BILL WHICH HAS BEEN PAID

ACCOUNT NO. B

SEMPER MOSER ASSOCIATES

NO. OF COPIES

P.O. BOX 1114, SANTA MONICA, CA 90406

3R009265 1C

SEMPER MOSER ASSOCIATES

72693

823-5388

JUL 25, 1986

LONG DISTANCE -ATT

FROM

MIN TYPE

632PM	7/ 2	SAN MONICA	CA	213	396-7970	SBARB	CA	805	CC -9344	15	SE	3.94
1006AM	6/19	NEW HOPE	PA	215	862-9414				822-1670	7	DD	2.72
1124AM	6/23	STPETERSBG	FL	813	393-9660				822-1670	2	DD	.92
735AM	6/24	STPETERSBG	FL	813	393-9660				822-1670	5	DN	.88
229PM	7/ 7	WASHINGTON	DC	202	462-8000				822-1670	1	DD	.56
229PM	7/ 7	WASHINGTON	DC	202	462-8000				822-1670	1	DD	.56
1035AM	7/10	NEW HOPE	PA	215	862-9414				822-1670	2	DD	.92

\* \* CARRIER TOTAL 10.50

88040724097

SEMPER MOSER ASSOCIATES

72693 82305388 700210 222060 3 00000000 8 00 00

BOX 1114, SANTA MONICA, CA 90406

3R009048 1C

R ASSOCIATES 72693 821-7256

JUL 19, 1986

SEE REVERSE SIDE FOR GENERAL INFORMATION

STANCE -ATT	FROM	MIN	TYPE	
6/18 AM	NEW YORK NY 212 503-0737	1	DD	.56
47PM	DIR ASST CA 619 555-1212	1	DD	.35
257PM	SANBARBARA CA 805 962-0952	2	DD	.68
921AM	7/ 3 WASHINGTON DC 202 462-8800	3	DD	1.28
1008AM	7/ 3 WASHINGTON DC 202 462-8800	1	DD	.56
935AM	7/ 8 WASHINGTON DC 202 462-8800	1	DD	.56
1002AM	7/ 9 SALT LAKE UT 801 583-1564	1	DD	.47
1055AM	7/ 9 NEW YORK NY 212 880-7824	1	DD	.56
957AM	7/10 WASHINGTON DC 202 872-1488	3	DD	1.28
1054AM	7/11 WASHINGTON DC 202 462-8800	2	DD	.92
* * CARRIER TOTAL				7.22

88040724098

DETACH HERE RETURN LOWER PORTION WITH A COPY OF THIS BILL

PLEASE DO NOT STAMP

PLEASE INDICATE PAYMENT DATE

WARRANTY D IS

FOR BILLING INQUIRIES CALL AT NO CHARGE

5

PLEASE DEBIT ONLY PART OF THIS BILL WHICH HAS BEEN PAID

SEMPER MOSER ASSOCIATES

PLEASE PRINT OR TYPE

P.O. BOX 466, MARINA DEL REY, CA 90291  
 ER MOSER ASSOCIATES 72693 823-5388

3R009252 1C  
 JUN 25, 1986

LONG DISTANCE -ATT		FROM		MIN TYPE	
1008AM	6/ 9	WASHINGTON DC	202 882-6664		1 DD .56
901AM	5/21	SAN MONICA CA	213 822-7774	SEATTL WA 206 CC -9344	3 DD 2.39
1022AM	5/23	SAN MONICA CA	213 822-7774	AGASSI BC 604 CC -9344	2 SD 2.63
1220PM	5/24	SAN MONICA CA	213 395-0571	VANCVE BC 604 CC -9344	5 SD 4.49
654PM	5/27	FTLAUDERDL FL	305 561-5461	VANCVE BC 604 CC -9344	1 SE 1.81
1004AM	6/ 1	SALT LAKE UT	801 583-1056	TWN FL ID 208 CC -9344	3 SN 1.50
502PM	6/ 1	SAN MONICA CA	213 822-7774	SLT LK UT 801 CC -9344	4 SE 1.92
354PM	6/15	FTLAUDERDL FL	305 561-5461	SBARB CA 805 CC -9344	10 DN 2.72
1128AM	5/21	REDONDO CA	213 377-6711	BELNGH WA 206 CC -9345	2 DD 2.00
625PM	5/23	SAN MONICA CA	213 395-0571	AGASSI BC 604 CC -9345	1 SE 1.74
721AM	6/ 2	WASHINGTON DC	202 872-1488	SLT LK UT 801 CC -9345	7 SN 2.15
756AM	6/ 2	JACKSONVL FL	904 634-1271	SLT LK UT 801 CC -9345	1 SN 1.26
813AM	6/ 2	SAN MONICA CA	213 822-0611	SLT LK UT 801 CC -9345	6 SD 3.17
1059AM	6/ 2	LOSANGELES CA	213 775-6091	SLT LK UT 801 CC -9345	5 SD 2.84
327PM	6/ 2	LOSANGELES CA	213 775-6091	SLT LK UT 801 CC -9345	1 SD 1.52
1113AM	6/ 4	ENGLEWOOD CO	303 761-8630	822-1670	1 DD .47
1030AM	6/ 5	WASHINGTON DC	202 879-4278	822-1670	5 DD 2.00
1041AM	6/ 5	WASHINGTON DC	202 872-1488	822-1670	1 DD .56
143PM	6/ 6	JACKSONVL FL	904 634-1271	822-1670	1 DD .56
1009AM	6/ 9	WASHINGTON DC	202 462-8800	822-1670	2 DD .92
317PM	6/ 9	AUSTIN TX	512 385-6988	822-1670	1 DD .48
226PM	6/10	WASHINGTON DC	202 462-8800	822-1670	4 DD 1.64
403PM	6/10	OAKLAND CA	415 635-6058	822-1670	1 DD .53
1003AM	6/11	ENGLEWOOD CO	303 761-8630	822-1670	2 DD .80
224PM	6/11	WASHINGTON DC	202 872-1488	822-1670	4 DD 1.64
248PM	6/18	LA JOLLA CA	619 457-4786	822-1670	1 DD .43
* * CARRIER TOTAL					42.73

83040724099

SEMPER MOSER ASSOCIATES

000005 P.O. BOX 466, MARINA DEL REY, CA 90291 3R009061 1C  
 SEMPER MOSER ASSOCIATES 72693 823-5388 MAY 25, 1986

LONG DISTANCE -ATT	FROM	MIN	TYPE	
953PM 4/30 CORTEMADRA CA 415 924-4118		1	DE	.39
1018AM 5/ 5 SAN FRAN CA 415 641-1753		1	DD	.53
1048AM 4/21 WASHINGTON DC 808 879-4278	822-1670	4	DD	1.91
147PM 4/22 WASHINGTON DC 202 879-4278	822-1670	3	DD	1.49
958AM 4/24 WASHINGTON DC 202 879-4278	822-1670	1	DD	.65
1001AM 5/ 1 WASHINGTON DC 202 872-1488	822-1670	1	DD	.65
929AM 5/ 5 WASHINGTON DC 202 872-1488	822-1670	1	DD	.65
1134AM 5/ 5 JACKSONVL FL 904 634-1271	822-1670	6	DD	2.75
933AM 5/ 6 WASHINGTON DC 202 462-8800	822-1670	1	DD	.65
1109AM 5/ 6 WASHINGTON DC 202 882-6664	822-1670	4	DD	1.91
923AM 5/ 9 JACKSONVL FL 904 634-1271	822-1670	1	DD	.65
917AM 5/12 JACKSONVL FL 904 634-1271	822-1670	2	DD	1.07
918AM 5/12 WASHINGTON DC 202 879-4278	822-1670	6	DD	2.75
926AM 5/12 WASHINGTON DC 202 462-8800	822-1670	1	DD	.65
933AM 5/14 WASHINGTON DC 202 872-7729	822-1670	1	DD	.65
934AM 5/14 WASHINGTON DC 202 462-8800	822-1670	1	DD	.65
* * CARRIER TOTAL				18.00

88040724100

ACCOUNTS PAYABLE  
 JOB NO. 440-133  
 ENTERED 5/30/86  
 PAID 6/12/86  
 CHECK NO. 20174  
 INVOICE AMT. 201.74  
 DISCOUNT \_\_\_\_\_  
 NET PAID 201.74

FOR BILLING LEAD  
 CALL AT 800-833-8333

SEMPER MOSER ASSOCIATES

.O. BOX 466, MARINA DEL REY, CA 90291  
 MOSER ASSOCIATES 72693 823-5388

3R009638 1C  
 APR 25, 1986

SEE REVERSE SIDE FOR GENERAL EXPLANATIONS

DISTANCE -ATT		FROM		MIN	TYPE	
108AM	3/20	METUCHEN	NJ 201 494-2889	1	DD	.65
116AM	3/20	SAN FRAN	CA 415 986-2455	5	DD	1.93
1145AM	3/20	OAKLAND	CA 415 635-6058	1	DD	.57
1035AM	3/24	WASHINGTON	DC 202 879-4270	2	DD	1.07
1043AM	3/24	SAN FRAN	CA 415 563-1036	9	DD	3.01
1107AM	3/24	OAKLAND	CA 415 635-6058	1	DD	.53
953AM	4/ 1	NEW HOPE	PA 215 862-3341	1	DD	.65
126PM	4/ 1	NEW HOPE	PA 215 862-3341	2	DD	1.07
159PM	4/ 4	SAN FRAN	CA 415 981-2500	1	DD	.53
1204PM	4/11	NEW HOPE	PA 215 862-9414	1	DD	.65
926AM	3/13	WASHINGTON	DC 202 879-4278	822-1670	1	DD .65
1001AM	3/13	OAKLAND	CA 415 635-6058	822-1670	1	DD .57
1042AM	3/21	PALMDESERT	CA 619 345-2781	822-1670	3	DD 1.08
1109AM	3/24	WASHINGTON	DC 202 872-7729	822-1670	1	DD .65
508PM	3/24	VANCOUVER	BC 604 660-3976	822-1670	3	DD 2.00
352PM	3/27	OAKLAND	CA 415 635-6058	822-1670	1	DD .53
929AM	3/28	OAKLAND	CA 415 635-6058	822-1670	1	DD .53
1056AM	3/31	FAIR OAKS	CA 916 961-0520	822-1670	1	DD .53
149PM	4/ 1	DIR ASST	CA 408 555-1212	822-1670	1	DD .35
151PM	4/ 1	DIR ASST	CA 408 555-1212	822-1670	1	DD .35
153PM	4/ 1	SANTA CRUZ	CA 408 423-7923	822-1670	9	DD 3.01
931AM	4/10	JACKSONVL	FL 904 634-1271	822-1670	1	DD .65
1109AM	4/10	SAN FRAN	CA 415 989-3200	822-1670	2	DD .84
253PM	4/10	SANTA CRUZ	CA 408 423-7923	822-1670	1	DD .53
940AM	4/15	JACKSONVL	FL 904 634-1271	822-1670	1	DD .65
212PM	4/18	AGASSIZ	BC 604 796-2616	822-1670	3	DD 2.00
218PM	4/18	AGASSIZ	BC 604 796-2441	822-1670	4	DD 2.62
224PM	4/18	AGASSIZ	BC 604 796-2185	822-1670	6	DD 3.86

\* \* CARRIER TOTAL 32.06

8 9 0 4 0 7 2 4 1 0 1

PLEASE PRINT NAME AND ADDRESS OF THE PARTY TO WHOM THIS BILL IS BEING SENT  
 PLEASE PRINT PHONE NUMBER AND CARRIER NUMBER  
 FOR BILLING PURPOSES CALL AT NO. 019-0000

SEMPER MOSER ASSOCIATES

ACCOUNT NUMBER

PAID BY

P.O. BOX 466, MARINA DEL REY, CA 90291  
 MOSER ASSOCIATES 72693 823-5388

3R009892 LC  
 MAR 25, 1986

NO	DISTANCE	-ATT	FROM	MIN	TYPE	
136PM	1/13	SAN MONICA	CA 213 823-5388	GRENAD	440	4 PCD 10.74
1015AM	3/ 5	OAKLAND	CA 415 635-6058			7 DD 2.61
1055AM	3/11	PHILA	PA 215 878-1500			4 DD 1.91
955AM	2/28	SAN FRAN	CA 415 989-3200		822-1670	1 DD .57
1121AM	2/28	CHARLOTTE	VT 802 425-3961		822-1670	4 DD 1.91
940AM	3/ 5	JACKSONVL	FL 904 634-1271		822-1670	1 DD .65
258PM	3/ 5	MELBOURNE	FL 305 725-4888		822-1670	10 DD 4.43
129PM	3/ 6	FREEBURG	MO 314 744-5867		822-1670	1 DD .56
1024AM	3/11	WASHINGTON	DC 202 877-4278		822-1670	1 DD .65
143PM	3/11	NEW YORK	NY 212 242-2460		822-1670	4 DD 1.91
257PM	3/19	MAMARONECK	NY 914 698-5711		822-1670	2 DD 1.07
* * CARRIER TOTAL						27.01

88040724102

PLEASE RETURN TO: RETURN TO THE POST OFFICE WITH PAYMENT IN THE ATTACHED ENVELOPE

PLEASE DO NOT STAPLE

PLEASE INDICATE RECEIPT

FOR BILLING INQUIRIES  
 CALL AT NO CHARGE

IF YOU DESIRE A COPY OF THIS BILL WHICH HAS BEEN PAID

PLEASE CONTACT

SEMPER MOSER ASSOCIATES

P.O. BOX 466, MARINA DEL REY, CA 90291  
 ER MOSER ASSOCIATES 72693 823-5388

3R010074 1C  
 FEB 25, 1986

SEE REVERSE SIDE FOR DETAILS

LONG DISTANCE -ATT	FROM	MIN	TYPE	
1125AM 1/22 FT LAUDERDL FL 305 485-4111		2	DD	1.07
1106AM 1/23 WASHINGTON DC 202 462-8800		3	DD	1.49
1156AM 1/24 FT LAUDERDL FL 305 485-4111		1	DD	.65
935AM 1/27 WASHINGTON DC 202 393-2000		2	DD	1.07
1113AM 1/28 MELBOURNE FL 305 725-4888		40	DD	17.03
1014AM 1/30 NEW HOPE PA 215 862-9414		4	DD	1.91
415PM 2/ 4 SAN FRAN CA 415 989-3200		2	DD	.91
1133AM 2/11 CARSONCITY NV 702 883-9226		2	DD	.89
948AM 2/20 WASHINGTON DC 202 872-7729		1	DD	.65
400PM 2/20 SAN FRAN CA 415 989-3200		1	DD	.57
713PM 1/29 WASHINGTON DC 202 393-2000	SNMON 213 CC -9344	1	DE	1.44
233PM 1/21 WASHINGTON DC 202 659-5930	822-1670	7	DD	3.17
502PM 1/27 SANBARBARA CA 805 682-9251	822-1670	30	DE	6.22
959AM 1/28 FT LAUDERDL FL 305 561-5461	822-1670	20	DD	8.63
1109AM 1/28 NEWORLEANS LA 504 861-1626	822-1670	3	DD	1.34
935AM 2/ 5 WASHINGTON DC 202 224-3121	822-1670	2	DD	1.07
222PM 2/ 6 WASHINGTON DC 202 879-4270	822-1670	1	DD	.65
1225PM 2/14 SACRAMENTO CA 916 739-3684	822-1670	3	DD	1.25

\* \* SUBTOTAL 50.01

INTERSTATE DIRECTORY ASSISTANCE USAGE - 3 CALLS  
 1 BILLABLE CALLS .60

\* \* CARRIER TOTAL 50.61

88040724103

FOR BILLING INQUIRIES  
 CALL AT NO CHARGE

SEMPER MOSER ASSOCIATES

**GENERAL TELEPHONE COMPANY OF CALIFORNIA**  
An Equal Opportunity Employer

OFFICE

SERIAL CODE

PAGE

103 P.O. BOX 466, MARINA DEL REY, CA 90291

3R006503

1C

PER MOSER ASSOCIATES

DIVISION CODE  
72693

ACCOUNT NUMBER  
823-5388

DATE  
MAY 25, 1985

SEE REVERSE SIDE FOR GENERAL EXPLANATIONS

LONG DISTANCE CARRIER -ATT				MIN		TYPE		
135PM	4/24	NEW HOPE	PA	215	862-9414	3	DD	1.61
357AM	4/24	SAN FRAN	CA	415	881-2500	1	DD	.57
317PM	4/29	WASHINGTON	DC	202	881-2500	4	DD	2.07
425PM	4/29	SAN FRAN	CA	415	881-2500	1	DD	.57
337PM	4/30	EUGENE	OR	503	343-8622	11	DD	4.58
924AM	5/3	GIG HARBOR	WA	206	851-3943	3	DD	1.42
909AM	5/3	NEW HOPE	PA	215	862-9414	1	DD	.69
1458AM	5/3	OAKLAND	CA	415	635-6058	2	DD	.91
131PM	5/7	ALPHARETTA	GA	404	478-1518	15	DD	7.13
1235PM	5/9	DSERTHTSPG	CA	619	329-4567	26	DD	7.75
1132AM	5/10	NEW HOPE	PA	215	862-9414	1	DD	.69
119PM	5/10	SAN FRAN	CA	415	881-2500	1	DD	.57
1047AM	5/14	WASHINGTON	DC	202	872-1688	12	DD	5.75
1033AM	5/14	WASHINGTON	DC	202	872-1688	1	DD	1.15
135PM	5/15	NEW HOPE	PA	215	862-9414	1	DD	.69
1106AM	5/15	ST LOUIS	MO	314	832-7575	22	DD	9.21
430PM	5/15	HILL VALLEY	CA	415	383-4050	3	DD	1.25
454PM	5/15	HILL VALLEY	CA	415	383-4050	3	DD	1.25
931AM	5/15	VICTORIA	BC	604	595-2054	19	DD	11.92
1222PM	5/15	JACKSONVL	FL	904	398-5141	1	DD	.69
1106AM	5/15	JACKSONVL	FL	904	634-1271	1	DD	.69
942AM	5/16	MANCHESTER	NH	603	669-2921	1	DD	.69
509PM	5/16	JACKSONVL	FL	904	642-4465	4	DE	1.24
236PM	4/22	SANBARBARA	CA	805	882-9251	1	DD	.47
1127AM	4/23	WASHINGTON	DC	202	882-8884	3	DD	1.61
1147AM	5/3	BAKERSFLD	CA	805	399-5580	3	DD	1.01
922AM	5/9	CRANFORD	NJ	201	276-6631	3	DD	.69
211PM	5/10	METUCHEN	NJ	201	494-2889	5	DD	2.93
1228AM	5/15	JACKSONVL	FL	904	359-3099	5	DD	2.93
215PM	5/15	JACKSONVL	FL	904	642-0295	19	DD	8.97
347PM	5/15	JACKSONVL	FL	904	642-4465	7	DD	3.45
1218PM	5/15	STAUGUSTIN	FL	904	824-3343	1	DD	.69
1012AM	5/16	ELIZABETH	NJ	201	353-7373	3	DD	1.61
1004AM	5/16	DSERTHTSPG	CA	619	329-4567	3	DD	1.08
* * CARRIER TOTAL								87.73

88040724104

DETACH HERE → RETURN LOWER PORTION WITH PAYMENT IN THE ENCLOSED ENVELOPE

PLEASE DO NOT STAPLE

PLEASE INDICATE AMOUNT PAID

FOR BILLING INQUIRIES  
CALL AT NO CHARGE

1 800 223-6177

\$ 201.36

AMOUNT DUE  
770.29

DO NOT SEND CASH

PLEASE DEDUCT ANY PART OF THIS BILL WHICH HAS BEEN PAID

SEMPER MOSER ASSOCIATES  
INC  
1744 WASHINGTON BL  
VENICE CA

3344793  
90291

ACCOUNT NUMBER  
823-5388

JUN 9, 1985

PAYMENT DUE BY

*Current Charges  
less late payment  
charge*

166

08 P.O. BOX 466, MARINA DEL REY, CA 90291 3R006740 2C  
 ER MOSER ASSOCIATES 72693 823-5388 APR 25, 1985

Time	Day	Count	Origin	City	State	Zip	Rate	DD	Amount
146PM	4/	1	CARSONCITY	NV	702	882-3261	7	DD	2.89
			FROM-			822-1670			
1200PM	4/	1	SANBARBARA	CA	805	682-9251	1	DD	.47
			FROM-			822-1670			
1143AM	4/	1	SANBARBARA	CA	805	682-9251	2	DD	.74
			FROM-			822-1670			
1133AM	4/	2	WASHINGTON	DC	202	462-8800	1	DD	.69
			FROM-			822-1670			
1134AM	4/	2	DENVER	CO	303	592-1300	21	DD	8.58
			FROM-			822-1670			
1159AM	4/	2	OAKLAND	CA	415	530-5800	1	DD	.57
			FROM-			822-1670			
345PM	4/	9	SAN FRAN	CA	415	665-8751	5	DD	1.93
			FROM-			822-1670			
955AM	4/18		SEATTLE	WA	206	682-6865	4	DD	1.83
			FROM-			822-1670			

\* \* CARRIER TOTAL 695.47

8 9 0 4 0 7 2 4 1 0 5

DETACH HERE RETURN LOWER PORTION WITH PAYMENT IN THE ENVELOPE  
 PLEASE DO NOT WRITE  
 FOR BILLING INQUIRIES CALL AT NO CHARGE  
 SEMPER MOSER ASSOCIATES  
 PAY TO THE ORDER OF

7 P.O. BOX 466, MARINA DEL REY, CA 90291  
 ER MOSER ASSOCIATES 72693 823-5388

3R006739 1C  
 APR 25, 1985

LONG DISTANCE CARRIER -ATT

MIN TYPE

TIME	DATE	CITY	STATE	AREA	NUMBER	MIN	TYPE	RATE
1005AM	3/22	CLEVELAND	OH	216	261-2610	6	DD	2.99
1132AM	3/25	WASHINGTON	DC	202	872-1488	2	DD	.15
1041AM	3/26	SAN RAFAEL	CA	415	457-7837	27	DD	9.41
138PM	3/26	SAN FRAN	CA	415	641-1753	1	DD	.57
150PM	3/27	WASHINGTON	DC	202	675-9000	1	DD	.69
115PM	3/28	NEW HOPE	PA	215	862-9414	10	DD	4.83
254PM	3/29	POINTREYES	CA	415	663-8462	8	DD	3.95
1130AM	4/1	NORTH DADE	FL	305	944-5595	8	DD	3.91
1014AM	4/4	WASHINGTON	DC	202	293-1707	27	DD	6.55
1043AM	4/5	ELIZABETH	NJ	201	353-7373	1	DD	.69
911AM	4/5	NEW HOPE	PA	215	862-9414	1	DD	.69
1111AM	4/9	WASHINGTON	DC	202	872-5388	1	DD	5.29
556PM	4/9	CLEVELAND	OH	216	261-6140	2	DE	.69
344PM	4/9	OAKLAND	CA	415	555-8751	1	DD	.57
933AM	4/9	JACKSVLBCH	FL	904	246-3241	5	DD	2.53
1036AM	4/12	WASHINGTON	DC	202	882-6664	8	DD	3.91
842AM	4/12	NEW HOPE	PA	215	862-9414	1	DD	.69
1046AM	4/12	DENVER	CO	303	592-1300	1	DD	.58
1133AM	4/12	SANBARBARA	CA	805	963-5841	6	DD	1.82
205PM	4/17	WASHINGTON	DC	202	872-5388	1	DD	.69
205PM	4/17	WASHINGTON	DC	202	872-5388	4	DD	2.07
909AM	4/17	NEW HOPE	PA	215	862-9414	4	DD	2.07
138PM	4/17	SAN FRAN	CA	415	981-2500	1	DD	.57
140PM	4/17	PORTLAND	OR	503	227-2884	1	DD	.58
141PM	4/17	PORTLAND	OR	503	227-2889	1	DD	.58
513PM	4/19	SANBARBARA	CA	805	682-9251	2	DE	.55
938AM	3/18	PALO ALTO	CA	415	322-4452	2	DD	.91
		FROM-			822-1670			
421PM	3/18	OAKLAND	CA	415	635-6058	2	DD	.91
		FROM-			822-1670			
425PM	3/18	BAKERSFLD	CA	805	324-0107	2	DD	.74
		FROM-			822-1670			
1202PM	3/20	W PALM BCH	FL	305	686-8889	1	DD	.69
		FROM-			822-1670			
247PM	3/25	OAKLAND	CA	415	530-5800	1	DD	.57
		FROM-			822-1670			
453PM	3/26	SANBARBARA	CA	805	682-9251	1	DD	.47
		FROM-			822-1670			
1006AM	3/27	WASHINGTON	DC	202	872-5388	1	DD	.69
		FROM-			822-1670			
204PM	3/27	PALM SPG	CA	619	327-9529	7	DD	2.24
		FROM-			822-1670			
137PM	3/27	PALM SPG	CA	619	327-9529	19	DD	5.72
		FROM-			822-1670			
1004AM	3/27	LAS VEGAS	NV	702	739-4401	1	DD	.54
		FROM-			822-1670			
156PM	4/1	OAKLAND	CA	415	530-5800	1	DD	.57
		FROM-			822-1670			

R 8 0 4 0 7 2 4 1 0 6

FOR BILLING PURPOSE  
 CALL 21 800 800 8000

SEMPER MOSER ASSOCIATES

OFFICE

SERIAL CODE PAGE

P.O. BOX 466, MARINA DEL REY, CA 90291

3R006507 1C

SEMPER MOSER ASSOCIATES

DIVISION CODE 72693

ACCOUNT NUMBER 821-7256

DATE APR 19, 1985

SEE REVERSE SIDE FOR GENERAL EXPLANATIONS

LONG DISTANCE CARRIER -ATT

MIN TYPE

140PM	3/28	WASHINGTON	DC	202	675-9000	1	DD	.69
841AM	3/29	WASHINGTON	DC	202	675-9000	1	DD	1.61
828AM	4/3	WASHINGTON	DC	202	675-9000	1	DD	.69
844AM	4/3	WASHINGTON	DC	202	675-9000	1	DD	2.07
917AM	4/3	SAN FRAN	CA	415	981-2500	1	DD	.57
236PM	4/4	WASHINGTON	DC	202	675-9000	1	DD	.69
825AM	4/5	ELIZABETH	NJ	201	353-7373	4	DD	2.07

\* \* CARRIER TOTAL

\$8.39

88040724107

DETACH HERE → RETURN LOWER PORTION WITH PAYMENT IN THE ENCLOSED ENVELOPE

PLEASE DO NOT STAPLE

FOR BILLING INQUIRIES  
CALL AT NO CHARGE ▶

PLEASE INDICATE AMOUNT PAID

\$

AMOUNT DUE

DO NOT SEND CASH

PLEASE DEDUCT ANY PART OF THIS BILL WHICH HAS BEEN PAID

ACCOUNT NUMBER

SEMPER MOSER ASSOCIATES

PAYMENT DUE BY

169

OFFICE

P.O. BOX 466, MARINA DEL REY, CA 90291

3R005533 4

SEMPER MOSER ASSOCIATES

72693

823-5388

MAR 25, 1985

SEE REVERSE SIDE FOR GENERAL INFORMATION

LONG DISTANCE

MIN TYPE

257PM	3/14	MONTEBELLO	CA	213	724-2211	2	DD	.37
415PM	2/25	HUNTITNBCH	CA	714	960-5436	3	DD	.78
		FROM-			822-1670			
1032AM	2/26	SANTA ANA	CA	714	641-6660	2	DD	.55
		FROM-			822-1670			
1010AM	3/12	SANFRNANDO	CA	818	891-7711	2	DD	.37
		FROM-			822-1670			
215PM	3/15	NORWALK	CA	213	404-2577	1	DD	.26
		FROM-			822-1670			

\* \* SUBTOTAL \$2.33

LONG DISTANCE CARRIER -ATT

MIN TYPE

225PM	2/ 5	SAN MONICA	CA	213	823-5388	9	SCD	5.05 <i>wit</i>
		FROM-LAS VE NV		702	734-4215			
104PM	2/22	JACKSONVL	FL	904	642-0295	4	DD	2.07 <i>wit</i>
122PM	2/26	NEW YORK	NY	212	221-6938	14	DD	6.67
1039AM	2/27	HOUSTON	TX	713	759-1212	1	DD	.60
1126AM	2/28	PHILA	PA	215	878-1500	1	DD	.69
156PM	3/ 1	NEW HOPE	PA	215	862-9414	8	DD	3.91
1043AM	3/ 1	HOUSTON	TX	713	686-5322	1	DD	.60
957AM	3/ 1	VICTORIA	BC	604	595-2054	18	DD*	11.30
1049AM	3/ 7	NEW HOPE	PA	215	862-9414	2	DD	1.15
139PM	3/ 7	LAS VEGAS	NV	702	739-4401	2	DD	.91 <i>wit</i>
1236PM	3/13	JACKSONVL	FL	904	634-1271	1	DD	.69
616PM	3/13	JACKSONVL	FL	904	642-0295	1	DE	.41 <i>wit</i>
617PM	3/13	JACKSONVL	FL	904	642-0295	8	DE	2.34 <i>wit</i>
248PM	3/14	GAINESVL	FL	904	372-4332	1	DD	.69
351PM	2/21	LOS GATOS	CA	408	354-6081	5	DD	1.93
		FROM-			822-1670			
939AM	2/25	CHICAGO	IL	312	828-0350	3	DD	1.42
		FROM-			822-1670			
1029AM	2/28	JACKSONVL	FL	904	634-1271	5	DD	2.53
		FROM-			822-1670			
243PM	3/ 1	WASHINGTON	DC	202	872-5388	1	DD	.69
		FROM-			822-1670			
957AM	3/ 1	NEW HOPE	PA	215	862-3341	4	DD	2.07 <i>wit</i>
		FROM-			822-1670			
1122AM	3/ 6	LAS VEGAS	NV	702	739-4401	1	DD	.54 <i>wit</i>
		FROM-			822-1670			
1022AM	3/ 8	WASHINGTON	DC	202	675-9000	1	DD	.69 <i>wit</i>
		FROM-			822-1670			
1024AM	3/ 8	WASHINGTON	DC	202	872-1488	2	DD	1.15 <i>wit</i>
		FROM-			822-1670			
250PM	3/11	PALO ALTO	CA	415	322-4452	2	DD	.91
		FROM-			822-1670			

DETACH HERE - RETURN TO US WITH ORIGINAL TO THE EXTENT POSSIBLE

PLEASE DO NOT STAPLE

PLEASE PRINT NAME AND ADDRESS

ACCOUNT NO.

FOR BILLING INQUIRIES CALL AT NO CHARGE

PLEASE DEPOSIT ANY PART OF THIS BILL WHICH HAS BEEN PAID ACCIDENT TO US

SEMPER MOSER ASSOCIATES

PLEASE PRINT NAME

88040724108

P.O. BOX 466, MARINA DEL REY, CA 90291 3R005447 2  
 SEMPER MOSER ASSOCIATES 72693 821-7256 MAR 19, 1985

LONG DISTANCE MIN TYPE  
 1117AM 2/19 NORWALK CA 213 921-9466 2 DD .43wtt  
 1124AM 2/19 NORWALK CA 213 921-9466 1 DD .26wtt

\* \* SUBTOTAL \$ .69

LONG DISTANCE CARRIER -ATT MIN TYPE  
 1145AM 2/20 SPOKANE WA 509 624-0227 3 DD 1.42  
 446PM 2/28 SAN FRAN CA 415 641-1753 1 DD .57  
 1057AM 2/28 SAN FRAN CA 415 665-8751 1 DD .57  
 1114AM 2/5 WASHINGTON DC 202 462-8800 1 DD .69  
 248PM 2/6 PARK CITY UT 801 649-3331 1 DD 2.58  
 906AM 2/12 METUCHEN NJ 201 494-2889 5 DD 2.53  
 938AM 3/12 METUCHEN NJ 201 494-2889 3 DD 1.61wtt

\* \* SUBTOTAL \$9.97

\*\*\*TOTAL LONG DISTANCE CHARGES \$10.66

ATT-C BILLING SURCHARGES 8.55 PERCENT .10  
 BILLING SURCHARGE 2.08  
 PUC FUNDING PER RESOLUTION M-4735 .04  
 FEDERAL EXCISE TAX 1.97  
 LOS ANGELES CITY TAX 5.67  
 911 STATE TAX .08

\*\*\*TOTAL CHARGES CURRENT MONTH \$51.41  
 TOTAL DUE 107.58

A LATE PAYMENT CHARGE WILL APPLY IF  
 PAYMENT IS NOT RECEIVED BY APR 13, 1985

\*\*\*\*\*FOR BILLING INQUIRIES CALL AT NO CHARGE 1 800 223-6177\*\*\*\*\*  
 \*\*\*\*\*FOR SERVICE REQUESTS CALL 823-7911\*\*\*\*\*

THIS BILL REFLECTS A BILLING SURCHARGE EFFECTIVE MARCH 11, 1985.  
 PLEASE READ IMPORTANT NOTICE ENCLOSED.

83040724109

FOR BILLING INQUIRIES  
 CALL AT NO CHARGE

SEMPER MOSER ASSOCIATES

P.O. BOX 466, MARINA DEL REY, CA 90291 3R005200 7  
 PER MOSER ASSOCIATES 72693 823-5388 FEB 25, 1985

\* \* SUBTOTAL \$13.47

LONG DISTANCE CARRIER -ATT

MIN TYPE

1224PM	1/18	METUCHEN	NJ	201	494-2889	2	DD	1.15 <i>WTT</i>
1043AM	1/18	OAKLAND	CA	415	635-6058	1	DD	.57 <i>full rate</i>
1022AM	1/21	SAN FRAN	CA	415	981-2500	1	DD	.57
1048AM	1/23	NEW YORK	NY	212	556-1234	2	DD	1.15
1105AM	1/30	NEW HOPE	PA	215	862-9414	1	DD	.69 <i>WTT</i>
904AM	1/31	NEW HOPE	PA	215	862-3341	1	DD	5.29 <i>WTT</i>
1141AM	2/1	NEW HOPE	PA	215	862-9414	1	DD	2.07 <i>WTT</i>
151PM	2/1	NEW HOPE	PA	215	862-9414	2	DD	1.15 <i>WTT</i>
1003AM	2/1	LAS VEGAS	NV	702	739-4401	1	DD	.54 <i>WTT</i>
1012AM	2/12	WASHINGTON	DC	202	872-1488	1	DD	1.15 <i>WTT</i>
1015AM	2/12	BERWYN	MD	301	441-8777	1	DD	7.13
1030AM	2/13	SAN FRAN	CA	415	981-2500	2	DD	.91
238PM	2/13	HOUSTON	TX	713	850-1907	1	DD	3.88
158PM	2/14	NEW YORK	NY	212	556-1396	1	DD	.69
201PM	2/14	JACKSONVL	FL	904	642-0295	4	DD	2.07 <i>WTT</i>
899AM	12/20	SAN MONICA	CA	213	390-2604	18	SD	43.38 <i>SMR</i>
932AM	1/22	SACRAMENTO	CA	916	445-4817	2	DD	.91
833AM	1/29	SANBARBARA	CA	805	682-9251	4	DD	1.28 <i>Ter</i>
1014AM	2/8	WASHINGTON	DC	202	822-1670	1	DD	.69 <i>Att</i>
1017AM	2/8	NEW HOPE	PA	215	862-9414	1	DD	.69 <i>WTT</i>
942AM	2/11	NEW HOPE	PA	215	862-3341	2	DD	1.15 <i>WTT</i>
447PM	2/12	LAS VEGAS	NV	702	739-4401	1	DD	.54 <i>WTT</i>
313PM	2/14	OAKLAND	CA	415	635-6058	1	DD	.57 <i>full rate</i>
1103AM	2/19	OAKLAND	CA	415	635-6058	3	DD	1.25 <i>full rate</i>

\* \* SUBTOTAL \$79.47

\*\*\*TOTAL LONG DISTANCE CHARGES \$92.94

ATT-C BILLING SURCHARGES 8.55 PERCENT .52

PUC FUNDING PER RESOLUTION M-4735 .52

FEDERAL EXCISE TAX 17.78

LOS ANGELES CITY TAX 51.92

DETACH HERE

PLEASE DO NOT TEAR

FOR BILLING INQUIRIES  
 CALL AT NO CHARGE

SEMPER MOSER ASSOCIATES

83040724110

REC'D 1/25/85  
 11001 E '100  
 11001 E '100

U. BOX 466, MARINA DEL REY, CA 90291 3R005130 3  
 PER MOSER ASSOCIATES 72693 823-5388 JAN 25, 1985

1056AM	1/17	213	775-6091	22	71	DD	.71
1120AM	1/17	213	775-6091	4	17	DD	.17
1212PM	1/17	213	775-6091	1	8	DD	.08
1017AM	1/17	213	385-4373	5	20	DD	.20
234PM	1/17	213	773-6091	1	8	DD	.08
1056AM	1/17	213	775-6091	2	11	DD	.11
238PM	1/17	213	775-6091	4	17	DD	.17
1030AM	1/17	213	775-6091	1	8	DD	.08

\*\*\*TOTAL ZONE UNIT CHARGES \$14.09

LONG DISTANCE						MIN	TYPE	
1120AM	1/ 2	SANTA ANA	CA	714	662-7689	1	DD	.32
313PM	1/10	SANTA ANA	CA	714	966-6632	3	DD	.78
336PM	1/10	PASADENA	CA	818	790-6562	4	DD	.65
224PM	1/ 2	ALHAMBRA	CA	818	289-4244	3	DD	.51
		FROM-			822-1670			

\* \* SUBTOTAL \$2.26

LONG DISTANCE CARRIER -ATT						MIN	TYPE	
1099AM	12/11	SAN MONICA	CA	213	823-5388	3	SCD	9.90
		FROM-LA PAZ	MX	526	822-2662			
1099AM	12/20	SAN MONICA	CA	213	823-5388	8	SCD	20.80
		FROM-SN J C	MX	526	842-0267			
1019AM	12/21	BOSTON	MA	617	236-1828	2	DD	1.15
1224PM	12/29	LOSANGELES	CA	213	754-9216	1	SN	1.79
		FROM-DALLAS	TX	214	826-3296			
444PM	1/14	OAKLAND	CA	415	435-1058	1	DD	.57
1045AM	1/15	WASHINGTON	DC	202	675-4000	1	DD	.69
1044AM	1/17	NEW HOPE	PA	215	862-3341	9	DD	4.37
1107AM	1/17	SAN FRAN	CA	415	563-1036	1	DD	.57
		FROM-			822-1670			

\* \* SUBTOTAL \$39.84

\*\*\*TOTAL LONG DISTANCE CHARGES \$42.10

ATT-C BILLING SURCHARGES 8.55 PERCENT	.10
PUC FUNDING PER RESOLUTION M-4735	.09
FEDERAL EXCISE TAX	3.90
LOS ANGELES CITY TAX	9.12
911 STATE TAX	.25

DETACH HERE

88040724111

OFFICE

P.O. BOX 466, MARINA DEL REY, CA 90291 3R005385 5

EMPER MOSER ASSOCIATES 72693 823-5388 NOV 25, 1984

SEE TELEPHONE LIST FOR CARRIER

1043AM	11/ 5	SAN MONICA CA	213	823-5388	1	SCD	1.26
		FROM-LGBCH CA	213	432-9179			
512PM	11/ 7	MONTEBELLO CA	213	724-2211	3	DE	.35
933AM	11/14	SAN PEDRO CA	213	830-5550	2	DD	.37
1144AM	11/16	NEWPRTBCH CA	714	645-1515	1	DD	.35
422PM	11/19	CANOGAPARK CA	818	884-3800	9	DD	1.35

\* \* SUBTOTAL \$7.58

LONG DISTANCE CARRIER -ATT MIN TYPE

	10/17	FTLAUDERDL FL	305	491-1650	2	SD	5.92
		FROM-BARBAD	809	CC-9344			
325PM	10/25	CARSONCITY NV	702	883-7311	7	DD	2.89
		FROM-		822-1670			
227PM	10/29	WASHINGTON DC	202	224-5852	2	DD	1.15
		FROM-		822-1670			
1004AM	10/29	WASHINGTON DC	202	675-9000	22	DD	10.35
		FROM-		822-1670			
237PM	10/29	WASHINGTON DC	202	675-9000	2	DD	1.15
		FROM-		822-1670			
236PM	10/29	DENVER CO	303	825-1966	1	DD	.58
		FROM-		822-1670			
957AM	10/29	SUNNYVALE CA	408	773-8600	2	DD	.91
		FROM-		822-1670			
922AM	11/ 1	DUBLIN NH	603	563-8111	1	DD	.69
		FROM-		822-1670			
934AM	11/ 2	NEW HOPE PA	215	862-9414	1	DD	.69
		FROM-		822-1670			
1053AM	11/ 7	DENVER SW CO	303	988-5110	1	DD	.58
		FROM-		822-1670			
1017AM	11/13	NEW HOPE PA	215	862-3341	3	DD	1.61
		FROM-		822-1670			
	10/12	SAN MONICA CA	213	823-5388	2	SCD	8.87
		FROM-BARBAD	432	1326			
249PM	10/26	ROSELLE IL	312	843-0100	2	DD	1.01
440PM	10/26	ROSELLE IL	312	843-0100	4	DD	1.83
127PM	10/29	NEW YORK NY	212	556-1396	1	DD	.69
1132AM	10/31	PT TOWNSND WA	206	335-4555	7	DD	3.06
1153AM	11/ 2	BETHESDA MD	202	951-4800	1	DD	.69
952AM	11/ 2	NEW HOPE PA	215	862-9414	9	DD	4.37
424PM	11/ 6	SAN FRAN CA	415	981-2500	1	DD	.57
1044AM	11/ 8	SAN MATEO CA	415	340-8500	1	DD	.57
1013AM	11/13	METUCHEN NJ	201	494-2889	3	DD	1.61
901AM	11/16	NEW HOPE PA	215	862-9414	3	DD	1.61

\* \* SUBTOTAL \$51.40

DETACH HERE - RETURNS LONG DISTANCE CARRIER

89040724112

P.O. BOX 466, MARINA DEL REY, CA 90291 3R005463 2  
 EMPEER MOSER ASSOCIATES 72693 821-7256 OCT 19, 1984

1020AM	10/11	213	385-4373		3	14	DD	.14
1147AM	10/11	213	469-5384		1	8	DD	.08
921AM	10/11	213	626-2323		2	11	DD	.11
1110AM	10/12	818	989-0111		3	14	DD	.14

\*\*\*TOTAL ZONE UNIT CHARGES \$5.81

LONG DISTANCE

MIN TYPE

156PM	9/24	COVINA	CA	818	965-0014	4	DD	1.01
1050AM	9/25	SANTA ANA	CA	714	549-4834	2	DD	.55
120PM	9/26	ALHAMBRA	CA	818	572-7814	2	DD	.51
123PM	9/26	ALHAMBRA	CA	818	572-7814	2	DD	.51
356PM	9/27	AVALON	CA	213	510-2231	2	DD	.61
250PM	10/ 3	PALMDESERT	CA	619	345-2781	2	DD	.83
932AM	10/ 3	COVINA	CA	818	965-0014	2	DD	.55
403PM	10/ 5	CANOGAPARK	CA	818	703-1766	1	DD	.23
204PM	10/ 8	LONG BEACH	CA	213	494-6926	1	DD	.23
238PM	10/ 9	ALHAMBRA	CA	818	289-4244	2	DD	.57
1137AM	10/11	COVINA	CA	818	965-0014	1	DD	.23
1144AM	10/11	COVINA	CA	818	965-0014	1	DD	.23

\* \* SUBTOTAL \$5.93

LONG DISTANCE CARRIER -ATT

MIN TYPE

624PM	9/17	SANBARBARA	CA	805	682-9251	28	DE	5.82
702PM	9/27	SANBARBARA	CA	805	682-9251	1	DE	.35
1042AM	10/ 3	NEW YORK	NY	212	613-9700	2	DD	1.15
125PM	10/ 8	WASHINGTON	DC	202	675-9000	1	DD	.69

\* \* SUBTOTAL \$8.01

\*\*\*TOTAL LONG DISTANCE CHARGES \$13.94

ATT-C BILLING SURCHARGES 8.55 PERCENT .53

PUC FUNDING PER RESOLUTION M-4735 .07

FEDERAL EXCISE TAX 2.19

LOS ANGELES CITY TAX 7.12

911 STATE TAX .14

\*\*\*TOTAL CHARGES CURRENT MONTH

\$85.51

TOTAL DUE 169.05

3 3 0 4 0 7 2 4 1 1 3

DETACH HERE

P.O. BOX 466, MARINA DEL REY, CA 90291

3R005636 4

R MOSER ASSOCIATES

72693

823-5388

AUG 25, 1984

SEE REVERSE SIDE FOR GENERAL CARRIER INFORMATION

216PM	8/8	SAN PEDRO CA	213	548-1314	2	DD	.37
		FROM-		822-1670			
427PM	8/15	AVALON CA	213	510-2231	3	DD	.87
		FROM-		822-1670			
	6/19	SAN MONICA CA	213	823-5388	1	SCD	1.47
		FROM-WELDON CA	619	378-8424			
1138AM	7/19	SANTA ANA CA	714	474-1100	1	DD	.32
1136AM	8/7	SAN MONICA CA	213	823-5388	2	SCD	1.55
		FROM-ANAHEI CA	714	778-9116			
1029AM	8/8	SAN PEDRO CA	213	830-5550	2	DD	.37
454PM	8/19	CANOGAPARK CA	818	703-1766	1	DN	.09
455PM	8/19	CANOGAPARK CA	818	703-1766	9	DN	.54

\* \* SUBTOTAL \$7.06

LONG DISTANCE CARRIER -ATT

MIN TYPE

858PM	7/26	SAN MONICA CA	213	390-2604	15	DE	5.32
		FROM-SAVANA GA	912	CC-9344			
930PM	7/26	NO HOLLYWD CA	213	508-9958	1	DE	1.46
		FROM-SAVANA GA	912	CC-9344			
123PM	7/27	LOSANGELES CA	213	775-6091	5	DD	3.58
		FROM-STSIMO GA	912	CC-9344			
115PM	7/27	NEWPORTBCH CA	714	645-1515	6	DD	4.04
		FROM-STSIMO GA	912	CC-9344			
1103AM	7/20	LA JOLLA CA	619	455-7654	2	DD	.78
		FROM-		822-1670			
1204PM	7/31	NEW HOPE PA	215	862-9414	19	DD	8.97
		FROM-		822-1670			
331PM	7/25	SAN MONICA CA	213	823-5388	24	SCD	12.82
		FROM-CHALST SC	803	577-5900			
656PM	7/26	SAN MONICA CA	213	823-5388	15	SCE	5.82
		FROM-SAVANA GA	912	236-7122			
1216PM	7/30	SAN MONICA CA	213	823-5388	12	SCD	7.30
		FROM-FT LDL FL	305	561-5461			
652PM	8/1	SAN MONICA CA	213	823-5388	1	SCE	1.96
		FROM-KY WST FL	305	296-5611			
648PM	8/1	SAN MONICA CA	213	823-5388	3	SCE	2.51
		FROM-KY WST FL	305	296-5611			
1159AM	8/1	SAN MONICA CA	213	823-5388	3	SCD	3.16
		FROM-KYLGO FL	305	451-1400			
1118AM	8/6	NEW HOPE PA	215	862-9414	7	DD	3.45
1107AM	8/8	WASHINGTON DC	202	675-9000	2	DD	1.15
1105AM	8/8	SANTA CRUZ CA	408	423-7913	1	DD	.57
1107AM	8/15	RENO NV	702	826-7500	3	DD	1.33
1126AM	8/15	SANBARBARA CA	805	964-1587	6	DD	1.82
905AM	8/15	JACKSONVL FL	904	634-1271	1	DD	.69
1207PM	8/16	DUBLIN NH	603	563-8111	5	DD	2.53

\* \* SUBTOTAL \$69.26

DETACH HERE

83040724114

BUSINESS OFFICE

823-7911 P.O. BOX 466, MARINA DEL REY, CA 90291 3R004912 3

SEMPER MOSER ASSOCIATES 72693 821-7256 APR 19, 1984

SEE REVERSE SIDE FOR DETAILED SERVICE LISTINGS

427PM	3/14	SANBARBARA	CA	805	687-8605	8	DD	2.73
425PM	3/14	SANBARBARA	CA	805	963-0744	2	DD	.75
529PM	3/14	SANBARBARA	CA	805	963-7844	2	DE	.52
904AM	3/15	NEW HOPE	PA	215	862-9414	1	DD	.74
1131AM	3/19	NEW HOPE	PA	215	862-9414	2	DD	1.23
906AM	3/20	SANTA ROSA	CA	707	523-2626	1	DD	.62
332PM	3/27	HACKENSACK	NJ	201	843-9500	1	DD	1.23
316PM	3/28	WASHINGTON	DC	202	675-9000	3	DD	1.72
318PM	3/28	WASHINGTON	DC	202	675-9000	4	DD	2.21
932AM	3/28	PALO ALTO	CA	415	424-1118	1	DD	.62
856AM	4/11	DALLAS	TX	214	528-5070	3	DD	1.52

\* \* SUBTOTAL \$15.33

\*\*\*TOTAL LONG DISTANCE CHARGES \$18.88

BILLING SURCHARGE 11.55

PUC FUNDING PER RESOLUTION M-4727 .05

FEDERAL EXCISE TAX 2.41

LOS ANGELES CITY TAX 7.18

911 STATE TAX .20

\*\*\*TOTAL CHARGES CURRENT MONTH \$93.10

TOTAL DUE 178.81

A LATE PAYMENT CHARGE WILL APPLY IF PAYMENT IS NOT RECEIVED BY MAY 14, 1984

\*\*\*\*\*FOR BILLING INQUIRIES CALL AT NO CHARGE 1 800 223-6177\*\*\*\*\*

93040724115

APR 23 REC'D

ACCOUNTS PAYABLE

JOB NO. 440-133

ENTERED 4-23-84

PAID 5-17-84

CHECK NO. 2771

INVOICE AMT. 93.10

DISCOUNT

NET PAID 93.10

\$95.71

DETACH HERE RETURN TO

1 DAVIS and DAVIS  
2 9171 Wilshire Boulevard, Suite 600  
3 Beverly Hills, California 90210  
4 (213) 273-0616

5 SWANKIN & TURNER  
6 1424 16th Street, N.W., Suite 105  
7 Washington, D.C. 20036

8 Attorneys for Plaintiff  
9 Semper-Moser Associates, Inc.

FILED  
MAY 13 4 07 PM 1987  
CLERK OF COURT  
CENTRAL DISTRICT OF CALIF.  
LOS ANGELES  
MAY 11 1987  
CLERK OF COURT  
CENTRAL DISTRICT OF CALIFORNIA  
DEPUTY

10 UNITED STATES DISTRICT COURT  
11 CENTRAL DISTRICT OF CALIFORNIA

12 SEMPER-MOSER ASSOCIATES, INC., )  
13 )  
14 Plaintiff, )  
15 vs. )  
16 AMERICANS WITH HART, INC. )  
17 Defendant. )  
18 )

NO. 87 02686 JMI (Px)  
ORDER GRANTING  
CONTINUANCE

19 Upon Ex Parte Petition of the Plaintiff, Judgment Creditor  
20 Semper-Moser Associates, Inc., and good cause appearing,

21 IT IS ORDERED, that the hearing for determination of the  
22 Third Party Claim, to be heard in Courtroom \_\_\_\_\_, 312  
23 North Spring Street, Los Angeles, California, be and hereby is  
24 continued to 10:00 .m., 7/13, 1987.

25 IT IS FURTHER ORDERED, that the United States Marshal, Julio  
26 Gonzales, and all persons acting with and for him, remain res-  
27 trained until further order of this Court from transferring or  
28 releasing the \$29,512.50 seized April 15, 1987.

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IT IS FURTHER ORDERED, that a copy of the Ex Parte Motion for Continuance and of this Order shall be served on the United States Marshal and the Attorney for the Third Party Claimant forthwith.

Dated: May 14, 1987

JUDGE OF THE UNITED STATES  
DISTRICT COURT

89040724117

1 DAVIS and DAVIS  
2 9171 Wilshire Boulevard, Suite 600  
3 Beverly Hills, California 90210  
4 (213) 273-0616

5 SWANKIN & TURNER  
6 1424 16th Street, N.W., Suite 105  
7 Washington, D.C. 20036

8 Attorneys for Plaintiff  
9 Semper-Moser Associates, Inc.

10 UNITED STATES DISTRICT COURT  
11 CENTRAL DISTRICT OF CALIFORNIA

12 SEMPER-MOSER ASSOCIATES, INC., )  
13 )

14 Plaintiff, )

15 vs. )

Misc. No. 18860

16 AMERICANS WITH HART, INC. )  
17 )

Defendant. )

EX PARTE MOTION FOR  
CONTINUANCE

18 MOTION FOR CONTINUANCE OF HEARING

19  
20 Plaintiff and Judgment Creditor Semper-Moser Associates,  
21 Inc, a California corporation, moves the Court to continue the  
22 hearing set for May 18, 1987 to May 27, 1987.

23 This motion is made on the following grounds:

24 1. On April 29, 1987, the Court issued its Order (1)  
25 Granting Petition for Hearing to Determine Third Party Claim;  
26 and (2) Staying Transfer of Levied Funds. The Order stated:

1 ...

2 IT IS FURTHER ORDERED that a copy of the Ex Parte Petition  
3 and of this Order shall be served on the United States Mar-  
4 shal and the Attorney for the Judgment Creditor forthwith.

4 As set forth in the Declaration of Counsel filed herewith,  
5 plaintiff's counsel was not served until May 5, 1987, six days  
6 later, and thirteen days prior to the date set for hearing.

7 2. As further set forth in the declaration of counsel,  
8 plaintiff has been endeavoring to obtain financial records con-  
9 cerning the debtor (Americans With Hart), the third party clai-  
10 mant, petitioner herein (Friends of Gary Hart 1988), and their  
11 interrelationships. This information will be of substantial  
12 value to the Court in determining the respective rights of the  
13 parties to the funds at issue herein. This information cannot be  
14 obtained prior to May 18, 1987 because of the unavailability of  
15 an individual who is the Treasurer of both organizations, but  
16 plaintiff believes it can be obtained by May 27, 1987.

17 3. Also as further set forth in the declaration of counsel,  
18 several attorneys representing themselves as representing both  
19 Americans With Hart and Friends of Gary Hart 1988 agreed with  
20 plaintiff's counsel's request for a continuance of this hearing  
21 on May 12, 1987. This decision was then apparently countermanded  
22 by the individual plaintiff has been told is local counsel,  
23 Bernard E. Schneider, Esq.

24 4. In addition to preparation and obtaining records, plain-  
25 tiff seeks to use the additional time before the hearing to  
26 determine the actual lines of responsibility and legal represen-  
27 tation of the various parties herein, so that it will know with  
28 whom to communicate and on whom it may rely for information and

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1 decisions on behalf of the defendant and third party claimant.  
2 Ultimately, plaintiff may ask this Court to require the peti-  
3 tioner to formally designate counsel and a responsible official.

4 WHEREFORE, plaintiff requests that the date for hearing to  
5 determine the validity of the third party claim of Friends of  
6 Gary Hart - 1988 be continued to May 27, 1987, and that the stay  
7 order issued by this Court April 29, 1987 restraining transfer of  
8 the property in issue be continued.

9 Dated: May 13, 1987

DAVIS and DAVIS

10  
11  
12 By: \_\_\_\_\_  
13 M. Stephen Davis, Esq.  
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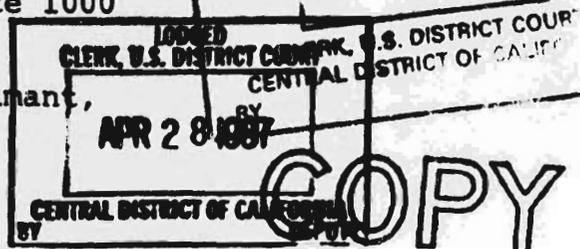
83040724120

1 BERNARD E. SCHNEIDER, ESQ.  
2 THEODOR C. ALBERT, ESQ.  
3 BUCHALTER, NEMER, FIELDS, CHRYSTIE & YOUNGER,  
4 A Professional Corporation  
610 Newport Center Drive, Suite 1000  
Newport Beach, CA 92660

5 Attorneys for Third Party Claimant,  
6 Friends of Gary Hart, Inc.

FILED

APR 2 1987



11 UNITED STATES DISTRICT COURT  
12 CENTRAL DISTRICT OF CALIFORNIA

13 87 02686 JI (Rx)

14 SEMPER-MOSER ASSOCIATES, INC., )  
15 )  
16 Plaintiff, )  
17 )  
18 v. )  
19 )  
20 AMERICANS WITH HART, )  
21 )  
22 Defendant. )

Case No. MISC. CV. 18860

ORDER (1) GRANTING  
PETITION FOR HEARING TO  
DETERMINE THIRD PARTY  
CLAIM; AND (2) STAYING  
TRANSFER OF LEVIED FUNDS

23 Upon Ex Parte Petition of the Third Party Claimant,  
24 Friends of Gary Hart-1988, Inc., and good cause appearing,

25 IT IS ORDERED that the Petition for hearing regarding  
26 determination of the Third Party Claim is granted and is set for  
27 hearing in Courtroom \_\_\_\_\_, 312 North Spring Street, Los  
28 Angeles, California at 10:00 a.m., May 18, 1987.

IT IS FURTHER ORDERED that the United States Marshal,  
Julio Gonzales, and all persons acting with and for him, are  
hereby restrained until further order of this Court from  
transferring or releasing the \$29,512.50 seized April 15, 1987;  
and

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IT IS FURTHER ORDERED that a copy of the Ex Parte  
Petition and of this Order shall be served on the United States  
Marshal and the Attorney for the Judgment Creditor at  
least \_\_\_\_\_ days before the date set for hearing,

*forthwith.*

DATED: April \_\_\_\_, 1987

*Thomas W. Coleman*

JUDGE OF THE UNITED STATES  
DISTRICT COURT

TCA110

88040724122

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

SEMPER-MOSER ASSOCIATES, INC.

Plaintiff(s)

vs

AMERICANS WITH HART, INC.

Defendant(s)

CASE NUMBER 18860

U.S. Dist. Ct. for the District of  
Columbia <sup>CV</sup> Civil Action No. 86-2711

AFFIDAVIT AND REQUEST FOR ISSUANCE  
OF WRIT OF EXECUTION

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I, Betsy E. Lehrfeld hereby state under penalty of  
perjury that,

1. Judgment for \$ 162,754.57 was entered on December 17, 1986 (amending  
judgment entered November 24, 1986) (date)  
in the docket of the above-entitled action in favor of  
SEMPER-MOSER ASSOCIATES, INC.  
as Judgment Creditor, and against  
AMERICANS WITH HART, INC.  
as Judgment Debtor

*(If a registered Judgment, fill in below)*

Said Judgment was registered herein under Title 28, U.S. Code, Section 1963,  
being a Judgment which was obtained in Civil Case No. 86-2711  
in the United States District Court for the \_\_\_\_\_ District  
of Columbia and which has become FINAL.

2. I am the Judgment Creditor, or the attorney for said Judgment Creditor, and  
request issuance of a Writ of Execution on the Judgment.

(OVER)

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3. ACCRUED since the entry of judgment are the following sums:

\$ 3,036.14 accrued interest, computed at 5.77 %  
(see note)  
\$ 110.00 accrued costs

Credit must be given for payments and partial satisfaction in the amount of \$ \_\_\_\_\_ which is to be credited against the total accrued costs and accrued interest, with any excess credited against the judgment as entered.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at City of Washington,

State of District of Columbia this 14th date of April,  
1987.

\_\_\_\_\_  
(Signature)  
Betsy E. Lehrfeld  
Attorney at Law  
D.C. Bar No. 379359

NOTE: JUDGMENTS REGISTERED UNDER 28 U.S.C. §1963 BEAR THE RATE OF INTEREST OF THE DISTRICT OF ORIGIN.

89040724124

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

Plaintiff(s)  SEMPER-MOSER ASSOCIATES, INC.  vs  AMERICANS WITH HART  Defendant(s)	CASE NUMBER  CV 18860 <u>(U.S. Dist. Ct. for the District of Columbia, Civil Action No. 86-2711)</u>  WRIT OF EXECUTION
--	--

TO THE UNITED STATES MARSHAL FOR THE CENTRAL DISTRICT OF CALIFORNIA

You are directed to enforce the Judgment described below with interest and costs as provided by law.

On December 17, 1986 a judgment was entered in the above entitled  
(amending judgment entered November 24, 1986)  
action in favor of

SEMPER-MOSER ASSOCIATES, INC.

as Judgment Creditor and against

AMERICANS WITH HART, INC.

As Judgment Debtor, for:

\$ 103,709.44 Principal,  
\$ \_\_\_\_\_ Attorney Fees,  
\$ 59,045.13 Interest, and  
\$ \_\_\_\_\_ Costs, making a total amount of  
\$ 162,754.57 JUDGMENT AS ENTERED

(See reverse side)

WRIT OF EXECUTION

88040724125

WHEREAS, according to an affidavit and/or memorandum of costs after judgment it appears that further sums have accrued since the entry of judgment, to wit:

\$ 3,036.14 accrued interest, and  
\$ 110.00 accrued costs, making a total of  
\$ 3,146.14 ACCRUED COSTS AND ACCRUED INTEREST

Credit must be given for payments and partial satisfaction in the amount of \$ -0- which is to be credited against the total accrued costs and accrued interest, with any excess credited against the judgment as entered, leaving a net balance of:

\$ 165,900.71 ACTUALLY DUE on the date of the issuance of this writ  
of which

\$ 162,754.57 is due on the judgment as entered, and bears interest  
at 5.77% per cent per annum, in the amount of \$ 25.73

per day, from the date of issuance of this writ, to which must be added the commissions and costs of the officer executing this writ.

DATED: \_\_\_\_\_ Clerk, United States District Court

By \_\_\_\_\_  
Deputy Clerk

83040724126

The following are name(s) and address(es) of the judgment debtor(s) to whom a copy of this writ of execution must be mailed unless it was served at the time of the levy. This information must be filed in by counsel requesting this writ.

AMERICANS WITH HART, INC.  
302 - 5th St., N.E.  
Washington, DC 20001

8 9 0 4 0 7 2 4 1 2 7

NOTICE TO THE JUDGMENT DEBTOR: You may be entitled to file a claim exempting your property from execution. You may seek the advise of an attorney or may within 10 days after the date the notice of levy was served deliver a claim of exemption to the levying officer as provided in Sections 703.510-703.610 of the California Code of Civil Procedures.

**U.S. Department of Justice  
United States Marshals Service**

**PROCESS RECEIPT AND RETURN**

See Instructions for "Service of Process by the U.S. Marshal" on the reverse of this form.

<b>PLAINTIFF</b>	SEMPER-MOSER ASSOCIATES, INC.	<b>COURT CASE NUMBER</b>	18860
<b>DEPENDANT</b>	AMERICANS WITH HART, INC.	<b>USDC Dist of Col Civ Atn 86-2711</b>	<b>TYPE OF PROCESS</b>

**SERVE AT**

**NAME OF INDIVIDUAL, COMPANY, CORPORATION, ETC., TO SERVE OR DESCRIPTION OF PROPERTY TO SEIZE OR CONDEMN**  
AMERICANS WITH HART/FRIENDS OF GARY HART

**ADDRESS (Street or RFD, Apartment No., City, State and ZIP Code)**  
The Knoll, 1130 Schuyler Road  
Beverly Hills, CA

**SEND NOTICE OF SERVICE COPY TO REQUESTER AT NAME AND ADDRESS BELOW:**

Betsy E. Lehrfeld Turner-Lehrfeld, P.C. 1424 16th Street, N.W. Suite 105 Washington, DC 20036	<b>Number of process to be served with this Form - 285</b>	1
	<b>Number of parties to be served in this case</b>	1
	<b>Check for service on U.S.A.</b>	

**SPECIAL INSTRUCTIONS OR OTHER INFORMATION THAT WILL ASSIST IN EXPEDITING SERVICE (Include Business and Alternate Addresses, All Telephone Numbers, and Estimated Times Available For Service):**

Fundraiser for defendant is being held at the above address on April 15, 1987 from 6:30 to 8:00 p.m. (\$1,000 per person). Location is home of Marvin and Barbara Davis; event is being co-hosted by the Davises, John Davis and Warren Beatty.

Signature of Plaintiff or other Originator requesting service on behalf of: *Betsy E. Lehrfeld*

<input checked="" type="checkbox"/> PLAINTIFF <input type="checkbox"/> DEFENDANT	<b>TELEPHONE NUMBER</b> (202) 462-8800	<b>DATE</b> 4/14/87
---	---	------------------------

**SPACE BELOW FOR USE OF U.S. MARSHAL ONLY — DO NOT WRITE BELOW THIS LINE**

I acknowledge receipt for the total number of process indicated. (Sign only first USM 285 if more than one USM 285 is submitted)	Total Process	District of Origin	District to Serve	Signature of Authorized USMS Deputy or Clerk	Date
	No.	No.	No.		

I hereby certify and return that I  have personally served,  have legal evidence of service,  have executed as shown in "Remarks", the process described on the individual, company, corporation, etc., at the address shown above or on the individual, company, corporation, etc., shown at the address inserted below.

I hereby certify and return that I am unable to locate the individual, company, corporation, etc., named above (See remarks below)

<b>Name and title of individual served (if not shown above)</b>	<input type="checkbox"/> A person of suitable age and discretion then residing in the defendant's usual place of abode.
<b>Address (complete only if different than shown above)</b>	<b>Date of Service</b> <b>Time</b> <b>am</b> <b>pm</b>
	<b>Signature of U.S. Marshal or Deputy</b>

<b>Service Fee</b>	<b>Total Mileage Charges (including endeavors)</b>	<b>Forwarding Fee</b>	<b>Total Charges</b>	<b>Advance Deposits</b>	<b>Amount owed to U.S. Marshal or</b>	<b>Amount of Refund</b>

**REMARKS:**

U.S. Department of Justice  
United States Marshals Service

**PROCESS RECEIPT AND RETURN**  
See Instructions for "Service of Process by the U.S. Marshal" on the reverse of this form.

PLAINTIFF	SEMPER-MOSER ASSOCIATES, INC.	COURT CASE NUMBER 18860
DEFENDANT	AMERICANS WITH HART, INC.	USDC Dist of Col Civ Atn 86-2711
		TYPE OF PROCESS

**SERVE AT** NAME OF INDIVIDUAL, COMPANY, CORPORATION, ETC., TO SERVE OR DESCRIPTION OF PROPERTY TO SEIZE OR CONDEMN  
**AMERICANS WITH HART/FRIENDS OF GARY HART**  
 ADDRESS (Street or RFD, Apartment No., City, State and ZIP Code)  
 The Palace, 1735 Vine Street  
 Hollywood, CA

SEND NOTICE OF SERVICE COPY TO REQUESTER AT NAME AND ADDRESS BELOW:

Betsy E. Lehrfeld Turner-Lehrfeld, P.C. 1424 16th Street, N.W. Washington, DC 200	Number of process to be served with this Form - 285	1
	Number of parties to be served in this case	1
	Check for service on U.S.A.	

SPECIAL INSTRUCTIONS OR OTHER INFORMATION THAT WILL ASSIST IN EXPEDITING SERVICE (Include Business and Alternate Addresses, All Telephone Numbers, and Estimated Times Available For Service):

Fundraiser for defendant is being held at the above address on April 15, 1987 from 6:30 to 10:00 p.m. Apparently open to the public at a theatre (\$50.00 per person), there will be a number of entertainers present and presumably a large crowd attending.

Signature of Attorney or other Originator requesting service on behalf of:  PLAINTIFF  DEFENDANT TELEPHONE NUMBER (202) 462-8800 DATE 4/14/87

**SPACE BELOW FOR USE OF U.S. MARSHAL ONLY — DO NOT WRITE BELOW THIS LINE**

I acknowledge receipt for the total number of process indicated. (Sign only first USM 285 if more than one USM 285 is submitted)	Total Process	District of Origin	District to Serve	Signature of Authorized USMS Deputy or Clerk	Date
		No	No.		

I hereby certify and return that I  have personally served,  have legal evidence of service,  have executed as shown in "Remarks", the process described on the individual, company, corporation, etc., at the address shown above or on the individual, company, corporation, etc., shown at the address inserted below.

I hereby certify and return that I am unable to locate the individual, company, corporation, etc., named above (See remarks below)

Name and title of individual served (if not shown above)

Address (complete only if different than shown above)

A person of suitable age and discretion then residing in the defendant's usual place of abode.

Date of Service \_\_\_\_\_ Time \_\_\_\_\_ am/pm

Signature of U.S. Marshal or Deputy \_\_\_\_\_

Service Fee	Total Mileage Charges (including endeavors)	Forwarding Fee	Total Charges	Advance Deposits	Amount owed to U.S. Marshal or	Amount of Refund

REMARKS:

# United States District Court

FOR THE

DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.

vs.

AMERICANS WITH HART, INC.

**FILE**  
 FEB 19 1987  
 CLERK, U.S. DISTRICT COURT  
 CENTRAL DISTRICT

CIVIL ACTION FILE NO. 86-2711

JUDGMENT

18860

### CERTIFICATION OF JUDGMENT FOR REGISTRATION IN ANOTHER COURT

I, James F. Davey, Clerk of the United States District Court,

the District of Columbia

do hereby certify the annexed to be a true and correct copy of the original judgment entered in the above entitled action on November 24, 1986 and amended on December 17, 1986, as it appears of record in my office, and that

- No notice of appeal from the said judgment has been filed in my office and the time for appeal commenced to run on December 17, 1986, upon the entry of said judgment.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of the said Court this 21st day of January, 1987.

JAMES F. DAVEY, Clerk

By Katherine S. Snuffer Deputy Clerk

\* When no notice of appeal from the judgment has been filed, insert "no notice of appeal from the said judgment has been filed in my office and the time for appeal commenced to run on [insert date] upon the entry of [if no motion of the character described in Rule 73(a) F.R.C.P. was filed, here insert 'the judgment', otherwise describe the nature of the order from the entry of which time for appeal is computed under that rule.] If an appeal was taken, insert "a notice of appeal from the said judgment was filed in my office on [insert date] and the judgment was affirmed by mandate of the Court of Appeals issued [insert date]" or "a notice of appeal from the said judgment was filed in my office on [insert date] and the appeal was dismissed by the [insert 'Court of Appeals' or 'District Court'] on [insert date]", as the case may be.

88040724130

# United States District Court

FOR THE

DISTRICT OF COLUMBIA

CIVIL ACTION NO. 86-2711

SEMPER-MOSER ASSOCIATES, INC.

vs.

AMERICANS WITH HART, INC.

JUDGMENT

### CERTIFICATION OF JUDGMENT FOR REGISTRATION IN ANOTHER DISTRICT

I, James F. Davey, Clerk of the United States District Court for  
the District of Columbia

do hereby certify the annexed to be a true and correct copy of the original judgment entered in the  
above entitled action on November 24, 1986 and amended on December 17, 1986 as it appears of record in my office,  
and that

- No notice of appeal from the said judgment has been filed in my office and  
the time for appeal commenced to run on December 17, 1986, upon the entry  
of said judgment.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of the said  
Court this 21st day of January, 19 87.

JAMES F. DAVEY

By Kathleen S. Sniffen, Deputy Clerk

\* When no notice of appeal from the judgment has been filed, insert "no notice of appeal from the said judgment has been filed in my office and the time for appeal commenced to run on [insert date] upon the entry of [If no motion of the character described in Rule 73(a) F.R.C.P. was filed, here insert 'the judgment', otherwise describe the nature of the order from the entry of which time for appeal is computed under that rule.] If an appeal was taken, insert "a notice of appeal from the said judgment was filed in my office on [insert date] and the judgment was affirmed by mandate of the Court of Appeals issued [insert date]" or "a notice of appeal from the said judgment was filed in my office on [insert date] and the appeal was dismissed by the [insert 'Court of Appeals' or 'District Court'] on [insert date]", as the case may be.

88040724131

MAY 21 11 50 PM '87

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.	:	
	:	
Plaintiff,	:	
	:	
vs.	:	Civil Action No. 86-2711 JGP
	:	
AMERICANS WITH HART, INC.	:	
	:	
Defendant.	:	
	:	

---

MOTION FOR JUDGMENT OF CONDEMNATION

Comes now the plaintiff, Semper-Moser Associates, and moves this Court for an Order condemning funds and other assets held by National Bank of Washington as garnishee, pursuant to attachments served on April 23 and May 8, 1987, and directing the said garnishee to surrender the funds and other assets to plaintiff.

This motion is based upon the documents filed in this case and the memorandum of points and authorities in support hereof.

Dated: May 21, 1987

  
 Betsy E. Lehrfeld #379359

Swankin & Turner  
1424 16th Street, N.W.  
Washington, DC 20036  
(202) 462-8800

Attorneys for Plaintiff

88040724132

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. :  
 :  
 Plaintiff, :  
 :  
 vs. : Civil Action No. 86-2711 JGP  
 :  
 AMERICANS WITH HART, INC. :  
 :  
 Defendant. :  
 :  
 \_\_\_\_\_ :

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF  
MOTION FOR JUDGMENT OF CONDEMNATION

Statement of Facts

1. Plaintiff Semper-Moser Associates, Inc. obtained a default judgment against the defendant, Americans With Hart, in this Court on November 24, 1986, as amended December 17, 1986, in the amount of \$162,754.57.

2. In order to satisfy its judgment, no part of which has been paid by the judgment debtor, plaintiff caused to be issued and served four attachments on the National Bank of Washington, where the judgment debtor maintains a bank account. By this motion plaintiff asks the court to condemn the funds disclosed by answers to interrogatories accompanying the second and third attachments.

3. In its answer to interrogatories accompanying the attachments served April 23, 1987 ("Attachment 2"), and May 8, 1987 ("Attachment 3"), National Bank of Washington responded to the question of whether it was, at the time of service of the

88040724133

writ, indebted to the defendant as follows:

Yes. Americans with Hart, Inc. maintained an account with garnishee which had a balance of \$2,721.88 on April 23, 1987, the date garnishee was served. Garnishee, which is owed \$541,614.44 by Defendant, set-off the amount of \$2,721.78 on that date, leaving a balance of \$0.10 in the account. [Attachment 2]

and

Yes. Americans with Hart, Inc. maintained an account with garnishee which had a balance of \$42,276.49 on May 8, 1987, the date garnishee was served. Garnishee, which is owed \$496,616.17 by Defendant, set-off the amount of \$42,276.49 on that date, leaving a balance of \$0.10 in the account. [Attachment 3]

4. In its answer to interrogatories accompanying the attachments served April 23, 1987 and May 8, 1987, National Bank of Washington responded to the question of whether it had, at the time of service of the writ, any goods or credits of the defendant in its possession as follows:

No. Garnishee holds in its possession 93 prints by Robert Rauschenberg, which prints serve as collateral for the above described loan. Garnishee holds a perfected security interest in these prints. A copy of Garnishee's Security Agreement and UCC-1 is attached. [Attachments 2 and 3]

Points and Authorities

5. Title 16, section 556(a) of the District of Columbia Code, Judgment against garnishee, provides

(a) Subject to the provisions of Subchapter III [concerning wages, etc.]...if a garnishee has admitted credits in his hands, in answer to interrogatories served upon him,...judgment shall be entered against him for the amount of credits admitted or found, not exceeding the amount of plaintiff's judgment, and costs, and execution shall be had thereon not to exceed the credits in his hands.

6. Garnishee has confessed the assets were in the defendant's account at the time of attachment and remain under garnishee's control. The attachment first served is entitled to prio-

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rity of payment. Johnson v. Griffith, 2 Cranch, C.C.199, 13 Fed. Cas. p.745 (1820). The effect of the service of the writ of garnishment was to place the property of the judgment debtor in the garnishee's hands in custodia legis. International Finance Corporation v. Jawish, 63 App. D.C. 262, 71 F.2d 985 (1934). Garnishee's self-help remedy of set-off came too late, since it admits it was a net debtor to defendant as to these funds at the time of attachment and only after receipt of the attachment attempted to set-off against its debt.

7. Furthermore, garnishee has not treated defendant as if it were in default, thereby entitling garnishee to seize funds in its account, except in order to defeat plaintiff's right to attach the funds in satisfaction of its judgment; subsequent answers filed by garnishee in this case (Attachments 3 and 4) show it continued to permit defendant to use the account without attempting to take the funds it contained to set off against its debt.

8. As to the collateral held by garnishee (93 prints), the defendant has a right to the return of so much of it as is in excess of the amount of defendant's remaining debt secured by such collateral, and plaintiff's attachment has reached that asset as well. Again, garnishee National Bank of Washington has

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confessed to possession of this asset and should be ordered to  
release the excess portion of the collateral to plaintiff.

Respectfully submitted,



---

Betsy E. Lehfeld #379359  
Swankin & Turner  
1424 16th Street, N.W.  
Washington, DC 20036  
(202) 462-8800

Attorney for Plaintiff

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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. :  
 :  
 Plaintiff, :  
 :  
 vs. : Civil Action No. 86-2711 JGP  
 :  
 AMERICANS WITH HART, INC. :  
 :  
 Defendant. :  
 :  
 \_\_\_\_\_ :

O R D E R

This comes before the Court on the motion for judgment of condemnation filed by the plaintiff.

In consideration of the motion, the points and authorities filed in support thereof, and the [lack of] opposition thereto, it is hereby

ORDERED that the motion is granted, and it is further

ORDERED that garnishee National Bank of Washington pay to plaintiff the sum of \$44,998.37, and it is further

ORDERED that garnishee National Bank of Washington surrender to plaintiff so many of the 93 prints in its possession as shall exceed in value the remaining debt of the defendant secured by such prints as of April 23, 1987, up to the amount of plaintiff's judgment.

Dated: \_\_\_\_\_

\_\_\_\_\_  
United States District Judge

88040724137

CERTIFICATE OF MAILING

I hereby certify that on May 21, 1987, I mailed a copy of the above Motion, supporting documents and proposed Order to the attorney for the garnishee, Kathleen Collins, Esq., National Bank of Washington, 619 14th Street, N.W., Washington, DC and the attorney for the defendant, Jack M. Quinn, Esq., Arnold & Porter, 1200 New Hampshire Avenue, N.W., Washington, DC. 20036.

  
Betsy E. Lehrfeld

Swankin & Turner  
1424 16th Street, N.W.  
Washington, DC 20036  
(202) 462-8800  
Attorneys for Plaintiff

8 8 0 4 0 7 2 4 1 3 8

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

RECEIVED MAY 19 1987

SEMPER-MOSER ASSOCIATES, INC. )  
Plaintiff )

vs. )

Civil Action No. 86-2711

AMERICANS WITH HART, INC. )  
Defendant )

INTERROGATORIES

TO: National Bank of Washington, GARNISHEE:

1. Were you at the time of the service of the writ of attachment served herewith, or have you been, between the time of such service and the filing of your answer to this interrogatory, indebted to the defendant Americans With Hart

? If so, how and in what amount?

ANSWER: No. Americans With Hart, Inc. maintained an account with garnishee

which had a balance of \$ -9,699.23 on May 18, 1987, the date garnishee was served.

2. Had you, at the time of the service of the writ of attachment, served herewith, or have you had, between the time of such service and the filing of your answer to this interrogatory, any goods, chattels, credits, lands or tenements of the said defendant in your possession or charge? If so, what?

ANSWER: No. Garnishee holds in its possession 93 prints by Robert Rauschenberg

which prints serve as collateral for a certain loan. Garnishee holds a perfected security interest in these prints. A copy of garnishee's Security Agreement and

UCC-1 is attached.

I declare under the penalties of perjury that the answers to the above interrogatories are, to the best of my knowledge and belief, true and correct.

Signed this 19<sup>th</sup> day of May, 1987 [Signature] 201

GARNISHEE

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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.  
Plaintiff

vs.

Civil Action No. 86-2711

AMERICANS WITH HART, INC.  
Defendant

NOTICE

TO: National Bank of Washington,  
[Name]  
619 14th Street, N.W., Washington, DC, Garnishee  
[Address]

As a garnishee, you are required by law to file answers to the following Interrogatories in Attachment, within ten (10) days after service of the writ upon you [Title 16, Section 521(a), D.C. Code (1981 ed.)]. If you fail to answer the Interrogatories, judgment may be entered against you for the entire amount of the plaintiff's claim and costs [Title 16, Section 526(b), D.C. Code (1981 ed.)].

The garnishee shall file the original and one copy of the Answers to Interrogatories with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the Answers to Interrogatories or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the Answers to Interrogatories pursuant to Title 15, Section 522, D.C. Code (1981 ed.), the garnishee's obligations under the attachment shall be limited by his answer.

  
\_\_\_\_\_  
Attorney for Plaintiff

Betsy E. Lehrfeld  
Swankin & Turner

\_\_\_\_\_  
(Address)

1424 16th Street, N.W.  
Washington, DC 20036

Telephone: (202) 462-8800

INTERROGATORIES (See other side)

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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. )  
Plaintiff )  
)  
)  
vs. )  
)  
AMERICANS WITH HART, INC. )  
Defendant )

Civil Action No. 86-2711

ATTACHMENT ON JUDGMENT  
(Credits other than Wages, Salary,  
Commissions or Pensions)

88040724141

TO: National Bank of Washington  
(Name)  
619 14th Street, N.W., Washington, DC, GARNISHEE:  
(Address)

You are hereby notified that any credits other than wages, salary, commissions or pensions of the defendant, Americans With Hart, Inc. if to be found in this District, of value sufficient to satisfy the plaintiff's judgment against the said defendant, are seized by this Writ of Attachment, and you are required to hold them and not to pay or surrender them to the said defendant or to anyone else without an order from this Court.

The judgment against the said defendant was entered in the above-entitled cause on the 24th day of November, 1986, in the amount of One Hundred Sixty-two Thousand, Seven Hundred Fifty-four and 57/100 Dollars (as amended by Order entered December 17, 1986) Dollars (\$ 162,754.57 ),

and costs amounting to \$ 110.00, with interest in the amount of Four Thousand Five Hundred Two & 73/100 Dollars (\$4502.73) less credits of \$ -0-

You are required to answer the annexed INTERROGATORIES IN ATTACHMENT, under penalties of perjury, within ten (10) days after service of the writ upon you.

[16 D.C.C. 5521(a) - 1951 Ed.] If you fail to do so, judgment may be entered against you for the entire amount of the plaintiff's claim and costs. [16 D.C.C. 525(b) - 1951 Ed.]

The garnishee shall file the original and one copy of the answers to INTERROGATORIES with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and also upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the answers to Interrogatories in Attachment or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the answers to Interrogatories pursuant to Title 16, Section 522, D.C. Code (1981 Ed.), the garnishee's obligations under the attachment shall be limited by his answers.

WITNESS The Honorable Chief Judge of said Court, this 18<sup>th</sup> day of

May, 1987.

JAMES F. DAVEY, CLERK

By [Signature]  
Deputy Clerk

[Signature]  
Betsy E. Lehrfeld

Attorney for Plaintiff

Swankin & Turner  
1424 16th Street, N.W.

(Address)

Suite 105  
Washington, DC 20036

Telephone: (202) 462-8800

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 19<sup>th</sup> day of May, 1987, a copy of the foregoing Answers to Interrogatories was mailed to Betsy E. Lehrfeld, Attorney for the Plaintiff Semper-Moser Associates, Inc., Swankin & Turner, 1424 16th Street NW Washington, DC 20036 and to John Quinn, Attorney for the Defendant Americans With Hart, Inc. 1200 New Hampshire Ave. NW, Washington, DC 20036.

*Kathleen W. Collins*

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Kathleen W. Collins

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RECEIVED

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA MAY 11 3 51 PM '87

SEMPER-MOSER ASSOCIATES, INC. :  
1799 Washington Way :  
Venice, California 90291 :

CLERK  
U.S. DISTRICT COURT  
DISTRICT OF COLUMBIA

Plaintiff, :

vs. : CIVIL ACTION NO. 86-2711 JGP

AMERICANS WITH HART, INC. :  
122 C Street, N.W. :  
Washington, DC :

Defendant. :

OBJECTION TO ANSWERS TO INTEROGATORIES  
IN ATTACHMENT ON JUDGMENT

Comes now plaintiff and judgment creditor Semper-Moser Associates, pursuant to Title 16, Sections 522 and 553 of the D.C. Code (1981 ed.) to traverse the Answers to Interrogatories in Attachment filed by garnishee National Bank of Washington on April 23, 1987 and May 8, 1987.

1. Plaintiff Semper Moser holds a default judgment in the amount of One Hundred Sixty-Two Thousand Seven Hundred Fifty-Four and 57/100 Dollars (\$162,754.57) plus post-judgment interest against defendant Americans with Hart, Inc., which maintains a bank account with garnishee.

2. Plaintiff objects to the answers that balances in debtor's account -- \$42,276.49 on May 8, 1987 and \$2,721.88 on April 24th 1987 -- were appropriated by the garnishee and "set off" against an obligation the garnishee claims against the

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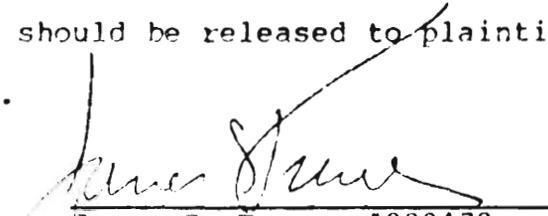
debtor after garnishee received plaintiff's attachment. At the time of service of the attachment on garnishee, such funds ceased to belong to the debtor and were held by the bank in a fiduciary capacity only with respect to plaintiff's interest.

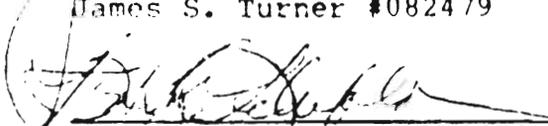
2. Plaintiff further objects to garnishee's denial that it has goods of the debtor in its possession. Garnishee admits it holds 93 art prints as collateral for a secured loan. Plaintiff believes said prints may exceed in value the remaining balance of garnishee's loan to defendant, and that excess value collateral, including but not limited to the Rauschenberg prints, in the possession of garnishee are subject to plaintiff's attachment to satisfy its judgment.

3. The Plaintiff is not indebted to the garnishee and garnishee is not entitled to any "set off" against funds it holds in a fiduciary capacity with respect to the judgment creditor's attachments.

The funds and other assets should be released to plaintiff in satisfaction of its judgment.

Dated: May 11, 1987

  
James S. Turner #082479

  
Betsy E. Lehrfeld #379359  
Swankin & Turner  
1424 16th Street, N.W.  
Washington, DC 20036  
(202) 462-8800

Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Objection to Answers to Interrogatories in Attachment were mailed, postage prepaid, on the 11th day of May, 1987, to the following:

Jack Quinn, Esq.  
Arnold and Porter  
1200 New Hampshire Ave., N.W.  
Washington, DC 20036

National Bank of Washington  
619 14th Street, N.W.  
Washington, DC

  
Betsy E. Lehrfeld #379359  
Attorney for Plaintiff

88040724146

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. )

Plaintiff )

vs. )

Civil Action No. 86-2711

AMERICANS WITH HART, INC. )

Defendant )

INTERROGATORIES

TO: National Bank of Washington, GARNISHEE:

1. Were you at the time of the service of the writ of attachment served herewith, or have you been, between the time of such service and the filing of your answer to this interrogatory, indebted to the defendant Americans With Hart

? If so, how and in what amount?

ANSWER: Yes. Americans with Hart, Inc. maintained an account with garnishee

which had a balance of \$42,276.49 on May 8, 1987, the date garnishee was served

Garnishee, which is owed \$496,616.17 by Defendant, set-off the amount of \$42,276.49 on that date, leaving a balance of \$0.10 in the account.

2. Had you, at the time of the service of the writ of attachment, served herewith, or have you had, between the time of such service and the filing of your answer to this interrogatory, any goods, chattels, credits, lands or tenements of the said defendant in your possession or charge? If so, what?

ANSWER: No. Garnishee holds in its possession 93 prints by Robert Rauschenberg,

which prints serve as collateral for the above described loan. Garnishee holds a

perfected security interest in these prints. A copy of Garnishee's Security

Agreement and UCC-1 is attached.

I declare under the penalties of perjury that the answers to the above interrogatories are, to the best of my knowledge and belief, true and correct.

Signed this 8th day of May, 1987

*Kathleen W. Williams*

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GARNISHEE

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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. )  
Plaintiff )  
vs. )  
AMERICANS WITH HART, INC. )  
Defendant )

Civil Action No. 86-2711

NOTICE

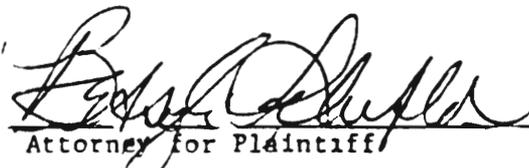
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TO: National Bank of Washington,  
[Name]  
619 14th Street, N.W., Washington, DC, Garnishee:  
[Address]

As a garnishee, you are required by law to file answers to the following Interrogatories in Attachment, within ten (10) days after service of the writ upon you [Title 16, Section 521(a), D.C. Code (1981 ed.)]. If you fail to answer the Interrogatories, judgment may be entered against you for the entire amount of the plaintiff's claim and costs [Title 16, Section 526(b), D.C. Code (1981 ed.)].

The garnishee shall file the original and one copy of the Answers to Interrogatories with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the Answers to Interrogatories or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the Answers to Interrogatories pursuant to Title 15, Section 522, D.C. Code (1981 ed.), the garnishee's obligations under the attachment shall be limited by his answer.

  
\_\_\_\_\_  
Attorney for Plaintiff

Betsy E. Lehrfeld  
Swankin & Turner  
\_\_\_\_\_  
(Address)  
1424 16th Street, N.W.  
Washington, DC 20036

Telephone: (202) 462-8800  
\_\_\_\_\_

INTERROGATORIES (See other side)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 8<sup>th</sup> day of May, 1987, a copy of the foregoing Answers to Interrogatories was mailed to Betsy E. Lehrfeld, Attorney for the Plaintiff Semper-Moser Associates, Inc., Swankin & Turner, 1424 16th Street NW, Washington, DC 20036 and to John Quinn, Attorney for the Defendant Americans With Hart, Inc., 1200 New Hampshire Ave NW, Washington, DC 20036.



Kathleen W. Collins

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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. )  
Plaintiff )  
)  
)  
vs. )  
)  
AMERICANS WITH HART, INC. )  
Defendant )

Civil Action No. 86-2711

ATTACHMENT ON JUDGMENT  
(Credits other than Wages, Salary,  
Commissions or Pensions)

88040724150

TO: National Bank of Washington  
(Name)  
619 14th Street, N.W., Washington, DC, GARNISHEE:  
(Address)

You are hereby notified that any credits other than wages, salary, commissions or pensions of the defendant, Americans With Hart, Inc. if to be found in this District, of value sufficient to satisfy the plaintiff's judgment against the said defendant, are seized by this Writ of Attachment, and you are required to hold them and not to pay or surrender them to the said defendant or to anyone else without an order from this Court.

The judgment against the said defendant was entered in the above-entitled cause on the 24th day of November, 1986, in the amount of One Hundred Sixty-two Thousand, Seven Hundred Fifty-four and 57/100 Dollars (as amended by Order entered December 17, 1986) Dollars (\$ 162,754.57), and costs amounting to \$ 110.00, with interest in the amount of Four Thousand Two Hundred Forty-five and 45/100 Dollars/less credits of \$ -0- (\$4,245.45)

You are required to answer the annexed INTERROGATORIES IN ATTACHMENT, under penalties of perjury, within ten (10) days after service of the writ upon you.

[16 D.C.C. §521(a) - 1981 Ed.] If you fail to do so, judgment may be entered against you for the entire amount of the plaintiff's claim and costs. [16 D.C.C. §26(b) - 1981 Ed.]

The garnishee shall file the original and one copy of the answers to INTERROGATORIES with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and also upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the answers to Interrogatories in Attachment or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the answers to Interrogatories pursuant to Title 16, Section 522, D.C. Code (1981 Ed.), the garnishee's obligations under the attachment shall be limited by his answers.

WITNESS The Honorable Chief Judge of said Court, this 8<sup>th</sup> day of May, 1987.

JAMES F. DAVEY, CLERK

By Nancy B. Deavers  
Deputy Clerk

Betsy E. Lehfeld  
Attorney for Plaintiff  
Swankin & Turner  
1424 16th Street, N.W.  
(Address)

Suite 105  
Washington, DC 20036

Telephone: (202) 462-8800

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UNITED STATES DISTRICT COURT  
DISTRICT OF COLUMBIA

APR 23 4 50 PM '87

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. )  
Plaintiff )

vs.

Civil Action No. 86-2711

AMERICANS WITH HART, INC. )  
Defendant )

FILED

APR 25 1987

CLERK, U.S. DISTRICT COURT  
DISTRICT OF COLUMBIA

INTERROGATORIES

TO: National Bank of Washington, GARNISHEE:

1. Were you at the time of the service of the writ of attachment served herewith, or have you been, between the time of such service and the filing of your answer to this interrogatory, indebted to the defendant Americans With Hart

? If so, how and in what amount?

ANSWER: Yes. Americans with Hart, Inc. maintained an account with garnishee

which had a balance of \$2,721.88 on April 23, 1987, the date garnishee was served.

Garnishee, which is owed \$541,614.44 by Defendant, set-off the amount of \$2,721.78 on that date, leaving a balance of \$0.10 in the account.

2. Had you, at the time of the service of the writ of attachment, served herewith, or have you had, between the time of such service and the filing of your answer to this interrogatory, any goods, chattels, credits, lands or tenements of the said defendant in your possession or charge? If so, what?

ANSWER: No. Garnishee holds in its possession 93 prints by Robert Rauschenberg

which prints serve as collateral for the above described loan. Garnishee holds a

perfected security interest in these prints. A copy of Garnishee's Security

Agreement and UCC-1 is attached.

I declare under the penalties of perjury that the answers to the above interrogatories are, to the best of my knowledge and belief, true and correct.

Signed this 24<sup>th</sup> day of April, 1987 Kathleen W. Collins

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The garnishee shall file the original and one copy of the answers to INTERROGATORIES with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and also upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the answers to Interrogatories in Attachment or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the answers to Interrogatories pursuant to Title 16, Section 522, D.C. Code (1981 Ed.), the garnishee's obligations under the attachment shall be limited by his answers.

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WITNESS The Honorable Chief Judge of said Court, this 20th day of April, 1987.

JAMES F. DAVEY, CLERK

By Tracy B. Deavers  
Deputy Clerk

Betsy E. Lenrfield  
Attorney for Plaintiff  
Swankin & Turner  
1424 16th Street, N.W.  
(Address)

Suite 105  
Washington, DC 20036

Telephone: (202) 462-8800

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.

Plaintiff

vs.

AMERICANS WITH HART, INC.

Defendant

Civil Action No. 86 - 2711

INTERROGATORIES

TO: National Bank of Washington, GARNISHEE:

1. Were you at the time of the service of the writ of attachment served herewith, or have you been, between the time of such service and the filing of your answer to this interrogatory, indebted to the defendant

? If so, how and in what amount?

ANSWER: NO FUNDS AVAILABLE

2. Had you, at the time of the service of the writ of attachment, served herewith, or have you had, between the time of such service and the filing of your answer to this interrogatory, any goods, chattels, credits, lands or tenements of the said defendant in your possession or charge? If so, what?

ANSWER: SEE INTERROGATORY #1.

I declare under the penalties of perjury that the answers to the above interrogatories are, to the best of my knowledge and belief, true and correct.

Signed this 23 day of December, 19 86

JACQUELINE D. JAWKINS, Manager

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. )

Plaintiff )

vs. )

Civil Action No. 86 - 2711

AMERICANS WITH HART, INC. )

Defendant )

ATTACHMENT ON JUDGMENT  
(Credits other than Wages, Salary,  
Commissions or Pensions)

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TO: National Bank of Washington  
(Name)  
619 14th Street, Northwest, Washington, DC, GARNISHEE:  
(Address)

You are hereby notified that any credits other than wages, salary, commissions or pensions of the defendant, Americans With Hart, Inc.

if to be found in this District, of value sufficient to satisfy the plaintiff's judgment against the said defendant, are seized by this Writ of Attachment, and you are required to hold them and not to pay or surrender them to the said defendant or to anyone else without an order from this Court.

The judgment against the said defendant was entered in the above-entitled cause on the 24<sup>th</sup> day of November, 1986, in the amount of One Hundred Sixty-two Thousand, Seven Hundred Fifty-four and 57/100 (as amended by order dated December 16, 1986) Dollars (\$162,754.57), and costs amounting to \$ 110.00, with interest of \$643.21 less credits of \$ 0.

You are required to answer the annexed INTERROGATORIES IN ATTACHMENT, under penalties of perjury, within ten (10) days after service of the writ upon you.

[16 D.C.C. §521(a) - 1981 Ed.] If you fail to do so, judgment may be entered against you

The garnishee shall file the original and one copy of the answers to INTERROGATORIES with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and also upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the answers to Interrogatories in Attachment or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the answers to Interrogatories pursuant to Title 16, Section 522, D.C. Code (1981 Ed.), the garnishee's obligations under the attachment shall be limited by his answers.

WITNESS The Honorable Chief Judge of said Court, this 19<sup>th</sup> day of

December, 1986.

JAMES F. DAVEY, CLERK

By Dorothy Jones  
Deputy Clerk

James S. Turner  
Betsy E. Lehrfeld

James S. Turner  
Betsy E. Lehrfeld  
Attorney for Plaintiff

Swankin & Turner  
1424 16th Street, N.W.

(Address)

Suite 105  
Washington, DC 20036

Telephone: (202) 462-8800

88040724150

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.

Plaintiff

vs.

Civil Action No. 86 - 2711

AMERICANS WITH HART, INC.

Defendant

NOTICE

TO: National Bank of Washington,  
619 14th Street, Northwest, Washington, DC, Garnishee:  
[Name]  
[Address]

As a garnishee, you are required by law to file answers to the following Interrogatories in Attachment, within ten (10) days after service of the writ upon you [Title 16, Section 521(a), D.C. Code (1981 ed.)]. If you fail to answer the Interrogatories, judgment may be entered against you for the entire amount of the plaintiff's claim and costs [Title 16, Section 526(b), D.C. Code (1981 ed.)].  
The garnishee shall file the original and one copy of the Answers to Interrogatories with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and upon the person at whose instance the writ was issued.  
If, within ten (10) days after service of the Answers to Interrogatories or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the Answers to Interrogatories pursuant to Title 15, Section 522, D.C. Code (1981 ed.), the garnishee's obligations under the attachment shall be limited by his answer.

James S. Turner  
Betsy E. Lehrfeld  
Attorney for Plaintiff  
Swankin & Turner  
1424 16th Street, N.W.  
Washington, DC 20036  
(Address)

Telephone: (202) 462-8800

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.

Plaintiff

vs.

Civil Action No. 86 - 2711

AMERICANS WITH HART, INC.

Defendant

INTERROGATORIES

TO: National Bank of Washington, GARNISHEE:

1. Were you at the time of the service of the writ of attachment served herewith, or have you been, between the time of such service and the filing of your answer to this interrogatory, indebted to the defendant

? If so, how and in what amount?

ANSWER: NO FUNDS AVAILABLE

2. Had you, at the time of the service of the writ of attachment, served herewith, or have you had, between the time of such service and the filing of your answer to this interrogatory, any goods, chattels, credits, lands or tenements of the said defendant in your possession or charge? If so, what?

ANSWER: SEE INTERROGATORY #1.

I declare under the penalties of perjury that the answers to the above interrogatories are, to the best of my knowledge and belief, true and correct.

Signed this 23 day of December, 19 86

*Jacqueline D. Hablins*  
JACQUELINE D. HABLINS, Manager

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**BILL OF COSTS**

<b>United States District Court</b>	DISTRICT District of Columbia
SEMPER-MOSER ASSOCIATES, INC.  v.  AMERICANS WITH HART, INC.	DOCKET NO.  <b>FILED</b>  MAGISTRATE CASE NO.  DEC 19 1986  86 - 2711

Judgment having been entered in the above entitled action on November 21, 1986 CLERK OF DISTRICT COURT against American With Hart, Inc. COURT REPORTER  
date

American With Hart, Inc. the clerk is requested to tax the following as costs:

**BILL OF COSTS**

Fees of the clerk .....	\$ 60.00
Fees for service of summons and complaint .....	50.00
Fees of the court reporter for all or any part of the transcript necessarily obtained for use in the case .....	
Fees and disbursements for printing .....	
Fees for witnesses (itemized on reverse side) .....	
Fees for exemplification and copies of papers necessarily obtained for use in case .....	
Docket fees under 28 U.S.C. § 1923 .....	
Costs incident to taking of depositions .....	
Costs as shown on Mandate of Court of Appeals .....	
Other costs (Please itemize) .....	
TOTAL	\$ 110.00

R 8 0 4 0 7 2 4 1 5 9

**SPECIAL NOTE** Attach to your bill an itemization and documentation for requested costs in all categories. Briefs should also be submitted supporting the necessity of the requested costs and citing cases supporting taxation of those costs.

**DECLARATION**

I declare under penalty of perjury that the foregoing costs are correct and were necessarily incurred in this action and that the services for which fees have been charged were actually and necessarily performed. A copy hereof was this day mailed with postage fully prepaid thereon to: (Default judgment, defendant did not enter an appearance; therefore no service is required.)

SIGNATURE OF ATTORNEY

*Debra C. Dupla*

**FILED**  
MAR 11 1987

DATE 12-19-86

FOR: SEMPER-MOSER ASSOCIATES, INC.

Name of claiming party

CLERK, U.S. DISTRICT COURT  
DISTRICT OF COLUMBIA

Please take notice that I will appear before the clerk who will tax said costs on the following day and time:

Costs are hereby taxed in the following amount and included in the judgment:

AMOUNT TAXED

\$ 110.00 (one hundred ten dollars - no/100)

CLERK OF COURT

**JAMES E. DAVEY**

(BY) DEPUTY CLERK

*Marjorie W. Pitman*

DATE

3/11/87

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

FILED

DEC 16 1986

Clerk, U. S. District Court  
District of Columbia

SEMPER-MOSER ASSOCIATES, INC.  
1799 Washington Way  
Venice, California 90291

Plaintiff,

vs.

AMERICANS WITH HART, INC.  
122 C Street, N.W.  
Washington, DC

Defendant.

CIVIL ACTION NO. 86-2711  
Judge Penn

ORDER AMENDING JUDGMENT  
DATED NOVEMBER 21, 1986

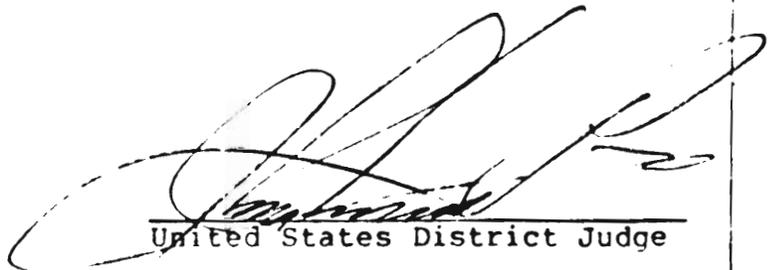
ORDER

A motion having been duly made by the plaintiff for judgment by default, an order entering judgment of default having been issued on November 21, 1986, and a motion having been duly made by plaintiff to amend said order to include interest at the contract rate to date of judgment, it is:

ORDERED AND ADJUDGED:

1. That the Order dated November 21, 1986 be and hereby is amended to enter judgment for plaintiff in the amount of \$162,754.57 plus costs and interest as provided by law.

Dated: DEC 15 1986

  
United States District Judge

88040724160

(2)

RECEIVED

DEC 8 11 55 AM '86

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. :  
1799 Washington Way :  
Venice, California 90291 :

Plaintiff, :

vs. :

AMERICANS WITH HART, INC. :  
122 C Street, N.W. :  
Washington, DC :

Defendant. :

CIVIL ACTION NO.86-2711  
Judge Penn

MOTION TO AMEND ORDER TO  
INCLUDE CONTRACT INTEREST

MOTION

Plaintiff respectfully moves the Court to amend its order of November 21, 1986, a copy of which is appended hereto as Exhibit A, to include interest of one and one-half percent (1.5%) per month (18% per annum), compounded monthly, as provided in the contract, for a total judgment in the amount of \$162,754.57 plus costs and interest provided by law. Said contract interest was prayed for in the complaint and the motion for entry of default judgment but was inadvertently omitted from the proposed order.

At the time plaintiff submitted its motion for default judgment plaintiff's counsel mistakenly believed that the Court would perform the calculations necessary to include in its order contract interest to date of judgment. A calculation of interest at the contract rate is appended hereto as Exhibit B.

88040724161

Wherefore plaintiff prays the order be amended.

JS  
James S. Turner

JS  
Betsy E. Lehrfeld  
Swankin & Turner  
1424 16th Street, N.W.  
Washington, DC 20036  
(202) 462-8800

Attorneys for Plaintiff

88040724162

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

FILED

NOV 21 1966

SEMPER-MOSER ASSOCIATES, INC. :  
1799 Washington Way :  
Venice, California 90291 :

CLERK, U.S. DISTRICT COURT  
DISTRICT OF COLUMBIA

Plaintiff,

vs.

CIVIL ACTION NO. 86-2711  
Judge Penn

AMERICANS WITH HART, INC. :  
122 C Street, N.W. :  
Washington, DC :

ORDER FOR ENTRY OF DEFAULT  
JUDGMENT

Defendant. :

ORDER

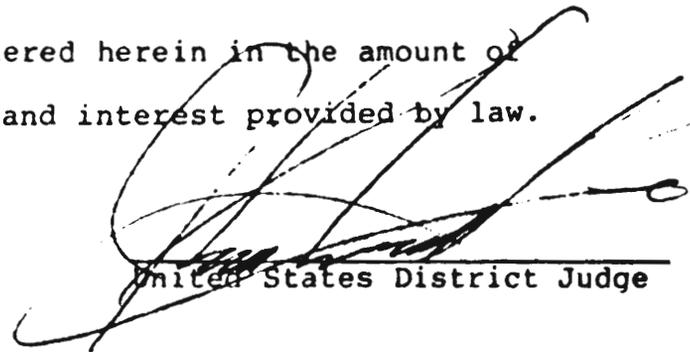
A motion having been duly made by the plaintiff for judgment by default, and it appearing that the defendant herein is in default and that his default has been duly noted, and it further appearing that defendant's damages are a sum capable of being made certain by calculation, it is

ORDERED AND ADJUDGED:

1. That the plaintiff recover of the defendant the damages sustained by him on account of the claim alleged in the complaint;

2. That judgment be entered herein in the amount of \$ 103,709.44 , plus costs, and interest provided by law.

Dated: NOV 21 1966



United States District Judge

88040724163

Calculation of Interest

Interest calculated at 1.5% per month on unpaid balance,  
from April 13, 1984 to November 21, 1986:

<u>Date</u>	<u>Balance</u>	<u>Interest</u>
5/13/84	103,709.44	1,555.64
6/13/84	105,265.08	1,578.98
7/13/84	106,844.06	1,602.66
8/13/84	108,446.72	1,626.70
9/13/84	110,073.42	1,651.10
10/13/84	111,724.52	1,675.87
11/13/84	113,400.39	1,701.01
12/13/84	115,101.40	1,726.52
1/13/85	116,827.92	1,752.42
2/13/85	118,580.34	1,778.81
3/13/85	120,359.05	1,805.39
4/13/85	122,164.44	1,832.47
5/13/85	123,996.91	1,859.95
6/13/85	125,856.86	1,887.85
7/13/85	127,744.71	1,916.17
8/13/85	129,660.88	1,944.91
9/13/85	131,605.79	1,974.09
10/13/85	133,579.88	2,003.70
11/13/85	135,583.58	2,033.75
12/13/85	137,617.33	2,064.26
1/13/86	139,681.59	2,095.22
2/13/86	141,776.81	2,126.65
3/13/86	143,903.46	2,158.55
4/13/86	146,062.01	2,190.93
5/13/86	148,252.94	2,223.79
6/13/86	150,476.73	2,257.15
7/13/86	152,733.88	2,291.01
8/13/86	155,024.89	2,325.37
9/13/86	157,350.26	2,360.25
10/13/86	159,710.51	2,395.66
11/13/86	162,106.17	2,431.59
11/21/86	162,754.57	

88040724164

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. :  
1799 Washington Way :  
Venice, California 90291 :

Plaintiff, :

vs. :

AMERICANS WITH HART, INC. :  
122 C Street, N.W. :  
Washington, DC :

Defendant. :

CIVIL ACTION NO. 86-2711  
Judge Penn

ORDER AMENDING JUDGMENT  
DATED NOVEMBER 21, 1986

ORDER

A motion having been duly made by the plaintiff for judgment by default, an order entering judgment of default having been issued on November 21, 1986, and a motion having been duly made by plaintiff to amend said order to include interest at the contract rate to date of judgment, it is:

ORDERED AND ADJUDGED:

1. That the Order dated November 21, 1986 be and hereby is amended to enter judgment for plaintiff in the amount of \$162,754.57 plus costs and interest as provided by law.

Dated:

\_\_\_\_\_  
United States District Judge

88040724165



UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.  
1799 Washington Way  
Venice, California 90291

Plaintiff,

vs.

AMERICANS WITH HART, INC.  
122 C Street, N.W.  
Washington, DC

Defendant.

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: CIVIL ACTION NO. 86-2711  
: Judge Penn  
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: MOTION FOR DEFAULT JUDGMENT  
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MOTION

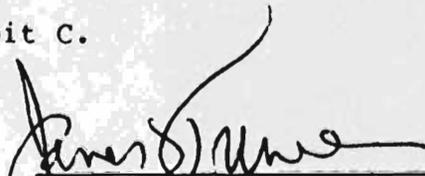
Plaintiff moves the court to enter default judgment in favor of plaintiff and against defendant for \$103,709.44 plus interest at 18% per annum, compounded monthly, as specified in the contract, from April 13, 1984 to date of judgment and thereafter at the legal rate of 5.75%. A true copy of the contract is appended hereto attached to Exhibit C.

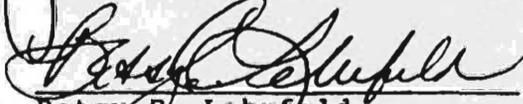
This motion is made on the ground that default has been entered against defendant for failure to answer or otherwise defend as to the complaint of the plaintiff, a copy of which is appended hereto as Exhibit A.

The certificate of the clerk of this court as to the entry of default is appended hereto as Exhibit B.

88040724167

The defendant is not in the military service of the United States, as more particularly shown by the affidavit of Betsy E. Lehrfeld appended hereto as Exhibit C.

  
James S. Turner

  
Betsy E. Lehrfeld  
Swankin & Turner  
1424 16th Street, N.W.  
Suite 105  
Washington, DC 20036  
(202) 462-8800

Attorneys for Plaintiff

88040724168

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.  
1799 Washington Way  
Venice, California 90291

Plaintiff,

vs.

AMERICANS WITH HART, INC.  
122 C Street, N.W.  
Washington, DC

Defendant.

PENN, J.

CIVIL ACTION NO.

86-2711

OCT 1 1986

COMPLAINT

JURISDICTION AND THE PARTIES

1. Plaintiff is a corporation organized and doing business in the State of California at 1799 Washington Way, Venice, California 90291.

2. Defendant Americans with Hart ("AWH") is a corporation organized under the laws of the State of Colorado with its principal place of business in the District of Columbia at 122 C Street, Southeast, Washington, D.C.

3. Jurisdiction of this suit is conferred by 28 U.S.C. Sec. 1332 in that the parties are citizens of different states and the amount in controversy exceeds \$10,000.00, exclusive of interest and costs.

4. This is an action on a contract.

88040724169

COUNT ONE

(Action on a Contract for Services and Advancement of Money)

5. On or about March 7, 1984, plaintiff, an advertising agency, and defendant, a political campaign organization, entered into a contract under the terms of which plaintiff agreed to obtain television broadcast time for defendant's advertising and defendant agreed to pay plaintiff for its costs plus 15% for the value of plaintiff's services, payable in thirty days, any amounts past due to bear interest at the rate of 1.5% per month. A copy of the contract is attached hereto and incorporated herein as Exhibit A.

6. Plaintiff performed all services required under the contract in a satisfactory manner.

7. In order to fulfill the contract, and with defendant's knowledge and at defendant's request, plaintiff advanced \$106,010.00 for the purchase of television advertising time for defendant.

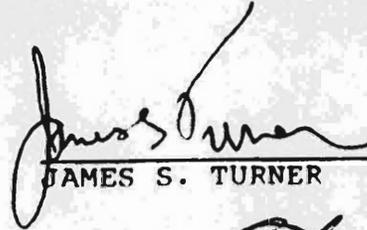
8. Plaintiff has sent invoices demanding payment to defendant each and every month since March, 1984 (which invoices are attached hereto and incorporated herein as Exhibit B), but has received only \$2,363.00 in payment.

9. By reason of the foregoing facts, plaintiff is entitled to judgment for \$103,647.00 plus interest from April, 1984.

88040724170

WHEREFORE, plaintiff prays that the Court enter judgment as follows:

1. Judgment in the amount of \$103,647.00 plus interest at 1.5% per month from April, 1984.
2. Costs of suit and such other and further relief as the Court may deem proper.

  
\_\_\_\_\_  
JAMES S. TURNER

  
\_\_\_\_\_  
BETSY J. LEHRFELD  
Swankin & Turner  
1424 16th Street, NW  
Washington, DC 20036  
(202) 462-8800

Attorneys for Plaintiff

I, Peter J. Semper, President of Semper-Moser Associates, Inc., declare under penalty of perjury that the foregoing is true and correct. Executed on Sept 10, 1986.

  
\_\_\_\_\_  
PETER J. SEMPER

88040724171

United States District Court for the District of Columbia

SEMPER-MOSER ASSOCIATES, INC.

*Plaintiff*

vs.

AMERICANS WITH HART, INC.

*Defendant*

CIVIL ACTION No. 86-2711

FILED

NOV 14 1986

CLERK, U. S. DISTRICT COURT  
DISTRICT OF COLUMBIA

DEFAULT

It appearing that the above-named defendant has failed to plead or otherwise defend this action though duly served with summons and copy of the complaint on the 1st day of October, 1986, and an affidavit on behalf of the plaintiff having been filed, it is this 14th day of November, 1986 declared that AMERICANS WITH HART, INC.

defendant herein is (~~was~~) in default.

JAMES F. DAVEY, Clerk

By Mary B Deavers  
Deputy Clerk.

EXHIBIT B

234

88040724172

(2)

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.  
1799 Washington Way  
Venice, California 90291

Plaintiff,

vs.

AMERICANS WITH HART, INC.  
122 C Street, N.W.  
Washington, DC

Defendant.

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: CIVIL ACTION NO. 86-2711  
: Judge Penn  
:  
: AFFIDAVIT OF COUNSEL  
:  
:  
:

AFFIDAVIT OF BETSY E. LEHRFELD

Comes now Betsy E. Lehrfeld, counsel for plaintiff, and states as follows:

1. The attached Letter of Agreement [Attachment 1] is a true and correct copy of the original contract between plaintiff and defendant referred to in the complaint.

2. The attached invoices [Attachment 2] are true and correct copies of invoices sent by plaintiff to defendant from March 13, 1984 through June 10, 1986. Plaintiff has continued to send similar invoices each month to the present. These invoices reflect the 1.5% monthly interest agreed to in the contract (referred to therein as a "service fee") which has been compounded (pursuant to the contract provision that this fee be

EXHIBIT C

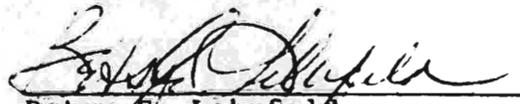
88040724173

applied to "any unpaid invoice" and the fee was included in each monthly invoice) monthly.

3. The attached Payment History [Attachment 3] reflects a payment on account of \$2,363.00 on February 13, 1985, the only payment plaintiff has received from defendant. This payment has been deducted from the principal to arrive at the amount prayed for in the motion to which this affidavit is appended.

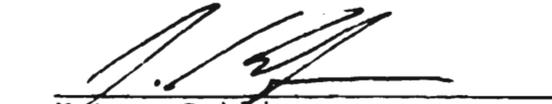
4. Defendant has not entered an appearance in this action and is not entitled to notice hereof.

5. Defendant is a corporation not subject to military service.

  
Betsy E. Lehrfeld

District of Columbia: ss.:

Subscribed and sworn to before me this 18 day of November, 1986.

  
Notary Public

my commission expires: 11/15/87

88040724174

United States District Court for the District of Columbia

SEMPER-MOSER ASSOCIATES, INC.  
*Plaintiff*

vs.

AMERICANS WITH HART, INC.

CIVIL ACTION No. 86-2711

*Defendant*

FILED

NOV 14 1986

CLERK, U. S. DISTRICT COURT  
DISTRICT OF COLUMBIA

DEFAULT

It appearing that the above-named defendant has failed to plead or otherwise defend this action though duly served with summons and copy of the complaint on the 1st day of October, 19 86, and an affidavit on behalf of the plaintiff having been filed, it is this 14th day of November, 19 86 declared that AMERICANS WITH HART, INC.

defendant herein is ( ) in default.

JAMES F. DAVEY, Clerk

By Mary B. Deavers  
Deputy Clerk.

8 9 0 4 0 7 2 4 1 7 5

(N)

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. )

Plaintiff )

vs. )

AMERICANS WITH HART, INC. )

Defendant )

Civil Action No. 86-2711

RECEIVED  
DISTRICT COURT  
NOV 13 1986

AFFIDAVIT IN SUPPORT OF DEFAULT

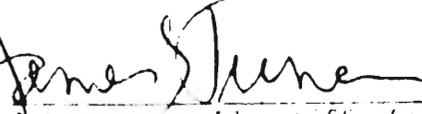
I hereby certify under penalty of perjury, this 13th day of November, 1986, that I am the attorney of record for the plaintiff(s) in the above-entitled cause; that the defendant(s) AMERICANS WITH HART, INC. was (were) served in the following manner

- Personal service; process served on October 1, 1986
- First Class Mail (FRCP 4(C)(ii)). Date on acknowledgment form \_\_\_\_\_.
- Registered/Certified Mail (Superior Court Rule 4(C)(ii)). Date return receipt is signed by addressee \_\_\_\_\_.
- ERISA: Title 29, Section 1132, U.S. Code

The authority for obtaining personal jurisdiction over a defendant served outside the District of Columbia is: Title 13, Section 423(a), D.C. Code, \_\_\_\_\_ (List the proper subsection of 13:423(a))

I hereby certify under penalty of perjury that (circle the appropriate reason) (no appearance has been entered by said defendant(s) in this case) ~~(no pleading has been filed by the defendant(s) and none served upon the attorney for the plaintiff(s))~~ ~~(no extension has been given and the time for filing has expired)~~ ~~(that the defendant(s) is neither an infant or an incompetent person.~~

The Clerk is requested to enter a default against said defendant(s).



Attorney for Plaintiff (signature)  
James S. Turner  
Swankin & Turner

Suite 105  
1424 16th Street, N.W.  
Washington, DC 20036  
Address

(202) 462-88000

Telephone No.

88040724176

United States District Court for the District of Columbia

RECEIVED  
MAY 13 1 25 PM '86  
CLERK  
U.S. DISTRICT COURT  
DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.  
Plaintiff

vs.

AMERICANS WITH HART, INC.  
Defendant

CIVIL ACTION No. 86-2711

DEFAULT

It appearing that the above-named defendant has failed to plead or otherwise defend this action though duly served with summons and copy of the complaint on the 1st day of October, 1986, and an affidavit on behalf of the plaintiff having been filed, it is this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ declared that AMERICANS WITH HART, INC.

defendant herein is (are) in default.

JAMES F. DAVEY, Clerk

By \_\_\_\_\_  
Deputy Clerk.

88040724177

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.  
1799 Washington Way  
Venice, California 90291

Plaintiff,

vs.

AMERICANS WITH HART, INC.  
122 C Street, N.W.  
Washington, DC

Defendant.

**PENN., J.**

CIVIL ACTION NO. 86-2711

OCT 1 1986

COMPLAINT

JURISDICTION AND THE PARTIES

1. Plaintiff is a corporation organized and doing business in the State of California at 1799 Washington Way, Venice, California 90291.

2. Defendant Americans with Hart ("AWH") is a corporation organized under the laws of the State of Colorado with its principal place of business in the District of Columbia at 122 C Street, Southeast, Washington, D.C.

3. Jurisdiction of this suit is conferred by 28 U.S.C. Sec. 1332 in that the parties are citizens of different states and the amount in controversy exceeds \$10,000.00, exclusive of interest and costs.

4. This is an action on a contract.

88040724178

88040724179

COUNT ONE

(Action on a Contract for Services and Advancement of Money)

5. On or about March 7, 1984, plaintiff, an advertising agency, and defendant, a political campaign organization, entered into a contract under the terms of which plaintiff agreed to obtain television broadcast time for defendant's advertising and defendant agreed to pay plaintiff for its costs plus 15% for the value of plaintiff's services, payable in thirty days, any amounts past due to bear interest at the rate of 1.5% per month. ; A copy of the contract is attached hereto and incorporated herein as Exhibit A.

6. Plaintiff performed all services required under the contract in a satisfactory manner.

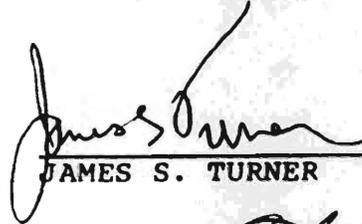
7. In order to fulfill the contract, and with defendant's knowledge and at defendant's request, plaintiff advanced \$106,010.00 for the purchase of television advertising time for defendant.

8. Plaintiff has sent invoices demanding payment to defendant each and every month since March, 1984 (which invoices are attached hereto and incorporated herein as Exhibit B), but has received only \$2,363.00 in payment.

9. By reason of the foregoing facts, plaintiff is entitled to judgment for \$103,647.00 plus interest from April, 1984.

WHEREFORE, plaintiff prays that the Court enter judgment as follows:

1. Judgment in the amount of \$103,647.00 plus interest at 1.5% per month from April, 1984.
2. Costs of suit and such other and further relief as the Court may deem proper.

  
\_\_\_\_\_  
JAMES S. TURNER

  
\_\_\_\_\_  
BETSY E. LEHRFELD  
Swankin & Turner  
1424 16th Street, NW  
Washington, DC 20036  
(202) 462-8800

Attorneys for Plaintiff

I, Peter J. Semper, President of Semper-Moser Associates, Inc., declare under penalty of perjury that the foregoing is true and correct. Executed on Sept 10, 1986.

  
\_\_\_\_\_  
PETER J. SEMPER

88040724180

# Los Angeles Times

Circulation: 1,103,656 Daily/1,368,105 Sunday

Friday, April 17, 1987

CC/122 Pages Copyright

## Marshals Seize Hart's Funds to Satisfy '84 Debt

By JOHN BALZAR,  
Times Political Writer

U.S. marshals seized thousands of dollars from Democratic presidential candidate Gary Hart's Los Angeles fund-raising parties Wednesday night to satisfy an unpaid campaign debt from 1984.

Sounding irritated but expressing no embarrassment as a result of the crashing of his two parties, Hart said at a press conference Thursday that the matter was "apparently a legal misunderstanding." He insisted that creditors from his last presidential campaign have no legal right to money raised for his 1988 run.

"I think whoever was proceeding in this direction was misinformed," he said.

The Santa Barbara-based advertising company of Semper-Moser

Please see HART, Page 24

24 Part I / Friday, April 17, 1987

## HART: Marshals Seize Funds to Pay Creditor

Continued from Page 1

Associates took the attention-getting step of sending plainclothes marshals to the back-to-back Hart events to satisfy a \$162,754.57 judgment the firm won in U.S. District Court last December against Hart's 1984 campaign committee.

Semper-Moser attorney Betsy E. Lehrfeld in Washington said the marshals impounded \$29,512.50 in cash and checks at the two events Wednesday night. Campaign officials for the former U.S. senator from Colorado could not verify the amount, but said the money was relinquished quietly to avoid a public scene at either function. One party was an \$50-per-person rock 'n' roll fund-raiser at the Palace in Hollywood, and the other was a private \$1,000-per-person affair at the home of oilman and movie mogul Marvin Davis.

### Portion of Funds Raised

The impounded funds were only a portion of the \$100,000 that the Hart campaign estimated was raised at the two events. Most of the money was prepaid and not seized.

Lehrfeld insisted that the seizure was not an attempt to publicly

embarrass the Democratic presidential front-runner, who officially announced his candidacy only Monday. Instead, she said, Semper-Moser was unable to get Hart campaign officials to pay attention any other way.

"They told us, gee, they'd like to help out, and they'd get around to it sometime," Lehrfeld said.

Deputy campaign manager John Emerson called the seizure "purely a stunt" and said it will be a short time before the campaign received its money back from the marshals. Emerson, an attorney, said it would be a violation of federal election law to use proceeds raised by one Hart committee to pay the debts of another.

Semper-Moser attorney Lehrfeld said this was a matter for the court to settle.

"Our argument is even if they are raising money for the 1988 campaign, they are using the same assets as in 1984, i.e., Gary Hart, to do it. They cannot rightfully shut out people they owe."

Hart told press conferences in Los Angeles and San Francisco that he intended to pay the debt when he can. "That's the way my parents raised me."

Late Thursday, Hart's attorneys



GEORGE FRY / Los Angeles Times

Gary Hart at press conference.

made, and he said voters should give him credit "for being able to reduce a deficit."

"We are doing our dead-level best," Hart said.

The claim by Semper-Moser is one of 12 court judgments pending against Hart. But no one else has resorted to calling on marshals to seize money. Hart is negotiating to settle the outstanding debts—sometimes at rates as low as 10 cents on the dollar, or, as he put it, "whatever the two sides agree on."

Semper-Moser said it wanted full payment because its claim is for money the firm advanced Hart for purchase of television advertising time in Nevada and Washington state, not just fees for services.

Questions about seizure of his receipts dominated Hart's day, and the candidate seemed to grow weary of questions about it. At one point he seemed to insinuate that the problem was the work of unidentified rivals, but he quickly backed down and indicated he had been confused at the question.

# A Hart '84 Creditor Seizes \$30,000 at Fund-Raiser

By T.R. Reid

Washington Post Staff Writer

DENVER, April 16—A team of federal marshals walked into a glittery Hollywood fund-raiser for Democratic presidential candidate Gary Hart Wednesday night and seized about \$30,000 in contributions to satisfy a writ obtained by one of the creditors of Hart's 1984 campaign.

While Hart hobnobbed with Donna Mills, John Forsyth, Elliott Gould and other stars at a \$500-per-person gathering to finance the 1988 race Hart kicked off this week, the marshals produced a writ of attachment issued by a federal judge in Los Angeles and took the checks and cash from the party.

Acting Chief Marshal John Freeman said the seizure was handled quietly in a corner of the posh Palace nightclub, and most guests at the fund-raiser were unaware that their contributions had been attached. The marshals acted to enforce a federal

court judgment won by Semper-Moser Associates, a Culver City, Calif., firm that placed television ads for Hart in California in 1984.

The Hart campaign has reported an outstanding debt to Semper-Moser of \$105,412.80. Peter Semper of Semper-Moser said today that he won a judgment of \$162,500 against the Hart campaign last December, which includes 30 months of interest.

Hart still owes \$1.3 million in back bills and outstanding loans to about 60 creditors of his 1984 campaign. He has vowed to settle with all creditors before the first formal votes of the 1988 primary campaign are cast.

But while the old debts remain, Hart is raising money for his 1988 campaign. Hart aides say they have about \$1 million. The Hollywood event was earmarked for the 1988 effort.

For that reason, Hart's campaign staff said today that the federal seizure, based on a 1984 debt, was invalid. "The checks [at the fund-

raiser] were made out to Friends of Gary Hart, 1988, and that committee doesn't owe money to anybody," said Hart spokesman Kevin Sweeney.

"I'm not buying that line," said Semper, the creditor. "These guys are so darn devious. For three years they've been giving me excuses, you know, it's the wrong committee or something. When the whole thing they've done to me comes out in public, a dog wouldn't vote for this guy."

It's not completely clear when campaign funds can legally be shifted back and forth between different committees serving a single candidate.

Hart's campaign manager, William Dixon, says that "the laws prohibit" transfer from Hart's 1988 treasury to his 1984 committee. The Federal Election Commission has authorized candidates to transfer money among committees to pay off old debts. Hart himself used about \$100,000 that he raised for a 1986 Senate campaign—a race he eventually didn't make—to help pay his 1984 debts.

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# Hart seeks return of \$30,000 seized by marshals at gala

By Ralph Z. Hallow and Isarah J. Poole  
THE WASHINGTON TIMES

Lawyers representing Democratic presidential candidate Gary Hart yesterday tried to settle an embarrassing financial dispute with a California advertising consultant that drew national attention when federal marshals seized \$30,000 from a Hart campaign fund-raiser.

The seizure took place Wednesday night during a star-studded affair in Los Angeles' Palace nightclub. The mostly young and well-dressed crowd that attended the affair included such stars as Donna Mills, Barry Bostwick, John Forsyth and Elliott Gould.

Peter Semper, the owner of Semper Moser Associates of Venice, Calif., obtained a court order from U.S. District Court in Washington to seize \$162,500, including \$52,000 in interest and other expenses, after the Hart campaign failed to pay a \$110,000 bill for placing ads for the 1984 campaign.

Mr. Semper is one of a number of small creditors who are owed more than \$13 million from Mr. Hart's failed 1984 presidential bid.

A spokesman for the U.S. Marshals Service said the amount seized was about \$30,000 in cash and checks.

Persons who attended the fund-raiser said that the marshals' action went unnoticed by the participants. "We could have resisted, but they [the marshals] walked in and asked for it and we gave it to them," said **Ralph Sweeney**, Hart campaign spokesman.

**Ralph Sweeney**, an attorney for Mr. Semper, said yesterday he received a check for \$30,000 from Arnold **Turner**, who is operating the Hart campaign. He and the attorney **Turner** reached a settlement for three

months. "We're going to crush **Turner** and we would really like to settle with **Turner**," Mr. **Turner** said yesterday.

Mr. **Turner** refused to comment on the proposed settlement.

Mr. Hart confirmed yesterday that lawyers were trying to settle the issue, with a lawyer representing Semper/Moser. He said his finances "are not the issue. The issue is who's best qualified to run the country."

"I'll pay off my debts. That's the way I was raised. That's what I'll do," Mr. Hart said at a news conference in Denver.

Mr. Sweeney said: "We do owe them [Semper Moser] the money and we're trying as hard as we can to pay off that debt. As much as we'd like to pay them, after what they did last night we'd like to sue them."

The fund-raiser was expected to raise about \$50,000, he said.

Mr. Sweeney said Wednesday night's contributions, in the form of checks, were made out to the Friends of Gary Hart in '88 organization and could not be used for any other purpose. "There was no legal basis for attaching the money."

The 1984 Hart campaign committee and the 1988 committee are distinct entities and must remain so, Mr. Sweeney said.

"The [1988] campaign has hundreds of thousands of dollars in certificates of deposit and has raised over \$1.5 million so far," he said.

"We are confident that by sundown we'll have the money back," Mr. Sweeney said.

Peter Semper, who described his business as "a one-man operation," said his numerous attempts to collect the Hart debt "have been pure hell."

"It's basically, 'You're a nice guy, but I don't have the money,'" Mr. Semper said.

He said he disagreed with the argument that the money seized from

the 1988 campaign organization could not be used to pay 1984 campaign debts and said he will continue attempts to collect the debt. "I'll keep embarrassing them until they pay me the money."

Mr. Semper, who calls himself a political independent, said that the whole experience has soured him on Mr. Hart.

"In my view, he has not really made a good-faith effort to pay his debts, and I have severe reservations about endorsing someone like that for the presidency," he said.

"As a move to embarrass the senator, it failed," Mr. Sweeney said.

Susan Shaw, who was in charge of press arrangements at the Hart fund-raiser, said by telephone: "They didn't bust in. The party went off as scheduled."

Actor Warren Beatty, who organized the event and has raised hundreds of thousands of dollars for the Hart campaign, was unable to attend because of an obligation in New York.

In his last Federal Election Commission report dated Dec. 31, 1986, Mr. Hart listed debts from his 1984 presidential campaign totaling \$1,840,619. The only large debt listed was a loan from the National Bank of Washington for \$564,574. The rest was in smaller amounts.

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# Hart campaign money seized in debt dispute

Associated Press

LOS ANGELES — A lawyer and two U.S. marshals seized \$30,000 in contributions to Gary Hart's 1988 presidential campaign at a Los Angeles fundraising event, seeking to satisfy a court judgment against Hart's 1984 campaign, officials said yesterday.

William Dixon, Hart's campaign manager, said the campaign's lawyers were negotiating yesterday afternoon for the return of the money.

He said the money was seized after an attorney for a campaign creditor, an advertising agency, misrepresented herself to federal officials in Los Angeles.

"We know we'll get it back soon," said Kevin Sweeney, Hart's 1988 campaign press secretary, perhaps by the end of the week.

The seizure took place Wednesday night at the smaller of two Hart fundraising events in Los Angeles. Hart, who formally announced his candidacy Monday, attended both events.

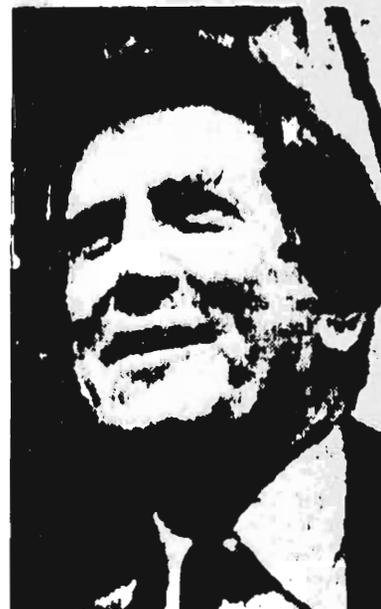
Hart officials said the money was contributed to the 1988 campaign,

Friends of Gary Hart, which is legally independent from his 1984 effort, Americans with Hart Inc.

A spokeswoman for the Federal Election Commission, Sharon Snyder, confirmed that a candidate's presidential campaign committee from one year is generally viewed as a totally separate legal entity from the campaign committee for another year. Thus, she said, to the best of her knowledge, federal election regulations prohibit Hart from using money raised for his 1988 campaign to pay debts from 1984.

Dixon said the attorney for the advertising agency, Semper-Mosher Associates of Venice, Calif., misrepresented the situation by telling U.S. marshals that there was a court judgment against Friends of Gary Hart, when it was in fact against Americans with Hart. The agency worked for Hart's campaign during March 1984.

The agency, which sued the Hart campaign in U.S. District Court in Washington last fall, is still owed



Gary Hart

\$30,000 taken at fund-raising event

\$105,412.80 by the 1984 campaign, according to the latest report on file at the Federal Election Commission.

However, court papers on file in Washington put the current amount of the debt at \$162,754, counting interest at 18 percent a year.

Hart has been working to pay off or settle the \$4.7 million in debts he owed at the end of 1984. Most recently, Hart's campaign said the 1984 debt is down to \$1.3 million.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 27, 1987

Roger E. Warin, Esquire  
Steptoe & Johnson  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036

Re: MUR 2175  
Group III Communications, Inc.

Dear Mr. Warin:

This is in response to your letter dated May 13, 1987, which we received on May 14, 1987, requesting an extension of thirty (30) days to respond to the Commission's finding of reason to believe. After considering the circumstances presented in your letter, the Federal Election Commission has granted the requested extension. Accordingly, your response is due by close of business on June 21, 1987.

If you have any questions, please contact Celia L. Jacoby, 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  
Acting General Counsel

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*RLM*



FRIENDS OF

**GARY  
HART**

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June 18, 1987

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HAND DELIVERED

Lawrence Noble, Esquire  
Acting General Counsel  
FEC  
999 E Street, N.W.  
Washington, D.C. 20463

RE: MUR 2175

Dear Mr. Noble:

On behalf of the respondents in the above-referenced MUR, we enclose three copies of a Memorandum in response to the reason-to-believe finding made by the Commission in this matter, and three copies of a volume of attachments.

Pursuant to 11 C.F.R. § 111.17(d), the respondents request pre-probable cause conciliation in this matter.

Sincerely,

Jack Quinn

Donald J. Simon

Enclosures

1600 DOWNING STREET  
DENVER, COLORADO 80218  
(303) 894-1988

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BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 2175

RECEIVED  
JUN 18 1987  
FEDERAL ELECTION COMMISSION

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MEMORANDUM OF THE AMERICANS  
WITH HART COMMITTEE,  
MICHAEL R. MOORE AND GARY W. HART IN RESPONSE  
TO THE COMMISSION'S REASON-TO-BELIEVE FINDINGS

John M. Quinn  
1200 New Hampshire Ave., N.W.  
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(202) 872-6904

Donald J. Simon  
Sonosky, Chambers & Sachse  
1050 31st Street, N.W.  
Washington, D.C. 20007  
(202) 342-9131

June 18, 1987

Attorneys for Respondents

BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 2175

MEMORANDUM OF THE AMERICANS  
WITH HART COMMITTEE,  
MICHAEL R. MOORE AND GARY W. HART IN RESPONSE  
TO THE COMMISSION'S REASON-TO-BELIEVE FINDING

This Memorandum is submitted on behalf of the Americans with Hart Committee, the 1984 authorized presidential campaign committee of former Senator Gary Hart, Michael R. Moore, its Treasurer, and Senator Hart, hereinafter "the respondents."

On April 9, 1987, the Commission notified these respondents that it had found reason to believe that violations of the campaign finance laws had occurred during the course of Senator Hart's 1984 presidential campaign. Pursuant to 11 C.F.R. Part 111, the respondents have an opportunity to respond in writing to this finding within 30 calendar days. By letter of May 26, 1987, the Commission extended the time for this response until June 18, 1987.

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Introduction

The matters under review in this proceeding arise out of the audit of Americans With Hart ("AWH") that was conducted after the 1984 campaign. The Audit Division identified various matters about which it had questions or incomplete information and referred them to the Office of General Counsel. Subsequently, the Commission concluded that there is "reason to believe" that three violations may have occurred. As demonstrated below, however, there has been no violation of the Federal Election Campaign Act; as such, this matter should now be closed.

The first issue concerns whether AWH accepted corporate contributions from two media firms in the form of credit for services that was extended to the committee. These extensions of credit were proper and do not give rise to a finding of illegality. Under the law as written, the transactions are legal as long as credit on similar terms was extended by these creditors to non-political clients and as long as commercially reasonable attempts have been made to collect on the debts. 11 C.F.R. § 110.7(a)(4). Both of these conditions have been met in each of these cases.

AWH, the recipient of the credit, understands these transactions to have been "in the ordinary course" of business for these companies. The collection efforts

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of these companies, about which the Audit Division admitted it had no information, have been virtually unparalleled in terms of both frequency and aggressiveness when compared to those of hundreds of other AWH creditors. There has been no showing to the contrary on either score by the Audit Division or the Office of General Counsel.

Moreover, it was commercially reasonable for the subject media companies -- just like hundreds of other vendors -- to extend credit to AWH, and for AWH to accept the credit in the early months of 1984, given the then-apparent ability of AWH to pay its bills; these extensions of credit were not unique either in terms of similarly situated creditors vis-a-vis AWH or in the media business. Neither AWH nor the media companies in question can be held to have violated the FECA simply because extensions of credit, contemplated by law, have remained unrepaid due to the unpleasant reality of a depleted campaign treasury.<sup>1</sup>

<sup>1</sup> This is not a unique situation. Attachment 1 consists of a sampling of reports to the Commission by other presidential campaign committees revealing varying levels of debt -- up to almost \$3 million -- on the part of campaigns going back to 1976 and which remained on the books for years. The reports underlying these summary sheets reveal all manner of corporate credit, for bank loans undoubtedly taken in substantial part to finance media expenses, for direct mail expenses and for virtually every other form of political communication commonly used in presidential campaigns. See also  
[Footnote continued on next page]

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The second issue is whether Senator Hart exceeded the limitation on expenditures of his own funds through the use of an American Express card obtained for campaign purposes. Senator Hart used this credit card as a campaign credit card -- the charges made on it were for campaign expenditures, all bills were forwarded to the committee, and all payments on the account were made by the committee. In these circumstances, it is clear that the obligations incurred on the card were those of the committee, not Senator Hart in his personal capacity. Particularly in light of the Commission's own recent acknowledgment of the need to clarify the existing regulations regarding campaign use of credit cards, it would be extremely unfair to now penalize the committee's use of the credit card or to charge Senator Hart personally with a violation of his personal expenditure limit. The respondents were utterly unaware that the Commission would see a relationship between the expenditure limit and the use of the credit card: this, again, is not surprising given the Commission's recent recognition of the need for regulatory guidance.

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[Footnote continued from previous page]  
Attachment 2, a news item from The New York Times of June 16, 1987 reporting on yet other presidential campaign debts like those at issue here.

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The third issue is whether AWH accepted contributions from 49 individuals in excess of the contribution limits in the law. Here, too, no violation has occurred. Virtually every one of the excess contributions was either reattributed or refunded; as such, the committee did not receive the benefit of any illegal contribution. Although in a few instances the resolution of these contributions took a number of months, that fact must be viewed in the context of the massive volume of unanticipated contributions being processed by the committee. As we demonstrate below, every good faith effort to comply with the law was made by the committee.

We address each of this issues more fully below.

1. The Extensions of Credit To AWH Were Lawful.

The Audit Division questions whether extensions of credit by two vendors for various media services constituted prohibited contributions under 2 U.S.C. § 441(b). In its analysis, the Audit Division suggests that there is no evidence of the media firms' attempts to collect on the debts. The central issues under the governing regulations are whether these extensions of credit were in the ordinary course of business for these companies, and whether reasonable collection efforts were made. Because AWH is now in a largely hostile

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posture with respect to these vendors (owing precisely to their aggressive collection efforts on the debts), it shall have to rely in large measure on the submissions of the companies in question to demonstrate more fully what was the ordinary course of the vendors' credit dealings -- just as AWH relied on similar representations made to it in 1984. However, knowing just what it does, AWH is fully confident that these extensions of credit in 1984 were lawful then and are lawful today. At the bottom of all this is the plain fact that a very reasonable expectation of hundreds of creditors and of AWH at the time credit was extended -- that the rising political fortunes and financial success of AWH in early 1984 would continue -- turned out to be wrong. The collection efforts of the companies in question here have been and continue to be vigorous, repeated and unrelenting. Evidence of these collection efforts, apparently unknown to the Audit Division, is summarized below.

(a) The Factual Background

(i) The Group III Extension of Credit

Immediately following Senator Hart's unexpected victory in the 1984 New Hampshire primary, representatives of Group III and AWH met in Washington at which time Group III persuaded AWH to utilize its media production, distribution and buying services. AWH was

in need of additional such services so that it might capitalize on its upset victory in New Hampshire and do well in the "Super Tuesday" primaries that were to take place on March 13, 1984. Group III, on the other hand, appeared eager to make its mark in the campaign media business and, at least at that point in time, the Hart campaign was "the place to be."

An arrangement was entered into whereby Group III would provide media services and promotional materials to AWH. Before that happened, however, AWH sought, and Group III agreed to provide, credit on Group III's "normal terms." See Dwinell Affidavit at Attachment 3. This, in turn, was expressly predicated upon Group III's receipt of an opinion letter from AWH's counsel setting forth the requirements of the law governing extensions of credit. Thus, both AWH and Group III sought out legal advice in advance because they wanted to be sure that the transaction would be entirely legal.

AWH and Group III were advised by counsel that "a company that commonly extends credit to customers roughly the size of the campaign and that are of similar risk to the campaign may extend credit to [the campaign] on the usual terms used by the company. . . . [and that] an extension of credit beyond normal business or trade practice becomes a contribution only if the creditor fails to make a commercially reasonable attempt to

collect the debt." See Attachment 4. This advice precisely stated the governing law. See 11 C.F.R. § 114.10(a); 11 C.F.R. § 100.7(a)(4). And, it was this advice that AWH and Group III adhered to in entering their arrangement. AWH sought the assurances of Group III that the credit extended to AWH was on Group III's "normal terms." See Dwinell Affidavit, Attachment 4. And, as indicated in the Affidavit of David Iwans, see Attachment 5, Group III's decision to permit payment on credit for AWH in fact "was in accord with Group III's treatment of its non-political clients and was done in good faith." These representations were made to and relied upon by AWH.

Initially, Group III provided media services, billing the campaign and being paid generally within 15 or 30 days of invoice. By April 2, 1984, AWH had received and paid separate invoices of \$99,250, \$248,125 and \$97,761.25. Shortly after this, AWH placed orders for hundreds of thousands of fliers, posters and buttons. Group III filled these orders and shipped the materials to various states. Within a few short months, the total of Group III's services to AWH was \$848,000. Of this, the committee was able to pay \$412,000 to Group III. As AWH's fortunes fell, its obligation to Group III increased and by the end of the campaign, the

committee still owed Group III \$436,000. These additional extensions of credit, made in rapid succession, were extended not only because it was in the ordinary course of Group III's business and was consistent with its growing business relationship with AWH; in addition, they were made on the strength of AWH's proven track record of paying Group III.<sup>2</sup>

(ii) The Semper-Moser  
Extension of Credit

Semper-Moser Associates, Inc. also provided media services to AWH. Under their agreement, Semper would bill the committee for services and expenses and AWH was to pay within 60 days of receipt of any bills. This marriage of convenience was intended to work as follows: AWH needed additional media to "score big" on Super

<sup>2</sup> Indeed, the credit extended by Group III toward the end of the campaign -- the amount which ultimately remained outstanding -- was "secured" by the committee's expectancy of additional matching funds resulting from a suspense pool of potentially matchable contributions maintained by the committee for further processing. A representation as to the amount of these funds, and a promise to pay Group III from these funds, was made to Group III at the time the credit was extended. Unfortunately, after the credit extension was made, the committee's Treasurer discovered he had made an error in estimating the size of the suspense pool, and far less in federal matching funds were to be available than had previously been thought. Thus, the "security" which both the committee and Group III had relied on in arranging the extension of credit was subsequently discovered to be based on an error. Nonetheless, the fact that security was sought by Group III and provided in good faith by the committee illustrates the worthiness of the extension of credit.

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Tuesday and knock the principal competitor, Mr. Mondale, out of the race; Semper-Moser, seeing a chance to realize a sizeable (15 percent) commission in just two months, extended credit for AWH's purpose.

On information and belief, Semper-Moser has provided to the Commission extensive documentation of the fact that its normal business practice was to extend credit in terms as favorable as those given to AWH. According to the AWH employee involved, James Dwinell, he "never discussed with [Semper-Moser] the terms for extension of credit." See Dwinell Affidavit, Attachment 3. Rather, Dwinell "assumed that the terms of the contract . . . were in the normal course of their business, and had no reason to believe otherwise." Id. The Affidavit of Peter J. Semper, President of Semper-Moser Associates, set forth at Attachment 6, confirms the correctness of Dwinell's belief: it states that the extension of credit to AWH was in the normal and ordinary course of Semper-Moser's business and that Semper-Moser extends credit on similar terms to its non-political customers. See Attachment 6.

(b) These Transactions Were In The Ordinary Course

Extensions of credit by corporations are governed by 11 C.F.R. § 100.7(a)(4) and 11 C.F.R. § 114.10. Section 114.10(a) provides that:

A corporation may extend credit to a candidate, political committee, or

other person in connection with a federal election provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to non-political debtors which are of similar risk and size of obligations. (Emphasis added.)

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Section 110.7(a)(4) provides that "extensions of credit by any person for a length of time beyond normal business or trade practice is a contribution, unless the creditor has made a commercially reasonable attempt to collect the debt." Thus, the law expressly contemplates corporate extensions of credit. Under the terms of the regulation, the standard to be applied in judging their initial legality is whether they were in the ordinary course of the business of the creditor in question. General industry practice, if at all relevant under the regulations, goes only to the sufficiency of one's collection efforts: these creditors have been distinctly diligent in seeking payment as indicated more fully below.

The General Counsel's summary of allegations in this matter indicates at page eight the Audit Division's belief that "media corporations require payment in advance for non-political advertisers." This speculation may or may not be the general rule outside politics -- but it is not always the rule, and that is particularly so in politics. In fact, credit is not

uncommon for purchases of various media services, even in political campaigns.

In any event, the "general rule" is not the legal standard to be applied here. Rather, the question, under the regulations is not "what's the general rule?" but rather "what's this company's rule?" See 11 C.F.R. § 114.10(a).<sup>3</sup> The affidavits set forth at Attachments 3 and 6 of the two media companies here at issue, make clear that it was the practice of these companies to extend credit to non-political clients of creditworthiness similar to AWH's. This belief is all AWH had to rely on in 1984 and it is all that the regulations require. If the Commission wants to require campaigns to engage in investigations of the credit practices of the vendors with which they deal, it should establish a standard by rulemaking.

<sup>3</sup> See, e.g., In the Matter of Eugene McCarthy, et al., M.U.R. 485, General Counsel's Report at 15 (looking to similar terms of other non-political accounts and business transactions of respondents to find that extensions of credit did not constitute contributions.) (Aug. 23, 1978); In the Matter of Charles Wick, et al., M.U.R. 1142/1255, 1349, 1360, First General Counsel's Report at 6, 19 (looking to "ordinary course of the corporation's business" to determine whether extensions of credit constituted corporate contributions) (Sept. 14, 1981); In the Matter of DNC Services Corp., et al., M.U.R. 1206, General Counsel's Report at 3 (same) (July 2, 1982). Cf. A.O. 1976-86 (continuation of display of political advertisement on billboard beyond contractual period until replacement advertising is purchased will not constitute a gift, and therefore a corporate contribution, if this practice "is in the ordinary course of the corporation's business").

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Again, AWH sought the assurances of Group III that the credit extended to AWH was on Group III's "normal terms." See Dwinell Affidavit, Attachment 4. And, as indicated in the Affidavit of David Iwans, see Attachment 5, Group III's decision to permit payment on credit for AWH "was in accord with Group III's treatment of its non-political clients and was done in good faith." These representations were made to and relied upon by AWH. For its part, Group III properly relied on AWH's apparent creditworthiness: AWH received credit from Group III and promptly paid its bills in the early stages of the campaign. Sadly for both AWH and Group III, the media purchases for which this additional credit was extended were not enough to keep the good political fortune going; contributions declined, primary victories became fewer, one misfortune feeding on the other to the point of an ultimate loss in the campaign.

Even if it is proper to look beyond the credit practices of the companies in question, the affidavits of Michael P. Mervis of Mervis & Company and Raymond D. Strother of Raymond D. Strother, Ltd., show that others also extended credit for media services in these circumstances. See Attachments 7-8. According to Mervis, "it is not unusual for media firms to advance consulting and production services and such items as overhead and travel costs, with payment to be paid upon

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submission of bill or within a reasonable time thereafter." Mervis goes on to say that his company "routinely extends credit." For his part, Strother, like the companies here, did extend credit for various media services including time buys to AWH. Thus, from where AWH stood, media service companies did extend credit: no fewer than four such companies were willing to and did do so. Finally, AWH was not unique among presidential campaigns in receiving credit for media services. For example, Attachment 9 reflects similar transactions with AWH's principal competitor, Mondale For President.

Thus, it does not matter if the "general rule" is for media corporations to require payment in advance. It was a normal practice for some media companies to extend credit and the two media companies involved in this matter extended such credit in the ordinary course of their business. These companies had legitimate business reasons as small, new entrants to provide their normal non-political credit terms -- whether or not other, more established firms would have done likewise.<sup>4</sup>

<sup>4</sup> Cf. A.O. 1979-36 (approving financing arrangement with smaller, developing direct mail consultant under which consultant bore initial risk of loss in exchange for higher potential profits, even though guaranteed return approach was favored by older, more established organizations, if, in fact, financing arrangement was in the ordinary course of consultant's business).

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Finally, we submit that, if the Commission insists on looking beyond the practices of the creditors in question (and thus beyond the governing regulations), then it must look not just at what it assumes to be the practice of a majority of media companies. Rather, it should look at what was reasonable for vendors generally in the circumstances which prevailed when these extensions of credit were made in 1984. This perspective boldly underscores the reasonableness of the transactions in question.

(c) The Extensions of Credit At Issue  
Should Be Evaluated In the Factual  
Context In Which They Were Made

The governing regulations do not distinguish between media and non-media vendors and, hence, the general commercial reasonableness of the transactions in question should be judged by reference to the factual context in which they were made and the actions of all other similarly situated vendors. When the transactions in question were initiated, the Hart campaign had burst into national prominence following the completely unanticipated upset victory of Senator Hart in the New Hampshire primary. The result was a surge in contributions from a few thousand a month to nearly 50,000 in March alone and 30,000 the following month. (See Attachments 10-13). The committee went from

raising eighty or ninety thousand dollars a month in late 1983 to being deluged with more than six and a half million dollars between March and May of 1984. See Attachment 14. A modest flow of contributions exploded nearly tenfold between February and March 1984, providing more than ample justification in the minds of creditors that the campaign would be able to pay its bills out of future streams of income from contributions and from federal matching funds.

Overnight, a shoestring campaign became a very respectable credit risk. This unexpected success resulted in confidence on the part of vendors of all services. Thus, Attachment 15 vividly illustrates the pattern of credit extended to the committee during 1984.<sup>5</sup> Given the fair expectation of a continued flow of contributions and related federal matching funds, several reputable banks loaned the committee millions of dollars,<sup>6</sup> while hundreds of vendors extended credit to

<sup>5</sup> AWH's FEC reports as of the end of February 1984 indicated a debt of \$1,209,965 and, at the end of March 1984, a debt of \$4,193,316, an increase in credit extended of nearly 350%.

<sup>6</sup> After an extensive investigation into questions whether eight of these bank loans constituted improper corporate contributions to AWH because they may not have been made in the "ordinary course of business", the Commission decided to take no action against any of the banks or the respondents. M.U.R. 2062, Certification dated October 24, 1985. The extensions of credit here at issue were made in the same environment to the same  
[Footnote continued on next page]

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the committee with a then very reasonable expectation of repayment. It is evident that extensions of credit from the two vendors in question were not unusual when compared to the practices of hundreds of other vendors during that period of intense campaign activity.

These vendors did what all the committee's vendors did: they extended credit and showed forbearance when it appeared that still more credit would ensure more primary victories, more contributions, more matching dollars and, for them, more business and more profits. Unfortunately, the campaign and its creditors came up on the short end both politically and financially. In so doing, however, no one broke the law.

(d) The Collection Efforts of These Creditors Were Well Within the Requirements of the Law

At no time did these legal extensions of credit become something else. Group III's collection efforts and those of Semper-Moser were all that could be expected under the circumstances. Attachment 16 sets forth a chronology reconstructed from AWH's files of the

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[Footnote continued from previous page]  
campaign; they were every bit as legal and proper because, even if the banks may have deviated from "standard banking industry practice," each creditor followed its own normal business practice. This is what the law requires.

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repeated efforts by Group III to collect on its debt, while Attachment 17 sets forth a similar reconstruction of Semper-Moser's efforts. (Also set forth in Attachments 18-84 are the pertinent supporting materials from AWH's files.) These documents reveal incessant collection efforts. They demonstrate that Group III and Semper-Moser sought and received legal advice with respect to suing AWH and that the latter not only sued and won, but called out the U.S. Marshals to improperly seize funds of the 1988 Hart campaign committee. They reveal numerous meetings at which Group III and Semper-Moser threatened, cajoled and demanded payment. They reveal occasional, modest payments by AWH on its debt and repeated assurances that, as 1988 approached, AWH would become able once again to raise money and pay off Group III's debt.

We first address the Group III efforts. Again, the early course of dealings between Group III and AWH was smooth; Group III billed AWH on several occasions for amounts in the hundred thousand dollar and quarter million dollar range and AWH, for its part, paid these bills. Smaller amounts were billed and paid over the two or three months following the initial large payments.

Throughout 1985 and 1986, Group III engaged in dozens of communications, discussions and meetings with

AWH representatives in an effort to secure payment. Attachments 18-39 bear this out. Group III repeatedly billed AWH for the past debt. AWH's files reflect numerous conversations between representatives of the two entities, the import of which was that Group III demanded payment and AWH pleaded poverty.

In the spring of 1984, a "subordination agreement" was executed on behalf of Group III, apparently in the belief that this agreement would put Group III in second place in line behind AWH's sole secured creditor, The National Bank of Washington. In the spring and summer of 1985 Group III retained a law firm to research the viability of, and to begin threatening, suit against AWH. See Attachments 21-25. In September and October of 1985, Group III's attorneys insisted on meeting personally with AWH's representatives with the objective of working out a plan for retiring the debt. See Attachments 22-24. Moreover, during this time, Group III submitted proposals to settle the debt, including a Virginia direct mail program, a written agreement whereby Group III would be entitled to a percentage of all revenues from fundraising efforts and demands for a portion of already received fundraising proceeds to the campaign. See Attachment 24.

When these efforts led essentially nowhere, Group III continued its collection efforts. Beginning early

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in 1986, AWH began paying Group III \$5,000 per month -- all that it could then afford to pay. However, by the middle of 1986, Group III again expressed great dissatisfaction with the progress made on payment and was again threatening to bring suit. See Attachments 31-36. AWH was able to hold off any such suit, principally with the arguments that it was judgment-proof and that Group III would ultimately be paid when fundraising became more feasible as the 1988 election season approached.

Finally, in March of 1987, a series of negotiations took place in which Group III and AWH settled the debt. At the same time, Group III and Senator Hart's 1988 presidential campaign committee, Friends of Gary Hart-1988, Inc., entered into a separate agreement pursuant to which Group III would perform a substantial portion of the media services for the 1988 campaign. The parties entered into the agreement only after AWH had undertaken all commercially reasonable efforts to satisfy the debt and Group III had taken all reasonable efforts to collect on the debt. The settlement agreement has been submitted to the Commission for its approval. See 11 C.F.R. § 114.10(c)(2).

Like Group III, Semper-Moser has been dogged in its determination to collect on AWH's debt. Phone

calls, meetings, invoices, threats, contractual settlement proposals, litigation and garnishment have characterized the relationship of Semper-Moser and AWH in the last three years. In a highly publicized action on April 15, 1987, Semper attached funds raised at a Friends of Gary Hart-1988 function in Los Angeles, California, using United States Marshals to seize funds (improperly) of the 1988 campaign. That matter is still in litigation before the United States District Court in California. In addition, Semper has intervened in another garnishment action in Denver, Colorado against the 1988 campaign committee. Each of these actions is designed to execute on a judgment obtained by Semper-Moser in a suit filed by it on October 1, 1985 in the United States District Court for the District of Columbia.

As early as February 1985, Semper-Moser's frustration led to threats of a lawsuit. See Attachment 42. Bills were repeatedly sent, stamped "Past Due" with notations imploring the committee to pay: "Please!" See Attachments 44-45, 49, 51, 53, 55, 57, 59-61, 63-67. Counsel was retained to pursue collection efforts as early as April 1985. Like Group III Communications, Semper sought ways to stand "second in line" to the secured bank debt. Debt retirement proposals were submitted and meetings between the

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parties took place in early 1985. See Attachments 46-48. In the summer of 1985, suit was threatened and "earnest money" was sought of AWH. See Attachments 52, 54. By October of 1985, Semper-Moser's patience ran out and it filed suit in the United States District Court for the District of Columbia alleging breach of contract and requesting judgment with interest. Bills imploring AWH to pay continued to be sent. See Attachments 55, 57, 59-61, 63-67. Numerous invoices, letters and phone calls took place over the course of the next year. In 1986, judgment was granted to Semper-Moser in its lawsuit. Semper continued to bill AWH and wrote letters to political allies of Senator Hart urging them to take action on their behalf. See Attachments 69, 78-80.

Nothing more could have been done by either Group III or Semper-Moser to satisfy the legal requirement that reasonable collection efforts be made. This matter should be closed.

2. Senator Hart's Use of Credit Cards

Throughout his campaign, Senator Hart restricted his contributions or loans of his personal funds to AWH to under the \$50,000 limit. 11 C.F.R. § 9035.2. However, he did use an American Express card issued in his name for campaign purposes. This card was issued only so that campaign expenses could be charged on it

and precisely so that Senator Hart would not himself pay for campaign expenses.

In some instances balances were maintained on the American Express card which, if added to the other funds loaned or contributed by Senator Hart to his campaign, would exceed the \$50,000 limit. This is because, at one point, Senator Hart took out a second mortgage on his home and loaned approximately \$45,000 to the campaign. (He did not loan the full \$50,000 permitted because he did not want to approach the legal limit.) It is on the basis of this use of a campaign credit card that the Commission found reason to believe that Senator Hart exceeded the \$50,000 limit on his use of personal funds to make campaign expenditures.

The use of credit cards by candidates and campaign committees presents an unusual situation not presently contemplated by the Commission's regulations. Indeed, the Commission itself has recently recognized that the current law is less than clear on whether a candidate's use of credit cards should be applied against his personal expenditure limit. Thus, in a Notice of Proposed Rulemaking issued well after Senator Hart's 1984 campaign, the Commission acknowledged that the current law provides no clear standard with respect to this issue:

Candidate or committee use of credit cards on which the candidate is jointly liable has raised questions regarding

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the application of the \$50,000 limit on expenditures from a candidate's personal funds under 9035.2. In this situation, the candidate may in effect be extending credit to the campaign if the committee does not pay the balance due by the payment date. The Commission is considering adding new 9035.2(a)(2) to provide that the use of such credit cards will count against the \$50,000 limit if the committee does not pay the outstanding balance of charges on the card by the date payment is required on each billing statements

51 Fed. Reg. 28,155 (Aug. 5, 1986) (emphasis added).

In thus proposing a new regulation to clarify existing law, the Commission itself acknowledges that the existing law does not clearly provide that balances maintained on a candidate's credit cards will count against the candidate's personal limits. It is unfair and improper to apply this new restriction retroactively against Senator Hart. Absent any clear restriction in the law existing at the time of the events in question here, it is simply not right to hold Senator Hart to a standard which was not only unwritten, but could not even be fairly implied, from the existing law. If the Commission wishes to apply a rule that credit card balances count against a candidate's personal expenditure limit, then it should -- as it recognized in the proposed rulemaking -- promulgate a rule so stating. Absent that, it should not hold Senator Hart to have

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violated a law which the Commission itself now admits was, at best, unclear.

In any event, the regulations should be construed and applied in the context of the practical realities of credit card issuance and usage. In this case, those considerations demonstrate that the credit card at issue was intended to be, and in fact at all times was, used as a card of the committee, not as a personal card of Senator Hart. Thus, the obligations incurred on the card were obligations of the committee, not personal obligations of Senator Hart. No funds were paid to or on behalf of, or advanced to, the committee by Senator Hart in his use of the card. Therefore, no excessive expenditure was made by Senator Hart in his use of the card.

As the attached Affidavit of Gary Hart, Attachment 85, indicates, it was his understanding that the qualified campaign expenses incurred on his American Express card were obligations of the campaign committee. All bills were sent directly or were forwarded to the committee. All payments on the bills were made by the committee. The attached Affidavit of James Dwinell, at Attachment 3, acknowledges that this was also the committee's understanding and practice. Senator Hart reached an understanding with committee personnel that he would use this card as a committee card, and only for campaign charges. When bills were received by his

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Senate staff, they were automatically forwarded to the committee for payment. It was Senator Hart's understanding in his use of this card that this would be the practice. Hart Affidavit at Attachment 85. And this is in fact what occurred. Indeed, the financial personnel of the committee were not even aware that this card was anything other than a credit card of the committee. Dwinell Affidavit at Attachment 3. Thus, both the understanding and practice reflect that, to the extent this was a credit card in Senator Hart's name, it was used only for his campaign expenditures, not his personal expenses, and no campaign expenditures were thought or meant to be the personal obligations of Senator Hart, nor secured by his credit.

Thus, no personal funds of Senator Hart were "advanced" to the committee at any point through the use of the American Express card. No personal funds were used to pay committee expenses or campaign obligations. Accordingly, the balances maintained on this card should properly be viewed as an obligation solely of the committee. The balances do not represent expenditures by Senator Hart of his personal funds, for no such use of his personal funds was ever made.

In the final analysis, Senator Hart is not charged with using his personal funds for campaign

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expenses. He is not charged with contributing his personal funds to the committee, nor even of loaning his personal funds to his campaign. He is not charged with guaranteeing a loan by another. Rather, the allegation is that he was technically the party ultimately responsible for payment of a credit card balance, even though payment by him was never necessary, nor even sought by the credit card company. Such a contingent guarantee of a short-term advance, never called upon, hardly rises to the level of an expenditure under the law. To penalize Senator Hart under this reading of the law is, in the absence of prior Commission guidance on the subject, simply unfair, in contravention of the common use of credit cards by other campaign committees, and petty.

We therefore submit that, because no personal obligations were incurred by Senator Hart in his use of this credit card nor payments made by him to satisfy the campaign's obligations, no campaign expenditure in excess of his \$50,000 limit was made.

3. Excess Individual Contributions

As to the final matter, the Commission alleges that the committee received contributions from 49 individuals in excess of the \$1,000 limit. The Commission apparently does not dispute the committee's demonstration, made to the Audit Division, that

virtually every one of these excess contributions was successfully refunded or reattributed. Rather, the Commission's reason to believe finding is based on the far more minor allegation that the committee's successful resolution of these excess contributions was not sufficiently prompt.

The committee does not dispute the audit's finding that 49 individual contributions exceeded the \$1,000 limit. The committee does, however, submit that this finding focuses on an extremely small number of exceptions, the majority of which were resolved by successful reattribution to individuals who did not exceed the statutory limits. Further, as demonstrated below, the committee exercised every good faith effort to comply with the contribution limit and to resolve all over-limit contributions as efficiently as possible.

We provide a brief description of the committee's policies and practices in order to demonstrate that the committee took its compliance obligations extremely seriously and exercised good faith in resolving all potentially problematic contributions.

(a) Contributions Processing Policies

The committee's policies provided for the central deposit of all receipts in Denver, under the control of the compliance staff. When the campaign contracted with a Washington, D.C.-based, direct-mail consultant, these

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policies were modified to permit the deposit of direct-mail contributions in a lockbox maintained by First American Bank, with deposit slips, checks, copies and all accompanying documentation being forwarded to the Denver compliance staff for appropriate recordkeeping.

Although there were exceptions in practice to this policy, deposits of contributions into field office bank accounts were very few in number and dollar amount. The compliance staff made extensive efforts, and usually were successful, in obtaining the documentation necessary to account properly for field office contribution deposits.

Centralized processing of contributions was a key element in assuring review of deposits for acceptability. Written instructions were provided for these reviews, including procedures for rejecting checks received from prohibited sources, and procedures for coding items requiring further investigation or information necessary for disclosure of the contribution.

These policies and procedures covered all conditions requiring review and follow-up, including possible over-limit contributions. Among the policies included in the compliance guidelines was the following: "Contributions of questionable acceptability, which have

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not been resolved within fifteen days, must be refunded unless additional investigation time is approved in writing by the Treasurer."

(b) Contributions Processing Practices

Throughout the campaign, trained staff reviewed each deposited contribution for acceptability and for completeness of the information required for FEC reporting. Items requiring follow-up were assigned a suspense code which remained with the record until resolved by (1) addition of missing information, (2) removal of the suspense code after successful resolution of the acceptability of the item, or (3) refund of the contribution.

Computer-based contributor files were maintained, which provided for sophisticated methods of identifying information related to each contributor, including family relationships among contributors. Procedures to search the files for duplicate contributor master files were applied frequently to the files. The quality of the committee's aggregation procedures was largely validated by the remarkably few exceptions noted in the Commission's audit of the committee's matching funds submissions.

When over-limit conditions were indicated, the computer procedures provided for automatic assignment of a suspense code and listing of the items for further

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investigation by the compliance staff. Over-limit items were reported, as required, on Schedule A-P with appropriate footnotes concerning the investigation taking place. The committee believes that its procedures for detection of this condition were comprehensive and largely accurate.

Periodic reports of over-limit contributors were investigated by compliance staff, who reviewed check copies for each of the items attributed to the donor. Some items were corrected by this second verification of the original information. Most, however, required contact with the donors. If, by telephone confirmation, the excess amount was properly attributable to another person, the designated additional contributor was entered into the system, and written confirmation of the reattribution was solicited. If the donor could not be reached by telephone, a written request was made. The committee normally sent at least two letters in its attempt to resolve the situation before initiating a refund.

The committee's policies were designed to detect and investigate fully the acceptability of contributions received. Again, the committee believes that the effectiveness of its policies and procedures was validated by the results of the Commission's audit of the committee's federal matching funds submissions and

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by the Commission's audit of the committee's contributor records. In spite of the extraordinary pressures on the compliance staff, described below, the Commission's reviews resulted in approval of 96.14% of contributions submitted for matching and identified only about .0003% of its contributions transactions as over the limit at the time of the Audit Division's field work.

(c) Results of Committee Policies and Practices

The committee's records indicate that the committee processed some 159,553 contributions from inception to the date of its most recent report filed with the Commission. The committee's review procedure disclosed some 385 transactions (.002%) to represent possible excess contributions. Of these apparent exceptions, 273 (71%) were resolved by successful reattribution to another contributor. Only 112 (29%) required refund of the excess amount.

We emphasize that, in 71% of the cases under review, the final resolution, through reattribution, was to determine that the committee did not receive an excess contribution. The committee was required to refund excess contribution amounts for less than one-tenth of one percent of the individual contributions received. (In dollar amount, the committee was required to refund only \$60,323 of \$9,906,747 contributions

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received, comprising six-tenths of one percent of that total.)

We believe that the 49 contributions noted in the audit report represent a highly adverse selection, given the context described above. As documented in the committee's response to the interim audit report, the committee reported that 29 of those items were successfully reattributed and that 20 resulted in refund. Further, the committee believes that the characterization by the Audit Division of the committee's resolution of these 49 items unfairly denigrates the sufficiency of our response. There is no regulation which prohibits the reattribution of contributions to persons having different surnames or to persons living in different states. The committee had no reason to doubt the affidavits provided by the contributors in support of the reattributions made. The committee would have been happy to correct any mechanical insufficiencies, such as incomplete photocopies of refund checks, had it been so notified. The Commission failed to do so.

The committee believes that it gave proper emphasis and exercised every good faith effort to identify and resolve excess contributions in as timely a fashion as possible under the unusual circumstances of the campaign. Attachments 10-13 graphically illustrate the pattern of contributions received by the committee

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during the last quarter of 1983 and throughout 1984. The committee's compliance staff, not unlike the committee staff in general, was severely limited by resources until March 1984, when Senator Hart's candidacy burst into national prominence after the New Hampshire primary. The volume of contributions increased geometrically as indicated in Attachments 10-13 and in the following table:

Oct. 83	1,120	June 84	9,912
Nov. 83	2,557	July 84	2,352
Dec. 83	1,717	Aug. 84	627
Jan. 84	2,635	Sept. 84	227
Feb. 84	6,004	Oct. 84	887
Mar. 84	48,512	Nov. 84	1,601
Apr. 84	28,282	Dec. 84	9,055
May 84	17,183		

In March 1984, the committee processed 48,512 contribution transactions, more than twice the number received in the 23 months previous to the New Hampshire primary, and six times the number received in the largest previous month. The intensity of the processing continued at unprecedented levels for two additional months during the peak of the primary season. During this period, the committee's compliance staff worked diligently on all aspects of review, reporting, and matching funds submissions. The committee believes that, within this context, the record of the committee

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on screening and resolving apparent excess contributions is a remarkably excellent one.

The reason-to-believe finding is concerned principally not with excess contributions per se, but with the timeliness of the committee's response to resolving such over-limit contributions. We have provided documentation of the time taken to resolve the 49 items identified in the audit report. We believe that the Commission should consider the issue of timeliness in the context of the conditions which existed in March 1984 and for the three months following.

The committee's small compliance staff was overwhelmed by the sudden and unprecedented pattern of contributions received. The compliance staff flagged thousands of items for review and individual follow-up, both for reporting information required and for questions of acceptability, including apparent over-limit conditions. The staff worked to the limits of their physical capacities, including at least three round-the-clock marathon sessions (one of 36 hours duration), to meet FEC reporting and federal matching submission deadlines.

Resolution of possible over-limit contributions was only one of many FEC-mandated tasks which the committee pursued during this time. In addition to processing this enormous volume of contributions, the

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staff was occupied in managing a five-fold expansion in the number of bank accounts for state office expenditures, the requirements of monthly reporting of receipts and disbursements and the submission of 122,500 checks for federal matching. The committee believes that any conclusion concerning possible violation of 2 U.S.C. § 441a(f) should be considered within this context. The committee further believes that the performance of its compliance staff was extraordinary, as were the circumstances which they encountered.

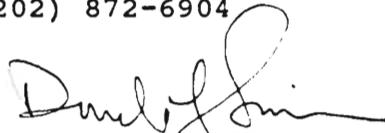
Conclusion

For the reasons stated above, the Commission should find that there is no probable cause to believe a violation has occurred, and should close the Matter Under Review.

Respectfully submitted,



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Counsel for Respondents

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BEFORE THE FEDERAL ELECTION COMMISSION

In re: MUR 2175

ATTACHMENTS TO  
MEMORANDUM OF THE AMERICANS  
WITH HART COMMITTEE,  
MICHAEL R. MOORE AND GARY W. HART IN RESPONSE  
TO THE COMMISSION'S REASON-TO-BELIEVE FINDINGS

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June 18, 1987

Attorneys for Respondents

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**REPORT OF RECEIPTS AND DISBURSEMENTS  
 BY AN AUTHORIZED COMMITTEE OF A  
 CANDIDATE FOR THE OFFICE OF PRESIDENT**

FEC

7 APR 20 P12: 42

NOTE This report is to be used by an authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used

1. NAME OF COMMITTEE IN FULL Kennedy for President		2. IDENTIFICATION NUMBER C00-115-022	
ADDRESS (Number and Street) 1130 19th Street, N.W., Suite 900		3. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR	
CITY Washington	STATE D.C.	ZIP CODE 20036	<input type="checkbox"/> Check if name or address is changed
4. TYPE OF REPORT ("X" appropriate box and complete, if applicable)		TYPE OF ELECTION	
<input type="checkbox"/> Amendment for (Report) <input type="checkbox"/> Monthly Report (month) <input checked="" type="checkbox"/> April 15 Quarterly Report <input type="checkbox"/> January 31 Year-end Report <input type="checkbox"/> July 15 Quarterly Report <input type="checkbox"/> Termination Report <input type="checkbox"/> October 15 Quarterly Report		<input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Two Year Day Before Election <input type="checkbox"/> Three Year Day After Election	
		STATE	ELECTION DATE

**COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS**

5. COVERING PERIOD	FROM 1/1/87	THROUGH 3/1/87
SUMMARY	6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD	- 0 -
	7. TOTAL RECEIPTS THIS PERIOD (From Line 22 Column A)	- 0 -
	8. SUBTOTAL (Add Line 6 and 7)	- 0 -
	9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30 Column A)	- 0 -
	10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8)	- 0 -
	11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Itemize All on Schedule C or Schedule D)	
	12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Itemize All on Schedule C or Schedule D)	85,186.47
	13. EXPENDITURES SUBJECT TO LIMITATION (From FEC Form 3P, Page 4)	
	NET YEAR TO-DATE CONTRIBUTIONS AND EXPENDITURES	
	14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28d Column B from 17e Column B)	- 0 -
	15. NET OPERATING EXPENDITURES (Subtract Line 20a Column B from 23 Column B)	- 0 -

I certify that I have examined this Report and to the best of my knowledge and belief it is true correct and complete

NAME OF REPORTING COMMITTEE TREASURER  
 William C. Oldaker  
 SIGNATURE OF TREASURER *[Signature]*    DATE

For further information, contact  
 Federal Election Commission  
 Toll Free 800-424-9530  
 Local 523-4068

NOTE Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g  
 All previous versions of FEC Form 3P are obsolete and should no longer be used

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FEC Form 3P Page 1  
Federal Election Commission  
1225 K Street, N.W.  
Washington, D.C. 20460

REPORT OF RECEIPTS AND DISBURSEMENTS  
BY AN AUTHORIZED COMMITTEE OF A  
CANDIDATE FOR THE OFFICE OF PRESIDENT

NOTE: This report is to be used by an authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.

1. NAME OF COMMITTEE IN FULL <b>LANEYTON FOLK PRESIDENT COMMITTEE</b>		2. IDENTIFICATION NUMBER <b>00159392</b>	
ADDRESS (Number and Street) <b>230 PARK AVENUE</b>		3. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR	
CITY <b>NEW YORK</b>	STATE <b>N.Y.</b>	ZIP CODE <b>10169</b>	<input checked="" type="checkbox"/> Primary <input type="checkbox"/> General
<input type="checkbox"/> Amendment for (Report)		<input type="checkbox"/> Monthly Report (monthly)	
<input type="checkbox"/> April 15 Quarterly Report		<input type="checkbox"/> Twelfth Day Before Election	
<input type="checkbox"/> July 15 Quarterly Report		<input type="checkbox"/> Thirtieth Day After Election	
<input type="checkbox"/> October 15 Quarterly Report		<input type="checkbox"/> Termination Report	
4. TYPE OF REPORT (Check appropriate box and complete applicable)		TYPE OF ELECTION	
		STATE	
		ELECTION DATE	

COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS

5. COVERING PERIOD	FROM <b>1-1-87</b>	THROUGH <b>3-31-87</b>
SUMMARY	6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD	<b>10,540.46</b>
	7. TOTAL RECEIPTS THIS PERIOD (From Line 22 Column A)	<b>32,303.76</b>
	8. SUBTOTAL (Add Line 6 and 7)	<b>42,844.22</b>
	9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30 Column A)	<b>46,119.50</b>
	10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8)	<b>4,724.72</b>
	11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Itemize All on Schedule C or Schedule D)	
	12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Itemize All on Schedule C or Schedule D)	<b>572,308.84</b>
	13. EXPENDITURES SUBJECT TO LIMITATION (From FEC Form 3P, Page 4)	<b>31,603.03</b>
NET YEAR TO-DATE CONTRIBUTIONS AND EXPENDITURES	14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28c Column B from 17c Column B)	<b>32,303.76</b>
	15. NET OPERATING EXPENDITURES (Subtract Line 20a Column B from 23 Column B)	<b>46,019.53</b>
I certify that I have examined this report and the information on which it is based and that it is true, correct and complete.		For further information, contact Federal Election Commission Toll Free 800-424-9530 Local 522-4068
TYPE OR PRINT NAME OF TREASURER <b>[Signature]</b>		
SIGNATURE OF TREASURER		

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**REPORT OF RECEIPTS AND DISBURSEMENTS  
 BY AN AUTHORIZED COMMITTEE OF A  
 CANDIDATE FOR THE OFFICE OF PRESIDENT**

RECEIVED THE FEC

APR 20 12:34

**NOTE** This report is to be used by an authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used

1. NAME OF COMMITTEE IN FULL <b>MONDALE FOR PRESIDENT COMMITTEE, INC.</b>			7. IDENTIFICATION NUMBER <b>C00164608</b>	
ADDRESS (Number and Street) <b>2233 Wisconsin Avenue, N.W., #214</b>			8. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR	
CITY <b>Washington</b>	STATE <b>DC</b>	ZIP CODE <b>20007</b>	<input type="checkbox"/> General	
<input type="checkbox"/> Amendment for (Report)			<input type="checkbox"/> Twelfth Day Before Election	
<input type="checkbox"/> Monthly Report (month)			<input type="checkbox"/> Thirtieth Day After Election	
4. TYPE OF REPORT <input checked="" type="checkbox"/> April 15 (Quarterly Report) <input type="checkbox"/> July 15 Quarterly Report <input type="checkbox"/> October 15 Quarterly Report <input type="checkbox"/> January 31 Year-end Report <input type="checkbox"/> Termination Report			TYPE OF ELECTION	
			STATE	ELECTION DATE

**COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS**

5. COVERING PERIOD		FROM <b>1/1/87</b>	THROUGH <b>3/31/87</b>	
SUMMARY	6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD	178,894.69		
	7. TOTAL RECEIPTS THIS PERIOD (From Line 22 Column A)	158,209.17		
	8. SUBTOTAL (Add Line 6 and 7)	337,103.86		
	9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30 Column A)	332,660.28		
	10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8)	4,443.58		
	11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Itemize All on Schedule C or Schedule D)	-0-		
	12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Itemize All on Schedule C or Schedule D)	27,676.82		
	13. EXPENDITURES SUBJECT TO LIMITATION (From FEC Form 3P, Page 4)	19,921,661.16		
	NET YEAR TO-DATE CONTRIBUTIONS AND EXPENDITURES	14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28d Column B from 17e Column B)	-0-	
		15. NET OPERATING EXPENDITURES (Subtract Line 20e Column B from 23 Column B)	-0-	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete

TYPE OR PRINT NAME OF TREASURER

SIGNATURE OF TREASURER: *Michael S...* DATE: *4/20/87*

NOTE: Submission of false, erroneous or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g. All previous versions of FEC Form 3P are obsolete and should no longer be used.

For further information, contact  
 Federal Election Commission  
 Toll Free 800-424-9630  
 Local 523-4068

FEC Form 3P (2-83)

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R 7 0 3 3 : 5 1 7 7 5

**REPORT OF RECEIPTS AND DISBURSEMENTS  
 BY AN AUTHORIZED COMMITTEE OF A  
 CANDIDATE FOR THE OFFICE OF PRESIDENT**

FILED WITH THE FEC

57 APR 17 12:34

**NOTE:** This report is to be used by an authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.

1. NAME OF COMMITTEE IN FULL <b>JOHN GLENN PRESIDENTIAL COMMITTEE, INC.</b>		2. IDENTIFICATION NUMBER <b>C00164855</b>	
ADDRESS (Number and Street) <b>236 Massachusetts Avenue, NE, #210</b>		3. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR	
CITY <b>Washington</b>	STATE <b>DC</b>	ZIP CODE <b>20002</b>	<input checked="" type="checkbox"/> Primary <input type="checkbox"/> General
<input type="checkbox"/> Amendment for (Report) <input type="checkbox"/> Monthly Report (month)		<input type="checkbox"/> Tenth Day Before Election <input type="checkbox"/> Thirtieth Day After Election	
4. TYPE OF REPORT ("X" appropriate box and complete if applicable) <input checked="" type="checkbox"/> April 15 Quarterly Report <input type="checkbox"/> January 31 Year-end Report <input type="checkbox"/> July 15 Quarterly Report <input type="checkbox"/> Termination Report <input type="checkbox"/> October 15 Quarterly Report		TYPE OF ELECTION	
		STATE	ELECTION DATE

**COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS**

5. COVERING PERIOD		FROM <b>01/01/87</b>	THROUGH <b>03/31/87</b>	
SUMMARY	6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD	8,576.45		
	7. TOTAL RECEIPTS THIS PERIOD (From Line 22 Column A)	20,595.61		
	8. SUBTOTAL (Add Line 6 and 7)	29,172.06		
	9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30 Column A)	6,022.11		
	10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8)	23,149.95		
	11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Itemize All on Schedule C or Schedule D)	66,169.21		
	12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Itemize All on Schedule C or Schedule D)	2,837,862.21		
	13. EXPENDITURES SUBJECT TO LIMITATION (From FEC Form 3P, Page 4)	8,131,672.89		
	NET YEAR-TO-DATE CONTRIBUTIONS AND EXPENDITURES	14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28d Column B from 17e Column B)	20,160.61	
		15. NET OPERATING EXPENDITURES (Subtract Line 20e Column B from 23 Column B)	1,338.11	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

TYPE OR PRINT NAME OF TREASURER <b>William R. White</b>		For further information, contact: Federal Election Commission Toll Free 800-424-9630 Local 523-4088
SIGNATURE OF TREASURER <i>William R. White</i>	DATE <b>04/15/87</b>	
NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. 1437g. All previous versions of FEC Form 3P are obsolete and should no longer be used.		

FEC Form 3P (2/83)

R 7 0 3 4 7 U 1 3 7 8  
 8 3 0 4 0 7 3 4 2 2 9

11 CFR Part 101  
 September 1978  
 Federal Election Commission  
 1325 K Street, N.W.  
 Washington, D.C. 20543

**REPORT OF RECEIPTS AND EXPENDITURES**  
 By a Candidate or Authorized Committee of  
 a Candidate Seeking Nomination or Election  
 to the Office of President or Vice President  
 of the United States

RECEIVED  
 21 APR 10 P 2: 54  
 HAND DELIVERED

NOTE: This report is to be used by a candidate or authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.

1. NAME OF CANDIDATE OR COMMITTEE IN FULL (Check if name or address changed) **Carter/Mondale Presidential Committee, Inc.**

2. IDENTIFICATION NUMBER **C00108407**

3. Is this report of receipts and expenditures for  
 PRIMARY  
 GENERAL

4. TYPE OF REPORT (Check appropriate boxes and circle, if applicable)  
 (a)  Statement for **1/31 year end** (which report)  
 (b)  April 10 Quarterly Report  
 (c)  July 10 Quarterly Report  
 (d)  October 10 Quarterly Report  
 (e)  January 31 Year End Report  
 (f)  Monthly Report (specify month)  
 (g)  Termination Report  
 (h)  Tenth day report preceding Election on \_\_\_\_\_ in the State of \_\_\_\_\_  
 (i)  Tenth day report following Election on \_\_\_\_\_ in the State of \_\_\_\_\_

**CANDIDATE OR COMMITTEE SUMMARY OF RECEIPTS AND EXPENDITURES**

5. COVERING PERIOD FROM **11/25/80** THROUGH **12/31/80**

Section A - Cash Balance Summary	Column A This Period	Column B Calendar Year to Date
6. Cash on Hand January 1, 19 <b>80</b>		\$ 897,360.24
7. Cash on Hand at Beginning of Reporting Period	\$ 1,565.09	
8. Total Receipts (from Line 23) Total Receipts (Add Lines 7 and 8)	\$ 43,770.31	\$ 13,787,114.50
9. Total Expenditures (from Line 28)	\$ 13,607.75	\$ 14,652,747.09
10. Cash on Hand at Close of Reporting Period (Subtract Line 9 from Line 8)	\$ 31,727.65	\$ 31,727.65
11. Contributed Items on Hand to be Liquidated (Attach Itemized List)	\$	
<b>DEBTS AND OBLIGATIONS</b>		
12. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C-P)	\$	
13. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C-P)	\$ 661,645.39	
<b>Section B - Summary of Expenditures Subject to Limitation</b>		
14. Expenditure Total (Add Lines 24c and 28b)	\$ 0	\$ 11,788,401.00
15. Refunds and Rebates (from Line 21e)	\$ 11,302.11	\$ 929,401.96
16. Expenditures Subject to Limitation (Subtract Line 15 from Line 14)	\$ (11,302.11)	\$ 10,858,999.04
17. Expenditures from Prior Years Subject to Limitation		\$ 2,884,095.02
18. Total Expenditures Subject to Limitation (Add Lines 16 and 17b)		\$ 13,743,094.06

I, **Donna F. Sacerdote**, have examined this Report, and to the best of my knowledge and belief it is true, correct, and complete.  
 (Signature of Treasurer or Candidate) **10-81**

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 18 U.S.C. § 437g, § 441, and 26 U.S.C. § 9012, § 9042.

88040724230

Federal Election Commission  
 1325 K Street, N.W.  
 Washington, D.C. 20543  
 or Call 800 424 9530

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.

**STATEMENT OF RECEIPTS AND EXPENDITURES**  
by a Candidate or Authorized Committee of a Candidate Seeking Nomination or Election  
to the Office of President or Vice-President  
of the United States

P 1:08

NOTE: This report is to be used by a candidate or authorized committee of a candidate seeking nomination or election to the Office of President or Vice-President of the United States whether or not public funds are used.

1 (a) NAME OF CANDIDATE OR COMMITTEE IN FULL  Check if name or address is changed  
**Committee for Jimmy Carter**

2 IDENTIFICATION NUMBER  
**C000320**

3 Is this report of receipts and expenditures for:  
 PRIMARY  
 GENERAL

(b) ADDRESS (Number and Street)  
**67 Calverley, Washington + Taft**

(c) CITY, STATE AND ZIP CODE  
**1333 New Hampshire Ave. N.W. Washington, D.C. 20036**

4 TYPE OF REPORT (Check appropriate box and complete, if applicable)

(a)  Amendment for \_\_\_\_\_ (initial report)  
(b)  April 15 Quarterly Report  
(c)  July 15 Quarterly Report  
(d)  October 15 Quarterly Report  
(e)  January 31 Year End Report  
(f)  Monthly Report \_\_\_\_\_ (state month)  
(g)  Termination Report  
(h)  Tenth day report preceding \_\_\_\_\_ Election on \_\_\_\_\_ in the State of \_\_\_\_\_  
(i)  Thirtieth day report following \_\_\_\_\_ Election on \_\_\_\_\_ in the State of \_\_\_\_\_

**CANDIDATE OR COMMITTEE SUMMARY OF RECEIPTS AND EXPENDITURES**

5 COVERING PERIOD: FROM **October 1, 1960** THROUGH: **December 31, 1960**

Section A - Cash Balance Summary	Column A This Period	Column B Calendar Year-to-Date
6 Cash on Hand January 1, 1960		\$ 1,748.13
7 Cash on Hand at Beginning of Reporting Period	\$ 1,444.89	
8 Total Receipts (from Line 23)	\$ -	\$ 88,449.92
(a) Subtotal (Add Lines 7 and 8)	\$ 1,444.89	\$ 90,198.05
9 Total Expenditures (from Line 23)	\$ 390.04	\$ 88,143.20
10 Cash on Hand at Close of Reporting Period (Subtract Line 9 from Line 8a)	\$ 1,054.85	\$ 1,054.85
11 Contributed Items on Hand to be Liquidated (Attach Itemized List) ... \$ -		
<b>DEBTS AND OBLIGATIONS</b>		
12 Debts and Obligations Owed TO the Committee (Itemize all on Schedule C-1)	\$ -	
13 Debts and Obligations Owed BY the Committee (Itemize all on Schedule C-1)	\$ 30,874.65	
<b>Section B - Summary of Expenditures Subject to Limitation</b>		
14 Expenditure Total (Add Lines 24c and 25b)	\$ -	\$ 2,520.88
15 Refunds and Rebates (from Line 21d)	\$ -	\$ 126.00
(a) Expenditures Subject to Limitation (Subtract Line 15 from Line 14)	\$ -	\$ 2,394.88
(b) Expenditures from Prior Years Subject to Limitation		\$ 10,906.705
(c) Total Expenditures Subject to Limitation (Add Lines 15a and 15b)		\$ 10,009.099

I certify that I have examined this report, and to the best of my knowledge and belief this true and correct.

**Robert J. Lipschutz**  
(Typed Name of Treasurer or Candidate)

**Robert J. Lipschutz** 1/29/61  
(Signature of Treasurer or Candidate)

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this report to the penalties of 2 U.S.C. §437g, §4411; and 26 U.S.C. §9012, §9042.

For further information Contact:



Federal Election Commission  
1225 K Street, N.W.  
Washington, D.C. 20543  
or Call (800) 424-6530

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.

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FD-278 Form 3  
July 1976  
Federal Election Commission  
1326 K Street, N.W.  
Washington, D.C. 20543

## Report of Receipts and Expenditures for a Candidate or Committee Supporting any Candidate(s) for Nomination or Election to Federal Office

RECEIVED  
**HAND DELIVERED**

**Note:** Committees authorized by a candidate to receive contributions and make expenditures in connection with more than one election must maintain separate records with respect to each election.

<p>1(a) Name of Candidate or Committee (in full) <input type="checkbox"/> Check if name or address is changed <b>1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.</b></p> <p>1(b) Address (number and street) <b>1795 Peachtree Road N.E./Room 206</b></p> <p>1(c) City, State and ZIP code <b>Atlanta, Georgia 30309</b></p>	<p>2 Identification Number <b>C000048587</b></p> <p>3(a) Is this a report of receipts and expenditures for only one election? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3(b) If "Yes," for which election? _____ on _____ (general, primary, runoff) (date)</p>
<p>4 Type of Report (Check appropriate box and complete, if applicable)</p> <p>(a) <input type="checkbox"/> Amendment For _____ (Which report?) (c) <input type="checkbox"/> July 10 (Quarterly Report)</p> <p>(b) <input type="checkbox"/> April 10 Quarterly Report (d) <input type="checkbox"/> October 10 Quarterly Report</p> <p>(e) <input type="checkbox"/> Tenth day report preceding _____ election on _____ in the State of _____ (primary, general or convention) (date)</p> <p>(f) <input type="checkbox"/> Thirtieth day report following _____ election on _____ in the State of _____ (primary, general or convention) (date)</p>	
<p>(g) <input checked="" type="checkbox"/> January 31 Year End Report (h) <input type="checkbox"/> Monthly Report _____ (Month)</p> <p>(i) <input type="checkbox"/> Termination Report</p>	

**Candidate or Committee Summary of Receipts and Expenditures**

5 Covering Period: From **October 1, 1978** Through **December 31, 1978**

	Column A This Period	Column B Calendar Year-To-Date
<b>Section A - Cash Balance Summary</b>		
6 Cash on hand January 1, 19 .....		\$ 37,327
7 Cash on hand at beginning of reporting period .....	\$ 9,011	
8 Total receipts (from line 19) .....	\$ 8,404	\$ 23,184
(a) Subtotal (Add lines 7 and 8) .....	\$ 17,415	\$ 60,511
9 Total expenditures (From line 23) .....	\$ 8,424	\$ 51,520
10 Cash on hand at close of reporting period (Subtract line 9 from line 8) .....	\$ 8,991	\$ 8,991
11 Contributed items on hand to be liquidated (attach itemized list) .....	\$	
<b>Section B - Presidential Campaign Expenditures Subject to Limitation - Summary (To Be Used Only By Presidential Candidates Receiving Federal Funds)</b>		
12 Operating expenditures (from line 20) .....	\$ 8,424	\$ 51,520
13 Refunds and Rebates (from line 17) .....	\$ 404	\$ 15,184
14 (a) Expenditures subject to limitation (Subtract line 13 from line 12) .....	\$ 8,020	\$ 36,336
<b>Transition Receivable Paid Directly to U.S. Treasury 09/1978</b> .....		(17,025)
(b) Expenditures from prior years subject to limitation .....		\$ 21,782,673
(c) Total expenditures subject to limitation (Add lines 14a and 14b) .....		\$ 21,801,984

I certify that I have examined this Report, and to the best of my knowledge and belief, the Report is true and correct.  
**Robert J. Lipschutz** (Typed Name of Treasurer) *Robert J. Lipschutz* (Signature of Treasurer) **January 25, 1979** (Date)

**Note:** Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g or § 441. (See reverse side of form.)

<p>For further information contact:</p>	<p>Federal Election Commission 1326 K Street, N.W. Washington, D.C. 20543</p>	<p>Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.</p>
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# Campaign Loans Often Risky.

By RICHARD L. BERKE

Special to The New York Times

WASHINGTON, June 15 — When four Ohio banks lent \$2 million to keep alive Senator John Glenn's bid for President in 1964, it was not because of the campaign's financial stability.

The campaign was practically broke, except for physical assets, with virtually no collateral to secure the loans. But that did not matter.

"We were basing a lot of our faith on the character of John Glenn," said

Michael M. Van Buskirk, a vice president of the Banc One Corporation, a bank holding company in Columbus, Ohio, that arranged the loans. "We would have lent to John Glenn to build a left-handed-widget factory."

A widget factory may have been more successful than the Glenn campaign. Despite the financial aid, the Ohio Democrat's Presidential hopes collapsed. The unpaid loans still burden him politically and financially.

The Glenn case, the financial difficulties of Gary Hart and cases involving loans to Congressional candidates have heightened the concerns of

bankers about the risks of campaign loans both for lenders and for borrowers, particularly in high-stakes Presidential races.

As the 1988 campaign advances, banks are tightening their rules on such lending, candidates are plotting strategies to reduce their dependence on loans and the commission is considering new rules to clarify what constitutes a legal political loan.

"Campaigns will be more cautious about borrowing money, and banks will be more cautious about lending

Continued on Page D7

## Overall Debts for Presidential Candidates



Debts outstanding as of March 31, 1987, to banks, institutions or individuals.\*

<b>John Glenn</b> Democrat, 1964	\$2.6 million
<b>Lyndon LaRouche</b> Democrat, 1964	\$2.6 million
<b>Gary Hart</b> Democrat, 1984 and for 1988	\$1.3 million \$313,000
<b>John B. Connally</b> Republican, 1960	\$841,605
<b>Jimmy Carter</b> Democrat, 1960	\$676,187
<b>Alan Cranston</b> Democrat, 1964	\$572,308
<b>Edward M. Kennedy</b> Democrat, 1960	\$83,388
<b>Jessie Jackson</b> Democrat, 1964	\$66,621
<b>Alan Hall</b> Communist, 1964	\$48,168
<b>Ernest F. Hollings</b> Democrat, 1964	\$10,046

\*Excluding the same candidates' debt for nonpresidential elections.



Gary Hart

Source: Federal Election Commission

88040724234

money because of the uncertainty on this issue," said William R. White, a Washington lawyer who managed Mr. Glenn's 1984 campaign.

In the 1984 Presidential primaries, the 11 candidates who accepted Federal matching funds — which are tied to the amount of private contributions a candidate receives — took out loans totaling \$23.7 million for primary contests. Total receipts, which include individual contributions, Federal matching funds and loans, were more than \$100 million.

#### Spend-as-You-Go System

Most of the loans were from banks, which often charge campaigns the prime rate plus one or two percentage points. That is what many small and medium-size companies pay for their borrowings. Most of the loans were repaid and, thus, were profitable for the banks. Even so, lenders have long regarded loans to candidates as riskier than most.

Campaigns are generally spend-as-you-go operations with limited assets to put up as collateral, except the expectation of future contributions. To add to the uncertainty, campaigns often do not seek loans until they are in financial peril.

"There is a general feeling out there in all the campaigns that it is really difficult to repay campaign debt," said Terence R. McAuliffe, finance chairman for the Presidential campaign of Representative Richard A. Gephardt, a Missouri Democrat. "If the money isn't there, I think a lot of candidates are going to have to look at bowing out rather than going into debt. The horror stories about creditors coming out after debts would certainly not be a pleasant experience."

#### Fund-Raising Events Held

Candidates often hold fund-raising events to retire old debts, but doing that is difficult because donors prefer to contribute to future campaigns, and those who have already given the maximum to a campaign are prohibited from contributing more.

Although the Glenn and Hart debts are large, aides said efforts to repay the loans would continue.

Presidential candidates have tended to borrow from Washington banks, which are considered more sensitive to political considerations. The National Bank of Washington, the D.C. National Bank and the Adams National Bank (formerly the Women's National Bank) are known for campaign loans.

Kathleen Collins, general counsel at the National Bank of Washington, said that her bank's loan to the 1984 Hart campaign was still outstanding but that in most cases loans to campaigns had been lucrative.

"Several of us have made it known that we make these types of loans," she said of banks in the nation's capital. "I guess it's analagous to the Sun Belt banks making oil and gas loans. We don't do that because we don't know enough about them." Banks in Washington, she said, are accessible to most Presidential campaign headquarters and have a "familiarity with the Federal Election Commission."

#### Lending by Hometown Banks

Candidates who do not rely on Washington banks usually borrow from lenders in their hometowns, as do most Senate and House candidates. Few candidates turn to the major New York banks; some of these, including Citicorp, do not lend to campaigns because the loans are considered an unnecessary risk, and because campaigns have generally preferred Washington banks.

Several bankers said in interviews that they would be more hesitant to lend for fear of a repeat of the problems involving Mr. Glenn and Mr. Hart, the former Colorado Senator who dropped out of the 1988 Presidential race last month and owes the National Bank of Washington \$556,824 from his 1984 campaign.

"When you get into a loan committee and consider a loan to a candidate, someone's going to bring up the Gary Hart or the John Glenn situation, and it's going to be looked at closely," said Carl E. Dodson, a senior vice president of the Palmer National Bank in Washington.

#### Lenders' Political Instincts

"Banks are going to be a lot less willing to go out and put their money on the line," Mr. Dodson said. His bank has almost completely stopped making campaign loans.

Because of campaigns' general lack of ironclad collateral, bankers' political instincts sometimes play a key role in decisions to grant loans.

"If someone's going to win, there's a better chance of repayment," said Diane Casey, regulatory liaison at the Independent Bankers Association of America. "If someone has absolutely no standing in the polls, I can't imagine that you'd want to make a loan to him."

Some bankers are inclined to lend to campaigns because they enjoy politics — particularly when hometown bankers are close friends of candidates. Loans from larger Washington banks are generally less personal. But bankers try to wield political influence through means other than lending, such as raising money for a candidate or participating in political action committees.

To the Ohio banks, Mr. Glenn, an early front-runner in the polls, seemed a safe bet. Pledges of future Federal matching funds and some physical assets such as the campaign's furniture were the only collateral put up by his campaign.

#### Earlier Dealings Important

Mr. Van Buskirk of Banc One said an important factor was Mr. Glenn's earlier dealings with the banks, so he was deemed of solid character. But Mr. Glenn was limited in what he could do personally because of a \$50,000 limit on how much a candidate who receives matching subsidies can donate to the campaign. Mr. Glenn, a millionaire, has already contributed \$50,000. (Candidates who do

## Some bankers pay closer attention to collateral put up by candidates now.

not use matching funds can spend as much of their own money as they want on their campaigns.)

The Federal Election Commission sued the Glenn campaign, charging that the bank loans amounted to an illegal campaign contribution because there was no binding guarantee of repayment. The Glenn campaign paid \$4,000 — described by some as a "nuisance fee," considering the size of the loans — to settle the suit.

Although the legal battle is over, the banks are still owed \$1.5 million, which is classified as delinquent on the banks' balance sheets.

In the past, campaigns have put up items of uncertain marketability as collateral, such as prints of a painting by Andy Warhol, which were used by the 1980 Presidential campaign of Senator Edward M. Kennedy of Massachusetts. Mr. Hart's collateral for a 1984 loan included lithographs by Robert Raushenberg.

Some bankers said they would no longer be so casual about collateral. The Federal Deposit Insurance Corporation has recommended "the pledge of cash receipts or of readily marketable securities" as necessary collateral for a campaign.

One reason for the uncertainty about political loans is that Federal election regulations guiding them are murky. The law says loans should be "made on a basis which assures repayment" but provides few details.

The election commission is considering these requirements to tighten its oversight of loans to campaigns:

¶ The campaign must furnish some sort of collateral to secure the loan.

¶ The campaign must deposit future contributions or other income into a separate account to assure repayment to the bank.

¶ The loans must be put into writing and must be subject to a stated collection date.

As the banks and Federal officials consider new lending rules, campaigns are already expecting greater difficulty in securing loans. Campaign advisers also say they are trying to budget carefully so they will not have to resort to bank loans.

### Financial Restraint Sought

"It is the Governor's position not to run up a debt," said Robert Farmer, treasurer of the Presidential campaign of Michael Dukakis, the Democratic Governor of Massachusetts. Mr. Farmer was treasurer of Mr. Glenn's 1984 campaign.

Dan Mariaschin, a spokesman for Alexander Haig, a Republican Presidential contender, said, "Our policy at this point is to run the campaign on a prudent fiscal basis."

Thus far, Representative Jack F. Kemp, a Republican from Buffalo, is the only candidate who has received a loan for the 1988 Presidential campaign. His campaign borrowed \$50,000 from the D.C. National Bank against the expectation of Federal matching funds.

"It seems to me that campaigns are going to have to plan more carefully," said Daniel J. Swillinger, a former election commission lawyer and now general counsel to the Presidential campaign of Pierre S. du Pont 4th, a Republican and former Governor of Delaware. "They're going to have to shop around for loans, and they're going to have to be realistic about how much they can borrow."

6 3 2 4 7 2 4 0 4 0 8 8

3 8 0 4 0 7 2 4 2 3 7

AFFIDAVIT OF JAMES DWINELL

James Dwinell, being duly sworn, deposes and says:

1. I am James Dwinell, and I reside on Bragg Hill Road in Norwich, Vermont 05055.
2. I was deputy campaign manager for finance for Americans With Hart during the 1984 presidential primary campaign.
3. In August, 1983 the Committee acquired credit cards issued jointly to the Committee and Lee Hart and the Committee and Senator Gary Hart. It was the understanding of the Committee that these cards were cards of the Committee and not Lee Hart or Gary Hart, and that they would be used only for qualified campaign expenses. All bills for these credit cards were to be sent directly to the Committee and would be paid by the Committee.
4. It was the further understanding of the Committee that Mrs. and Senator Hart would not be personally liable for any bills or obligations on this credit card. Indeed, the cards were issued by First American Bank of Virginia, a subsidiary of First American Bank under an arrangement whereby First American Bank guaranteed the cards. First American, in turn, would look to its line of credit of the Committee - secured by expected federal matching funds for ultimate payment. Thus, it

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was clear that the Committee would ultimately be responsible for all charges. The only conceivable personal liability of Gary Hart or Lee Hart would be that of Senator Hart resulting from his partial guarantee of the First American line of credit.

5. The Committee also used a pre-existing card held by Senator Hart. It was the understanding of the Committee that the card also was to be treated as a card of the Committee and would be used only for qualified campaign expenses. It was further understood that all bills for this card would be paid by the Committee and that Senator Hart would not be personally liable for any of the charges on this card. Indeed, the card was so much a Committee card that most Committee personal were not even aware that it had been issued to Senator Hart, but believed that it had been issued to the Committee.

6. In fact, all of the bills on all of the card were paid by the Committee.

7. I am familiar with the Hart Committee dealings with Ray Strother, Inc., a media firm. Ray Strother, Inc. was the Committee's primary radio and TV consultant and buyer. It provided considerable consultation and production services to the campaign, and purchased radio and TV spots on behalf of the campaign.

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8. Strother billed the Committee periodically for the services it had provided and for the moneys advanced for spot buys and other expenses. The Committee was to pay these bills within a reasonable time after they were rendered, and did so until the end of the campaign when funds were not available.

9. So far as I or the Committee was aware, these were Strother's normal terms.

10. I am familiar with the Hart Committee's dealings with Group III Communications, Inc. Group III provided media services to the Committee, and also sold it promotional materials.

11. Group III billed us periodically for services rendered and for moneys advanced, including spot buys. The Committee was to pay these bills within a reasonable time after they were rendered.

12. So far as I or the Committee was aware, these were Group III's normal terms.

13. I am familiar with the Hart Committee dealings with Semper/Moser Associates, Inc. The Committee purchased media services from Semper/Moser pursuant to an agreement under which Semper/Moser would bill the Committee for services and

expenses, and that the Committee was to pay the bills within 60 days of receipt. In my negotiations with Semper/Moser, I never discussed with them the terms for extension of credit. I assumed that the terms of the contract they were proposing were in the normal course of their business, and had no reason to believe otherwise.

  
James Dwinell

Subscribed and sworn to before me this 29<sup>th</sup> day of August, 1985.

  
Notary Public

My Commission Expires April 30, 1988

38040724241

88040724242

JOHN M. QUINN  
1200 NEW HAMPSHIRE AVENUE, N. W.  
WASHINGTON, D. C. 20006

March 2, 1984

Mr. James Dwinell  
Americans With Hart  
507 Eighth Street, S.E.  
Washington, D.C. 20003

Dear James:

This responds to your recent inquiry concerning extensions of corporate credit to Americans With Hart. The rule is straightforward.

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In general, a corporation may extend credit to a candidate or campaign committee provided that the credit is extended in the ordinary course of the corporation's business and on terms that are substantially similar to extensions of credit to non-political debtors which are of similar risk and size of obligation. Thus, a company that commonly extends credit to customers roughly the size of the campaign and that is of similar risk to the campaign may extend credit to us on the usual terms used by the company. This rule is set forth at 11 C.F.R. § 114.10(a). (There are separate rules governing extensions of credit by industries regulated by the Civil Aeronautics Board, the Federal Communications Commission and the Interstate Commerce Commission.)

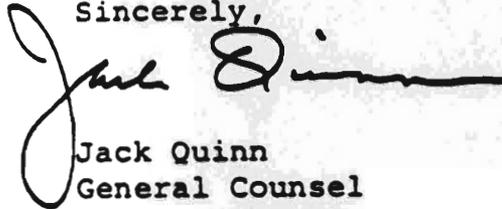
An extension of credit beyond normal business or trade practice becomes a contribution only if the creditor fails to make a commercially reasonable attempt to collect the debt. See 11 C.F.R. § 100.7(a)(4).

Mr. James Dwinell  
Americans With Hart  
March 2, 1984  
Page Two

If I can be of any further help in this regard,  
please do not hesitate to call.

Best personal regards.

Sincerely,



Jack Quinn  
General Counsel  
Americans With Hart

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AFFIDAVIT OF DAVID R. IWANS

DAVID R. IWANS being duly sworn states as follows:

1. I am David R. Iwans and I reside at 6162 Westwood Terrace, Norfolk, Virginia, 23508.

2. I am employed as Vice President of Group III Communications, Inc., 921 Crawford Parkway, Portsmouth, VA., 23704.

3. Group III Communications is a Marketing, Advertising and Public Relations firm. It works for various types of clients, such as, but not limited to, health care providers such as hospitals, banks, industrial and retail clients.

4. I am familiar with the billing and credit practices of Group III in general, and with the Americans With Hart, Inc. account in particular.

5. Group III Communications, Inc. provided media services to the Hart Committee during the 1984 presidential primary campaign. Group III also provided various promotional items such as posters, buttons, flyers and bumper stickers.

6. The Committee has paid Group III \$450,000.00 for these services and still owes it \$436,184. 51. Group III expects full payment of that debt.

7. Group III performed services, and made media spot purchases for the Committee that were then billed to the Committee for payment within 30 days.

8. Group III's decision to permit payment within 30 days was in accord with Group III's treatment of its non-political clients and was done in good faith.

9. I also believe that Group III's practices with regard to billings and charges are substantially similar to and in accord with normal practices of our trade.

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10. The extensions of credit made to Americans With Hart, Inc. were reasonable in light of the rapid succession of primaries and the concurrent fund raising. The initial billings to Americans With Hart were promptly paid in full by the Committee.

David R. Iwans  
David R. Iwans

Subscribed and sworn to before me this 29 day of August, 1985.

Betty A. Soudier  
Notary Public

My Commission Expires September 12, 1987

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AFFIDAVIT OF PETER J. SEMPER

Peter J. Semper being duly sworn, states as follows:

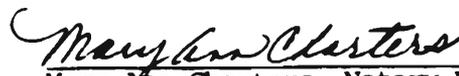
1. I am Peter J. Semper and I reside at 1341 Vienna Way, Venice, CA 90291.
2. I am employed as President at Semper/Moser Associates, Inc., 1744 W. Washington Boulevard, Venice, CA 90291.
3. Semper/Moser is a full service advertising agency.
4. I am familiar with the billing and credit practice of Semper/Moser, and with the account of Americans with Hart.
5. Semper/Moser Associates provided media services to the Hart Committee. The Committee was to pay for media purchases, commissions and our services, and reimburse us for spot buys and other expenses within 60 days of our invoices for the services and advances.
6. This arrangement was in the ordinary course of Semper/Moser's business and in accord with its treatment of non-political clients of similar risk.
7. The Committee now owes Semper/Moser \$ 132,054.15 in unpaid invoices.



State of California )  
County of Los Angeles) ss.

On September 4, 1985, before the undersigned, A Notary Public for the State of California, personally appeared Peter J. Semper, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.



  
Mary Ann Charters, Notary Public  
My Commission Expires August 18, 1989

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AFFIDAVIT OF MICHAEL P. MERVIS

I, MICHAEL P. MERVIS, being duly sworn, states as follows:

1. I am Michael P. Mervis, and I reside at 1693 N. Water Street, Milwaukee, Wisconsin, 53202.

2. I am principal owner of Mervis & Company, 105 W. Michigan Street, Milwaukee, Wisconsin 53203, which is a public relations and advertising firm.

3. I am familiar with the common and ordinary practice of media firms with respect to extension of credit.

4. It is not unusual for media firms to advance consulting and production services and such items as overhead and travel costs, with payment to be made upon submission of a bill or within a reasonable time thereafter. My firm, for example, routinely extends credit, except in cases where it has affirmative reason to believe the client's financial situation requires a modification in our general billing practice.

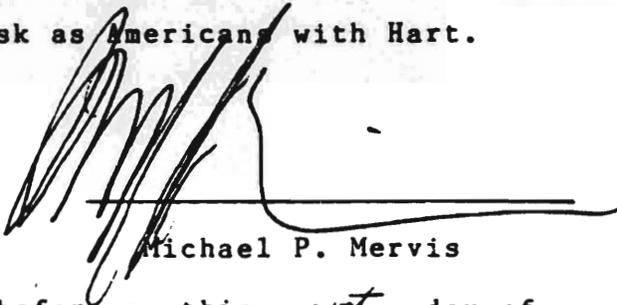
5. It is also common for media firms to advance the cost of radio and television spot buys for clients who are reliable and with which the firm has or expects to have an ongoing relationship. Again, these costs would be payable on

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presentation of a bill or within a reasonable time thereafter. My firm often extends such credit, and does so for non-political clients of the size and level of risk of American's With Hart.

6. Mervis & Company extended such credit to Americans With Hart under an agreed upon payment schedule which was met.

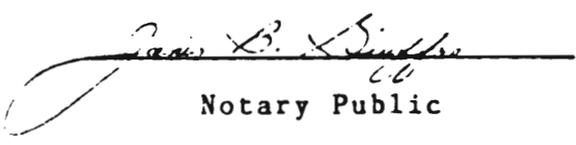
7. Overall, it would not be unusual in this business to extend credit in amounts ranging from \$100,000 to \$500,000 to customers of same size and risk as Americans with Hart.



Michael P. Mervis

Subscribed and sworn to before me this 21<sup>st</sup> day of

August, 1985.



Notary Public

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AFFIDAVIT OF RAYMOND D. STROTHER

I, RAYMOND D. STROTHER, declare as follows:

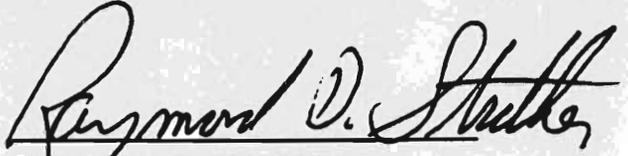
1. I am principal owner of Raymond D. Strother, Ltd., 308 East Capitol Street, Suite No. 8, Washington, D.C. 20003, a media consulting and production firm.

2. Raymond D. Strother, Ltd. provided extensive media consulting and production services to Americans With Hart ("AWH") during the 1984 presidential primary campaign. These services included, among other things, production and placement of radio and television advertisements.

3. Invoices maintained by Raymond D. Strother, Ltd. indicate that AWH currently owes Raymond D. Strother, Ltd. \$162,679.77.

4. Raymond D. Strother, Ltd. billed AWH for services rendered in a timely fashion as is the customary practice of Raymond D. Strother, Ltd. for all of its political and non-political clients. Moreover, any extension(s) of credit to AWH was made in the ordinary course of Raymond D. Strother, Ltd.'s business.

5. In total, AWH has paid Raymond D. Strother, Ltd. in excess of Four Million Dollars in fees and reimbursements for services and expenses, including media buys. Thus, AWH's outstanding balance to Raymond D. Strother, Ltd. is a relatively small fraction of the total amount billed.

  
Raymond D. Strother

City of Washington )  
District of Columbia ) ss:

I, Henry H. Brykewski, a Notary Public, hereby certify that on the 29th day of August, 1985, there personally appeared before me Raymond D. Strother who acknowledged signing the foregoing document and that the statements therein contained are true.

  
Notary Public

My Commission Expires July 31, 1990

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**REPORT OF RECEIPTS AND DISBURSEMENTS  
BY AN AUTHORIZED COMMITTEE OF A  
CANDIDATE FOR THE OFFICE OF PRESIDENT**

**FEC  
HAND DELIVERED  
04 JUN 20 P 4:32**

NOTE: This report is to be used by an authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.

1. NAME OF COMMITTEE IN FULL <b>MONDALE FOR PRESIDENT COMMITTEE, INC.</b>				2. IDENTIFICATION NUMBER <b>C00164608</b>	
ADDRESS (Number and Street) <b>2201 Wisconsin Avenue, N.W.</b>				3. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR:	
CITY <b>Washington</b>	STATE <b>DC</b>	ZIP CODE <b>20007</b>	<input type="checkbox"/> Check if name or address is changed	<input checked="" type="checkbox"/> Primary	<input type="checkbox"/> General
4. TYPE OF REPORT ("X" appropriate box and complete, if applicable)		<input type="checkbox"/> Amendment for (Report) _____ <input checked="" type="checkbox"/> Monthly Report (month) <b>May 1984</b>		<input type="checkbox"/> Twelfth Day Before Election <input type="checkbox"/> Thirtieth Day After Election	
<input type="checkbox"/> April 15 Quarterly Report <input type="checkbox"/> July 15 Quarterly Report <input type="checkbox"/> October 15 Quarterly Report		<input type="checkbox"/> January 31 Year-end Report <input type="checkbox"/> Termination Report		TYPE OF ELECTION	
				STATE	ELECTION DATE

**COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS**

5. COVERING PERIOD	FROM <b>May 1, 1984</b>	THROUGH <b>May 31, 1984</b>
--------------------	----------------------------	--------------------------------

SUMMARY		
6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD		<b>68,182.73</b>
7. TOTAL RECEIPTS THIS PERIOD (From Line 22 Column A)		<b>3,897,797.32</b>
8. SUBTOTAL (Add Line 6 and 7)		<b>3,965,980.05</b>
9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30 Column A)		<b>3,160,898.11</b>
10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8)		<b>805,081.94</b>
11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Itemize All on Schedule C or Schedule D)		<b>221,347.05</b>
12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Itemize All on Schedule C or Schedule D)		<b>3,109,533.43</b>
13. EXPENDITURES SUBJECT TO LIMITATION (From FEC Form 3P, Page 4)		<b>16,748,299.99</b>
NET YEAR-TO-DATE CONTRIBUTIONS AND EXPENDITURES		
14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28d Column B from 17e Column B)		<b>4,768,443.47</b>
15. NET OPERATING EXPENDITURES (Subtract Line 20a Column B from 23 Column B)		<b>10,560,719.11</b>

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.		For further information, contact: Federal Election Commission Toll Free 800-424-9630 Local 523-4088
TYPE OR PRINT NAME OF TREASURER <b>MICHAEL S. BERMAN</b>		
SIGNATURE OF TREASURER <i>Michael S. Berman</i>	DATE <b>6/20/84</b>	
NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g. All previous versions of FEC Form 3P are obsolete and should no longer be used.		

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3473303174

**SCHEDULE D-P**

Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20543

**DEBTS AND OBLIGATIONS  
EXCLUDING LOANS**

Use separate  
schedules for  
each category  
of the detailed  
summary page

PAGE 24 OF (total pages) 119  
LINE NUMBER 12

NAME OF COMMITTEE (in Full)	OUTSTANDING BALANCE BEGINNING THIS PERIOD	DATE AND AMOUNT PAID DURING THIS PERIOD	PAYMENT THIS PERIOD	OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
<b>MONDALE FOR PRESIDENT, INC.</b>				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor Consultants '84 1515 Capital of TX Highway S. Suite 500 Austin, Texas 78746	66520.57	45861.38	-0-	112381.95
Nature of Debt (Purpose): media				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor Copy Duplicating Products, Inc. 7830 - 12th Avenue South Bloomington, Minnesota 55420	-0-	5/1/ 365.72	-0-	365.72
Nature of Debt (Purpose): word processing equipment				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor Copy Supply Inc. 1501 Lakeland Drive, Suite 130 Jackson, Mississippi 39216	-0-	5/1/84 27.70	-0-	27.70
Nature of Debt (Purpose): xerox machine				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor Cornelius Printing Company 2457 E. Washington Street Post Office Box 7 Indianapolis, IN 56206	-0-	5/14/84 2887.50	-0-	2887.50
Nature of Debt (Purpose): printing				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor The Council of State Governments Post Office Box 11910, Iron Works Pike Lexington, Kentucky 40578	15.00	-0-	-0-	15.00
Nature of Debt (Purpose): booklet				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor County Chair Renting, Co. 25 Oak Street Mt. Vernon, New York 10550	-0-	5/2/84 119.05	-0-	119.05
Nature of Debt (Purpose): equipment rental				
1) SUBTOTALS This Period This Page (optional)				115796.92
2) TOTAL This Period (last page this line only)				
3) TOTAL OUTSTANDING LOANS from Schedule C-P (last page only)				
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				

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REPORT OF RECEIPTS AND DISBURSEMENTS  
 BY AN AUTHORIZED COMMITTEE OF A  
 CANDIDATE FOR THE OFFICE OF PRESIDENT

RECEIVED AT THE FEDERAL ELECTION COMMISSION  
 DELIVERED

NOTE: This report is required by the Federal Election Commission of a candidate making contribution or expenditure in excess of \$1,000 in any calendar quarter.

1. NAME OF COMMITTEE <b>NORDALE FOR PRESIDENT COMMITTEE, INC.</b>				2. IDENTIFICATION NUMBER <b>C00164608</b>		
3. ADDRESS (Street and Room) <b>2201 Wisconsin Avenue, N.W.</b>				4. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR:		
CITY <b>Washington</b>	STATE <b>D.C.</b>	ZIP CODE <b>20007</b>	<input type="checkbox"/> Check if name or address is changed	<input checked="" type="checkbox"/> Primary	<input type="checkbox"/> General	
5. TYPE OF REPORT ("X" appropriate box and complete, if applicable)			6. DATE OF REPORT		7. TYPE OF ELECTION	
<input type="checkbox"/> April 15 Quarterly Report <input type="checkbox"/> July 15 Quarterly Report <input type="checkbox"/> October 15 Quarterly Report <input type="checkbox"/> January 31 Year-end Report <input type="checkbox"/> Termination Report			<input checked="" type="checkbox"/> Monthly Report <b>July 1984</b>		<input type="checkbox"/> Twelfth Day Before Election <input type="checkbox"/> Twelfth Day After Election	
			DATE		ELECTION DATE	

COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS

8. COVERING PERIOD FROM **June 1, 1984** THROUGH **June 30, 1984**

SUMMARY	6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD .....	805,081.94
	7. TOTAL RECEIPTS THIS PERIOD (From Line 22 Column A) .....	1,716,975.66
	8. SUBTOTAL (Add Line 6 and 7) .....	2,522,057.60
	9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30 Column A) .....	1,974,727.82
	10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8) .....	547,329.78
	11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Transfer All on Schedule C or Schedule D) .....	226,069.00
	12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Transfer All on Schedule C or Schedule D) .....	2,739,617.00
	13. EXPENDITURES SUBJECT TO LIMITATION (From FPC Form 3P, Page 4) .....	17,676,035.02
	14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28a Column B from 17a Column B) .....	5,576,059.59
	15. NET OPERATING EXPENDITURES (Subtract Line 28a Column B from 23 Column B) .....	11,293,093.84
	NET YEAR-TO-DATE CONTRIBUTIONS AND EXPENDITURES	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

TYPE OR PRINT NAME OF TREASURER <b>P. Christine Brewer, Asst. Treas. for M.S. Berman</b>		For further information, contact: Federal Election Commission Toll Free 800-434-6830 Local 523-4088
SIGNATURE OF TREASURER <i>P. Christine Brewer</i>	DATE <b>7/20/84</b>	
NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. 437g. All previous versions of FPC Form 3P are obsolete and should no longer be used.		

FEC Form 3P (2/83)

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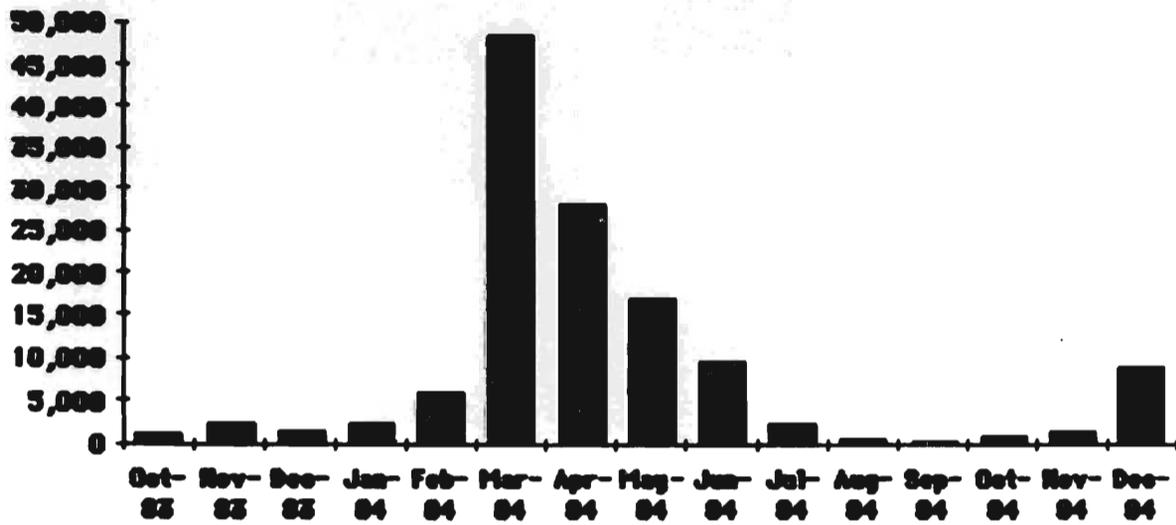
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 R 1 0 3 3 0 3 4 5 6 7

NAME OF COMMITTEE IN FULL		OUTSTANDING BALANCE BEGINNING THIS PERIOD	DATE AND AMOUNT PAID THIS PERIOD	PAYMENT THIS PERIOD	OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
MONDALE FOR PRESIDENT, INC.					18
Full Name, Mailing Address and Zip Code of Debtor or Creditor					
Consultants '84 1515 Capital of TX Bldg. S. Austin, Texas 78701		112381.98	6/1-6/29 80346.73	10000.00	182728.68
Nature of Debt (Purpose): media					
Full Name, Mailing Address and Zip Code of Debtor or Creditor					
Continental Rental and Sales Corp. 4012 Ridge Avenue Philadelphia, Pennsylvania 19219		-0-	6/1/84 170.87	-0-	170.87
Nature of Debt (Purpose): equipment rental					
Full Name, Mailing Address and Zip Code of Debtor or Creditor					
Copy Cat General Office 10011 'J' Street Omaha, Nebraska 68127		-0-	6/1/84 19.01	-0-	19.01
Nature of Debt (Purpose): office supplies					
Full Name, Mailing Address and Zip Code of Debtor or Creditor					
Copy Supply, Inc. 1501 Lakeland Drive, Suite 130 Jackson, Mississippi 39216		27.70	-0-	--0--	27.70
Nature of Debt (Purpose): xerox service					
Full Name, Mailing Address and Zip Code of Debtor or Creditor					
Copy World 92 Webboosett Street Providence, Rhode Island 02903		-0-	6/5/84 276.00	-0-	276.00
Nature of Debt (Purpose): mailing					
Full Name, Mailing Address and Zip Code of Debtor or Creditor					
Cornelius Printing Company 2457 E. Washington Post Office Box 7 Indianapolis, Indiana 56206		2887.50	-0-	-0-	2887.50
Nature of Debt (Purpose): printing					
1) SUBTOTALS (This Period This Page (optional))					186109.76
2) TOTAL (This Period (last page this line only))					
3) TOTAL OUTSTANDING LOANS from Schedule CP (last page only)					

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 R 1 0 3 3 7 3 4 6 5 2

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**Americans With Hart  
Monthly Contributions Transactions**



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FEC-MUR

Receipts  
Transactions

1982	363
Jan-83	339
Feb-83	761
Mar-83	836
Apr-83	679
May-83	1,019
Jun-83	1,206
Jul-83	697
Aug-83	2,216
Sep-83	1,822
Oct-83	1,120
Nov-83	2,557
Dec-83	1,717
Jan-84	2,635
Feb-84	6,004
Mar-84	48,512
Apr-84	28,282
May-84	17,183
Jun-84	9,912
Jul-84	2,352
Aug-84	627
Sep-84	227
Oct-84	887
Nov-84	1,601
Dec-84	9,055
Jan-85	2,752
Feb-85	193
Mar-85	98
Apr-85	928
May-85	949
Jun-85	559

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YY	MM	Count	Amount	Refunds	Reattribs	Refund Amount
82	4	7	7000.00	0	0	0.00
82	5	18	4265.00	0	0	0.00
82	6	16	2555.00	0	0	0.00
82	7	15	7110.00	0	0	0.00
82	8	28	10457.00	0	1	0.00
82	9	40	25028.06	0	0	0.00
82	10	23	13758.22	0	2	0.00
82	11	18	6196.30	0	0	0.00
82	12	198	122994.40	0	1	0.00
83	1	339	78333.00	1	2	250.00
83	2	761	90496.74	1	0	250.00
83	3	836	86961.50	1	1	100.00
83	4	679	130125.37	1	7	1000.00
83	5	1019	94588.14	5	4	3550.00
83	6	1206	135381.19	4	2	800.00
83	7	697	53353.71	1	2	50.00
83	8	2216	86087.40	1	0	75.00
83	9	1822	94249.75	0	4	0.00
83	10	1120	45241.28	1	0	80.00
83	11	2557	82688.61	0	3	0.00
83	12	1717	90211.69	3	3	260.34
84	1	2635	124739.73	3	10	700.00
84	2	6004	347155.27	3	13	520.00
84	3	48512	3049453.95	20	98	7223.00
84	4	28282	1782145.11	6	29	1620.00
84	5	17183	1738702.95	11	30	1765.00
84	6	9912	922153.86	6	9	1247.00
84	7	2352	268096.18	8	6	2940.00
84	8	627	90958.75	1	3	100.00
84	9	227	47507.81	1	3	500.00
84	10	887	98093.07	2	3	40.00
84	11	1601	97269.54	6	1	1175.00
84	12	9055	378672.85	8	5	2250.00
85	1	2752	151135.65	3	3	332.90
85	2	193	21230.52	1	3	80.00
85	3	98	9991.52	1	0	100.00
85	4	928	50071.62	1	0	300.00
85	5	949	55044.86	2	2	249.00
85	6	559	64473.85	0	1	0.00
85	7	231	47827.34	3	2	2150.00
85	8	104	11109.79	0	0	0.00
85	9	700	51177.54	1	2	1000.00
85	10	471	70690.41	1	7	500.00
85	11	2145	95150.59	2	1	220.00
85	12	681	51868.00	2	1	77.90
86	1	365	41215.91	1	1	200.00
86	2	199	56367.48	0	2	0.00
86	3	267	82739.31	0	1	0.00

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86	4	271	46437.30	0	0	0.00
86	5	130	35793.98	0	1	0.00
86	6	166	69670.97	0	4	0.00
86	7	1078	71403.47	0	0	0.00
86	8	889	75182.50	0	0	0.00
86	9	882	130282.99	0	0	0.00
86	10	424	69393.37	0	0	0.00
86	11	565	54928.00	0	0	0.00
86	12	860	45458.82	0	0	0.00
87	1	389	27979.03	0	0	0.00
87	2	425	25986.10	0	0	0.00
87	3	223	62960.19	0	0	0.00
		159553	11787602.54	112	273	31705.14

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FEC-MUR

Month-end  
Debt

Number of  
Creditors

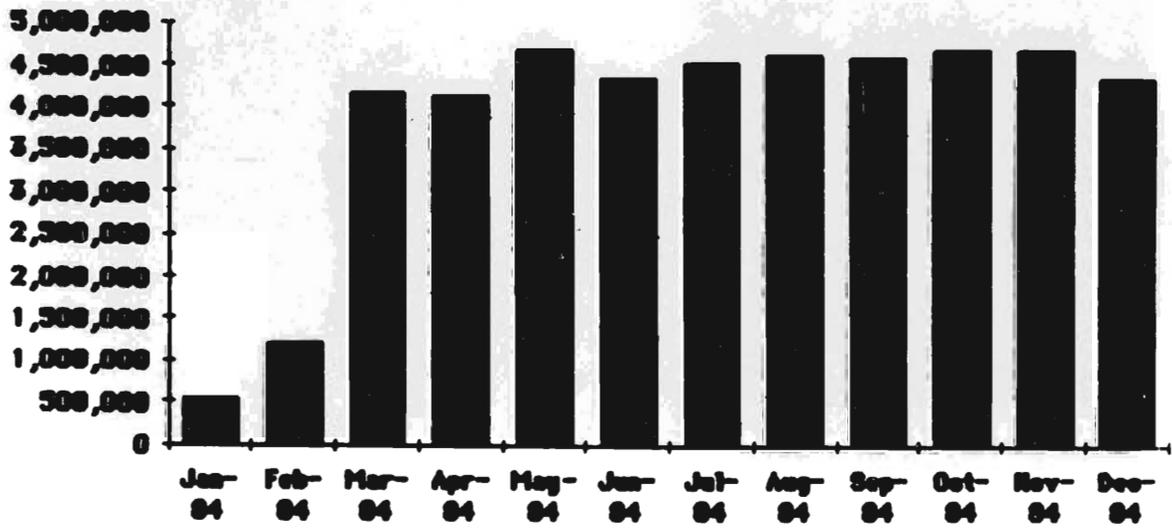
Dec-82 5,916  
 Mar-83 29,573  
 Jun-83 224,896  
 Sep-83 714,104  
 Dec-83 1,046,515  
 Jan-84 557,475  
 Feb-84 1,209,965  
 Mar-84 4,193,316  
 Apr-84 4,163,716  
 May-84 4,698,175  
 Jun-84 4,350,814  
 Jul-84 4,546,414  
 Aug-84 4,647,406  
 Sep-84 4,609,028  
 Oct-84 4,693,369  
 Nov-84 4,693,829  
 Dec-84 4,374,168  
 Jan-85 4,089,558  
 Feb-85 3,663,326  
 Mar-85 3,663,326  
 Apr-85 3,651,674  
 May-85 3,640,743  
 Jun-85 3,613,899

Jan-84 311  
 Feb-84 308  
 Mar-84 315  
 Apr-84 436  
 May-84 Not filed  
 Jun-84 752  
 Jul-84 771  
 Aug-84 935  
 Sep-84 1,015  
 Oct-84 1,030  
 Nov-84 1,020  
 Dec-84 1,022

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### Americans With Mort 1984 Monthly Debt Totals



● 8 8 0 4 0 7 2 4 2 7 5

GROUP III COMMUNICATIONS

March 1, 1984 Letter from Dave Iwans, President, Group III Communications, to James Dwinell, Americans With Hart, Inc., enclosing copy of agency contract.

March 23, 1984 AWH paid Group III \$99,250 for services that month.

April 2, 1984 AWH paid Group III \$248,125 and \$97,761.25 for services the previous month.

May 21, 1984 AWH paid Group III \$1,605.31 for services the previous month.

June 13, 1984 AWH paid Group III \$1,520.16 for services the previous month.

June 20, 1984 AWH paid Group III \$1,650 for services the previous several months.

June 25, 1984 AWH paid Group III \$389.87 for services the previous several months.

August 6, 1984 Statement from Group III Communications to James Dwinell, Americans With Hart, for services 3-20-84 to 5-30-84.

May 31, 1985 Letter from Dave Iwans, President, Group III Communications, to James Dwinell, Americans With Hart, enclosing subordination agreement.

August 27, 1985 Letter from Richard Cullen, McGuire, Woods & Battle, to Scott Van Hove, Americans With Hart, concerning payment to Group III Communications.

August 27, 1985 Phone call from Richard Cullen to Scott Van Hove concerning the bill to Group III Communications. He indicated that a lawsuit is not out of the question.

September 6, 1985 Richard Cullen called Scott Van Hove to set up an appointment with Scott Van Hove, Bill Oldaker and Dave Iwans.

September 6, 1985 Letter from Richard Cullen to Scott Van Hove concerning meeting on September 12.

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September 12, 1985 Meeting held concerning Americans With Hart debt to Group III Communications, with Richard Cullen, Scott Van Hove, Bill Oldaker and Dave Iwans.

October 16, 1985 Letter from Richard Cullen to Scott Van Hove concerning proposals to retire debt of Americans With Hart to Group III Communications.

October 29, 1985 Telephone conversation between Richard Cullen and Scott Van Hove concerning proposals made in October 16 letter.

November 21, 1986 Letter from Scott Van Hove, Americans With Hart, to Richard Cullen, McGuire, Woods & Battle, concerning October 29, 1985 telephone conversation.

March 21, 1986 Bill Dixon, Office of Senator Gary Hart, requests that Mike Novelli, Americans With Hart, send Group III Communications a check for \$5,000 by April 1.

April 2, 1986 Letter from David Iwans, President, Group III Communications, to Bill Dixon, Office of Senator Gary Hart, concerning payment of debt, threatening suit.

April 7, 1986 Phone call from Bill Dixon, Office of Senator Gary Hart, to David Iwans, President, Group III Communications, requesting that Group III wait a few days to take action.

April 10, 1986 Phone call from Bill Dixon, Office of Senator Gary Hart, to David Iwans, President, Group III Communications, explaining that Americans With Hart would send payment of \$5,000.

April 11, 1986 Americans With Hart sends \$5,000 to Group III Communications.

April 14, 1986 Statement from Group III Communications to Mr. Bill Dixon, Office of Senator Gary Hart.

May 11, 1986 Note from Bill Dixon, Office of Gary Hart, to Mike Novelli, Americans With

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Hart, stating that he would like Novelli to personally send the next payment of \$5,000 to Group III Communications.

May 23, 1986 Letter from Michael Novelli, Americans With Hart, to David Iwans, Group III Communications, enclosing check for \$5,000.

May 28, 1986 Statement from Group III Communications to Mr. Bill Dixon, Office of Senator Gary Hart.

July 21, 1986 Letter from Anne Marie Whittemore, McGuire, Woods & Battle, to Mr. William Dixon concerning meeting scheduled for August 8 with Scott Van Hove, William Dixon, Mike Novelli, Robert Patterson and Ann Marie Whittemore.

July 24, 1986 Meeting held to discuss debt of Americans With Hart to Group III Communications. In attendance were Scott Van Hove, Mike Novelli, Bill Dixon and Robert Patterson, Jr.

September 15, 1986 Letter received from Robert Patterson, Jr., McGuire, Woods & Battle, to Michael Novelli, Americans With Hart, dated September 8, 1986, threatening to bring suit unless prompt payment is made.

November 3, 1986 Letter from Dave Iwans, Group III Communications, to Mr. Bill Dixon, Office of Senator Gary Hart, concerning monthly payments.

November 12, 1986 Letter from Dave Iwans, Group III Communications, to Mr. Bill Dixon, Office of Senator Gary Hart, threatening to file suit on November 17, 1986 unless payment is made.

November 13, 1986 Phone call from Bill Dixon, Office of Senator Gary Hart, to David Iwans, President, Group III Communications, promising to call on November 17 to discuss when Group III will receive a check and in what amount.

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December 30, 1986 Scott Van Hove, Americans With Hart, sends Group III Communications a check for \$2,500.

January 7, 1987 Note from Bill Dixon, Office of Senator Gary Hart, to Weston requesting a second payment of \$2,500 to Group III Communications.

March 9, 1987 Statement from Group III Communications to Mr. Bill Dixon, Office of Senator Gary Hart.

March 13, 1987 Debt settlement agreement hand delivered to home of Susan Medale, with copies of settlements with Sprint, Karl Home Video, and Wolf, Block and Schoer.

March 31, 1987 Group III Communications agrees to send the signed settlement with Americans With Hart when they receive the cashiers check, sent via Federal Express.

March 31, 1987 Debt settlement reached between Group III Communications and American With Hart, with payment of \$42,118.45.

April 15, 1987 Americans With Hart receives copy of signed settlement agreement and copy of cashiers check.

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SEMPER-MOSER ASSOCIATES

1. March 7, 1984 Letter from Peter Semper, Semper-Moser Associates, to James Dwinell, Americans With Hart, Inc., enclosing agency agreement.
2. April 13, 1984 Letter from Peter Semper, Semper-Moser Associates, to Scott Van Hove, Americans With Hart, enclosing verifications of Semper/Moser media buys.
3. February 12, 1985 Letter to James Dwinell, Americans With Hart, Inc. from Milton Davis, Davis & Davis, re: Semper-Moser Associates, threatening lawsuit concerning debt.
4. February 13, 1985 Check in the amount of \$2363.00 sent by Scott Van Hove, Americans With Hart, to Semper-Moser Associates.
5. March 29, 1985 Betty Thomas, accounting department, Semper-Moser Associates, called Scott Van Hove, Americans With Hart, concerning payment.
6. April 3, 1985 Betty Thomas, accounting department, Semper-Moser Associates, called Scott Van Hove, Americans With Hart, concerning payment.
7. April 4, 1985 Letter from Betty Thomas, accounting department, Semper-Moser Associates, to Scott Van Hove, Americans With Hart, enclosing monthly invoices from 3-13-84 to 4-3-85. Each copy is stamped "Past Due" in blue ink and written in red "Please!"
8. April 9, 1985 Phone call with Betsy Lehrfeld, Swankin & Turner, and Scott Van Hove concerning Semper-Moser debt, saying that Semper feels abused personally and financially and wants either a priority judgment or a special arrangement from AWH fund-raising events.
9. April 9, 1985 Phone call with James Turner, Swankin & Turner, and Scott Van Hove concerning Semper-Moser debt.

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10. April 17, 1985 Betsy Lehrfeld called Scott Van Hove concerning a meeting to discuss Semper-Moser debt.
11. April 20, 1985 Meeting held about Semper-Moser debt, with Betsy Lehrfeld, Mike Novelli and Scott Van Hove attending.
12. April 22, 1985 Betsy Lehrfeld, Swankin & Turner, called Scott Van Hove about the bank's reaction to letter agreement.
13. May 13, 1985 Invoice #02831 with interest sent by Semper-Moser Associates to Scott Van Hove, Americans With Hart. (Copy of invoice also sent stamped "Past Due" in blue and written in red "Please!".)
14. May 16, 1985 Letter agreement signed by Peter Semper, dated May 15, 1985, sent by Betsy Lehrfeld, Swankin & Turner, to Mike Novelli, Americans With Hart.
15. June 5, 1985 Betsy Lehrfeld called Scott Van Hove concerning letter agreement sent on May 16, 1985.
16. June 7, 1985 Invoice #02866 with interest sent by Semper-Moser Associates to Scott Van Hove, Americans With Hart. (Copy of invoice also sent stamped "Past Due" in blue ink and written in red "Please!".)
17. June 18, 1985 Letter from Betsy Lehrfeld, Swankin & Turner, to Michael Novelli, Americans With Hart, re: agreement between Semper-Moser Associates and Americans With Hart.
18. July 11, 1985 Invoice #02921 with interest sent by Semper-Moser Associates to Scott Van Hove and Mike Novelli, Americans With Hart, (Copy of invoice also sent stamped "Past Due" in blue ink.)
19. July 23, 1985 Note from Scott Van Hove.. "Semper plans to file suit August 1st."

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20. August 6, 1985 Letter from Teri Semper, Semper-Moser Associates, to Scott Van Hove, Americans With Hart, asking "How about some earnest money?".
21. August 6, 1985 Invoice #02957 with interest sent by Semper-Moser Associates to Scott Van Hove, Americans With Hart, stamped three times "Past Due" in blue ink.
22. August 28, 1985 Letter from Les J. Weinstein, Bleecher, Collins & Weinstein, to the Honorable Gary Hart, concerning the debt of Americans With Hart, Inc. to Semper-Moser Associates.
23. September 25, 1985 Invoice #03056 with interest sent by Semper-Moser Associates to Scott Van Hove, Americans With Hart, stamped "Past Due" in blue ink.
24. October 1, 1985 Semper-Moser Associates file complaint in the U.S. District Court for the District of Columbia, alleging breach of contract, requesting judgement with interest.
25. October 10, 1985 Invoice #03060 with interest sent by Semper-Moser Associates to Scott Van Hove, Americans With Hart.
26. October 18, 1985 Letter from Les J. Weinstein, Bleecher, Collins & Weinstein, to William C. Oldaker, Esq., concerning the debt of Americans With Hart, Inc. to Semper-Moser Associates, dated October 18, 1985.
27. November 13, 1985 Invoice #03101 for interest from Semper-Moser Associates to Americans With Hart, with personal note from Peter Semper "Please, Scott," circling the total amount owed.
28. December 6, 1985 Invoice #03155 for interest from Semper-Moser Associates to American With Hart, with personal note from Peter Semper, "Past Due! Past Due!", circling the total amount owed.

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29. January 25, 1986 Invoice #03208 for interest from Semper-Moser Associates to Americans With Hart, with personal note, "Scott: We would appreciated remittance." and stamped "Past Due" in blue ink three times.
30. February 13, 1986 Invoice #03246 for interest from Semper-Moser Associates to Scott Van Hove, Americans With Hart, stamped "Past Due" in blue ink.
31. March 14, 1986 Invoice #03280 for interest from Semper-Moser Associates to Scott Van Hove, Americans With Hart.
32. April 20, 1986 Invoice #03323 for interest from Semper-Moser Associates to Accounts Payable, Americans With Hart, with personal note, "Please send an earnest payment now."
33. May 13, 1986 Invoice #03332 for interest from Semper-Moser Associates to Accounts Payable, Americans With Hart.
34. June 10, 1986 Invoice #03353 for interest from Semper-Moser Associates, to Scott Van Hove, American With Hart.
35. June 10, 1986 Letter from Peter Semper, Semper-Moser Associates, to Mike Novelli, Americans With Hart.
36. July 7, 1986 Letter from Peter Semper, Semper-Moser Associates, to Mr. John Emerson, Manatt, Phelps, Rothenberg, Tunney and Phillips, concerning Americans With Hart debt to Semper-Moser Associates, dated July 7, 1986.
37. July 11, 1986 Statement of Account sent from Semper-Moser Associates to Americans With Hart listing amount with interest owed to Semper-Moser Associates.
38. August 1986 Statement of Account sent from Semper-Moser Associates to Americans With Hart listing amount with interest owed to Semper-Moser Associates.

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39. September 1986 Statement of Account sent from Semper-Moser Associates to Americans With Hart listing amount with interest owed to Semper-Moser Associates.
40. November 21, 1986 Judgement granted to Semper-Moser Associates in lawsuit in U.S. District Court for the District of Columbia.
41. October 1986 Statement of Account sent from Semper-Moser Associates to Americans With Hart listing amount with interest owed to Semper-Moser Associates.
42. October 29, 1986 Meeting held with Semper-Moser, Michael Novelli, Scott Van Hove and William Oldaker concerning Americans With Hart debt to Semper-Moser Associates.
43. November 1986 Statement of Account sent from Semper-Moser Associates to Americans With Hart listing amount with interest owed to Semper-Moser Associates.
44. December 1986 Statement of Account sent from Semper-Moser Associates to Americans With Hart listing amount with interest owed to Semper-Moser Associates.
45. January 11, 1987 Betsy Lehrfeld called Scott Van Hove claiming that no one has contacted Swankin & Turner in a year, and that "Semper won't be treated this way."
46. February 9, 1987 Letter from James Turner, Swankin & Turner, to the Honorable Patricia Schroeder, concerning Americans With Hart debt to Semper-Moser Associates.
47. February 9, 1987 Letter from James Turner, Swankin & Turner, to Jon Mills, Speaker of the House, Tallahassee, Florida, concerning Americans With Hart debt to Semper-Moser Associates.
48. March 18, 1987 Letter from James Turner, Swankin & Turner, to the Honorable Patricia Schroeder thanking her for her attention.

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49. March 18, 1987

Letter from James Turner, Swankin & turner, to Mr. William Dixson, Campaign Manager, Friends of Gary Hart.

50. April 15, 1987

Semper-Moser attaches funds raised at Friends of Gary Hart '88 function in Los Angeles, using U.S. Marshal to obtain funds.

51. April 20, 1987

Semper-Moser Associates files attachment of National Bank of Washington account.

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**Group III Communications Inc.**  
Marketing, Advertising & Public Relations

921 Crawford Parkwa. • Portsmouth, Virginia 23704

804-397-9148

March 1, 1984

James Dwinell  
Americans With Hart, Inc.  
507 8th Street Southeast  
Washington, D.C. 20003

Dear James,

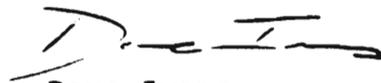
Enclosed please find an agency contract for your review and signature. As we discussed in our meeting today, we have extensive experience and knowledge of the southern states, and we firmly believe we can be a tremendous asset to you and the Americans With Hart.

We're looking forward to assisting you and your staff in your campaign efforts.

After I have received the signed contract, I'll send you a copy for your files.

I'll call you in the morning to find out our targeted state so we can get everything in motion.

Sincerely,



Dave Iwans

DI/btg

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**Group III Communications Inc.**  
Marketing, Advertising & Public Relations

121 Crawford Parkway • Philadelphia, Pennsylvania 19104

804-397-9148

GROUP III COMMUNICATIONS, INC. agrees to plan, place and buy radio and television time on behalf of AMERICANS WITH HART, INC. in accordance with standard agency practices.

Media invoices are sent to clients thirty (30) days after the broadcast date for time that has been purchased on behalf of said client. Payment is due within thirty (30) days of the invoice date.

GROUP III COMMUNICATIONS, INC. is acting only as an agent for AMERICANS WITH HART, INC., and as such is only liable to that extent.

The standard agency commission as allowed by the media (15%) will be applied toward all professional fees and services necessary to execute the commissioned media purchase. Standard hourly fees of \$50.00 per hour will be charged for meetings, consultation, strategy planning and coordination.

Supporting affidavits will be forwarded to AMERICANS WITH HART, INC. for verification and accounting.

*David R. Turner*  
Authorizing Signature for GROUP III COMMUNICATIONS, INC.

3-1-84  
(Date)

*James H. [Signature]*  
Authorizing Signature for AMERICANS WITH HART, INC.

3-2-84  
(Date)

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# Group III Communications Inc.

Marketing, Advertising & Public Relations

921 Crawford Parkway • Portsmouth, Virginia 23704

804-397-9148

James Dwinell  
Americans with Hart, Inc.  
507 8th St., Southeast  
Washington, D.C. 20003

August 6, 1984

## S T A T E M E N T

<u>DATE</u>	<u>INVOICE</u>	<u>DISCRIPTION</u>	<u>AMOUNT</u>
3/20/84	406	Posters (11,000) Literature (200,000)	\$7,297.82
3/21/84	407	Buttons (85,000)	4,037.50
3/27/84	417	Shipping (Posters and Literature)	2,127.30
4/02/84	421	Flyers (50,000) Posters (23,000) Bumper Strips (15,000) Buttons (62,000)	12,346.20
4/09/84	426	Flyers (138,000)	3,222.76
4/10/84	427	Posters (6,000) Ad Slicks (100)	2,192.00
4/13/84	429	Shipping Flyers (188,000) " Posters (23,000)	4,960.93
5/01/84	M-267	Television Schedule	200,000.00
5/30/84	M-285	Television Schedule	200,000.00

TOTAL AMOUNT DUE

\$436,184.51

6/25/84

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**Group III Communications Inc.**  
Marketing, Advertising & Public Relations

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May 31, 1985

Mr. James Dwinell  
Americans With Hart  
122 C Street, N.W.  
Suite 360  
Washington, D.C. 20001

Dear Mr. Dwinell:

Regarding our numerous attempts to collect the outstanding balance owed to Group III Communications by Americans With Hart, I have enclosed a subordination agreement that I request you sign and return as soon as possible.

I understand that efforts are being made on your behalf to raise the money necessary to retire this debt, but as a small business we can not afford to wait much longer.

Please advise me at your earliest convenience as to the status of your fund raising activities.

Your prompt attention to these matters would be greatly appreciated.

Sincerely,



Dave Iwans  
President

DI/mm  
Enclosure

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**SUBORDINATION AGREEMENT**

In consideration of the financial accommodations given, to be given, or continued by THE NATIONAL BANK OF WASHINGTON (hereinafter called "Bank") to Americans with Hart, Inc. (hereinafter called "Borrower"), the Undersigned hereby agrees as follows:

1. The Undersigned hereby postpones and subordinates any and all indebtedness of Borrower to the Undersigned to any and all indebtedness of Borrower to Bank, and agrees that no payment of or on account of the indebtedness so subordinated shall be made, or any security therefor given, unless and until all indebtedness of Borrower to Bank has been paid in full, and further agrees not to demand, receive or accept any such payment or security. The term "indebtedness" as used herein includes any and all obligations and liabilities of Borrower, including interest thereon, whether now or hereafter existing, absolute or contingent, secured or unsecured, due or not due, joint or several, and however arising.

2. Should any payment, distribution or security of proceeds thereof be received by the Undersigned upon or with respect to any indebtedness of Borrower to the Undersigned prior to the satisfaction of all indebtedness of Borrower to Bank, the Undersigned shall forthwith deliver the same to Bank in the form received (except for endorsement or assignment by the Undersigned where required by Bank), for application on any indebtedness of Borrower to Bank, and, until so delivered, the same shall be held in trust by the Undersigned as the property of Bank.

3. In the event of any receivership, insolvency, bankruptcy, assignment for the benefit of creditors, readjustment of indebtedness, composition, reorganization, whether or not pursuant to bankruptcy laws, sale of all or substantially all of the assets, dissolution, winding up, liquidation, or any other marshalling of the assets and liabilities of Borrower, any payment or distribution of assets of Borrower of any kind or character, whether in cash, securities or other property, which would otherwise be payable to or deliverable upon or with respect to any or all indebtedness of Borrower to the Undersigned shall be paid or delivered directly to Bank for application on any indebtedness of Borrower to Bank until such indebtedness shall have been fully paid and satisfied. Bank shall have the right to enforce, collect and receive every such payment or distribution and give acquittance therefor, and bank is hereby authorized, as attorney-in-fact for the Undersigned, to vote and prove the indebtedness of Borrower to the Undersigned in any of the above described proceedings or in any meeting of creditors of Borrower relating thereto.

4. The Undersigned shall not assign, transfer, hypothecate or dispose of any claim it has or may have against Borrower while any indebtedness of Borrower to Bank remains unpaid, without the written consent of Bank.

5. The Undersigned shall, promptly upon receipt, endorse and deliver to Bank all notes or other instruments now or hereafter issued which evidence any indebtedness of Borrower to the Undersigned.

6. This agreement shall constitute a continuing agreement of subordination, and Bank may, without notice to the Undersigned, lend monies, extend credit and make other financial accommodations to or for the account of Borrower on the faith hereof until written notice of revocation of this agreement as to future transactions shall be delivered to Bank by the Undersigned. Any such notice of revocation shall not affect this agreement in relation to any obligations or liabilities of Borrower then existing.

7. Bank, at any time and from time to time, either before or after such notice of revocation, may enter into such agreement or agreements with Borrower as Bank may deem proper extending the time of payment or renewing or otherwise altering the terms of all or any of the indebtedness of Borrower to Bank or affecting any security underlying any or all of such indebtedness, or may exchange, sell or surrender or otherwise deal with any security, or may release any balance of funds of Borrower with Bank, without notice to the undersigned and without in any way impairing or affecting this agreement.

8. Bank's delay in or failure to exercise any right or remedy shall not be deemed a waiver of any obligation of the Undersigned or right of Bank. This agreement may be modified, and any of Bank's right hereunder waived, only by agreement in writing signed by Bank.

9. This agreement shall inure to the benefit of Bank's successors and assigns and bind the heirs, legatees, personal representatives, successors and assigns of the Undersigned.

10. Notice of acceptance by Bank of this agreement is hereby waived by the Undersigned, and this agreement and all of the terms and provisions hereof shall immediately be binding upon the Undersigned from the date of execution hereof.

11. The Undersigned agrees to execute such other documents as Bank may reasonably request to effect the intent of this Subordination.

12. This agreement shall be construed and governed in accordance with the laws of the District of Columbia.

IN WITNESS WHEREOF, the Undersigned have executed and delivered this agreement under seal this 26<sup>th</sup>

day of April, 19 85

WITNESS:

Linda A. Brown  
[Signature]

Attest \_\_\_\_\_ (SEAL)

GROUP III COMMUNICATIONS, INC.

By: [Signature]

The undersigned Borrower hereby consents to the foregoing agreement and agrees to be bound by the terms and conditions thereof.

Dated \_\_\_\_\_ 19 \_\_\_\_\_

By: \_\_\_\_\_ (SEAL)

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**McGUIRE, WOODS & BATTLE**

ROSS BUILDING

**RICHMOND, VIRGINIA 23219**

TELEPHONE (804) 644-4131

CABLE MCWOBAT

TELEX 82-7414

SOVRAN CENTER  
NORFOLK, VIRGINIA 23510  
TELEPHONE (804) 627-7677

JEFFERSON COURT  
WASHINGTON, D. C. 20007  
TELEPHONE (202) 337-1337

COURT SQUARE BUILDING  
CHARLOTTESVILLE, VIRGINIA 22901  
TELEPHONE (804) 977-2500

137 YORK STREET  
WILLIAMSBURG, VIRGINIA 23185  
TELEPHONE (804) 229-2393

August 27, 1985

Scott Van Hove, Esquire  
c/o Americans With Hart, Inc.  
122 C Street, N.W.  
Suite 360  
Washington, D.C. 20001

Group III Communications, Inc. - Debt

Dear Mr. Van Hove:

Please be advised that McGuire, Woods & Battle represents Group III Communications, Inc. which provided media services to the Hart campaign during the 1984 presidential primary season.

The committee is indebted to Group III in the amount of \$436,148.51 exclusive of certain interest payments.

I have been instructed by Group III to pursue this claim, and I trust that you or somebody on your behalf will call me to discuss any plans the campaign has for prompt repayment.

Very truly yours,



Richard Cullen

RC/tat

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8/30/85

PHONE CALL

FOR <u>Scott</u>	DATE <u>8/27</u>	TIME <u>2:45</u> <u>PM</u>
M. <u>Richard Cullen</u>		
OF <u>McGuire, Woods + Battle</u>	<input checked="" type="checkbox"/>	TELEPHONED
PHONE <u>(804) 644-4131</u>	<input type="checkbox"/>	RETURNED YOUR CALL
MESSAGE <u>in regards to bill</u>	<input checked="" type="checkbox"/>	PLEASE CALL
<u>owed by House Committee</u>	<input type="checkbox"/>	WILL CALL AGAIN
<u>ms</u>	<input type="checkbox"/>	CAME TO SEE YOU
SIGNED	<input type="checkbox"/>	WANTS TO SEE YOU

Call from Dzoetz atly re: bill.  
 Indicated law suit is NOT out  
 of the question. called shore  
 to inform him.

*[Handwritten signature]*

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**McGUIRE, WOODS & BATTLE**

ONE JAMES CENTER

**RICHMOND, VIRGINIA 23219**

TELEPHONE (804) 644-4131

CABLE MCWOBAT

TELEX 5101010047

**September 6, 1985**

COURT SQUARE BUILDING  
POST OFFICE BOX 1288  
CHARLOTTESVILLE, VIRGINIA 22902  
TELEPHONE (804) 977-2500

JEFFERSON COURT  
1025 THOMAS JEFFERSON STREET, N.W.  
WASHINGTON, D.C. 20007  
TELEPHONE (202) 337-1337

137 YORK STREET  
POST OFFICE BOX 379  
WILLIAMSBURG, VIRGINIA 23187  
TELEPHONE (804) 229-2393

SOVRAN CENTER  
POST OFFICE BOX 3767  
NORFOLK, VIRGINIA 23514  
TELEPHONE (804) 627-7677

DIRECT DIAL NUMBER  
(804) 775-

Scott Van Hove, Esquire  
c/o Americans With Hart, Inc.  
122 C. Street, N.,W.  
Suite 360  
Washington, D.C. 20001

Group III Communications, Inc. - Debt

Dear Scott:

This will confirm that Nancy Dunn of your office has been kind enough to schedule a meeting for Thursday, September 12 at 11:00 a.m. at the Epstein, Becker, Borsody & Green law firm, 1140 19th Street, N.W., Suite 900, Washington, D.C.. I understand that Bill Oldaker will be present with you. I plan to have Dave Iwans with me.

Please ask Ms. Dunn to call my secretary, Teri Ann Tingen, on Tuesday, September 10, to confirm the meeting.

Very truly yours,



Richard Cullen

RC/tat

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**McGUIRE, WOODS & BATTLE**

ONE JAMES CENTER

**RICHMOND, VIRGINIA 23219**

TELEPHONE (804) 644-4131

CABLE MCWOBAT

TELEX 5101010047

COURT SQUARE BUILDING  
POST OFFICE BOX 1288  
CHARLOTTESVILLE, VIRGINIA 22902  
TELEPHONE (804) 977-2500

JEFFERSON COURT  
1025 THOMAS JEFFERSON STREET, N.W.  
WASHINGTON, D.C. 20007  
TELEPHONE (202) 337-1337

137 YORK STREET  
POST OFFICE BOX 379  
WILLIAMSBURG, VIRGINIA 23187  
TELEPHONE (804) 229-2393

SOVRAN CENTER  
POST OFFICE BOX 3767  
NORFOLK, VIRGINIA 23514  
TELEPHONE (804) 627-7677

DIRECT DIAL NUMBER  
(804) 775-

October 16, 1985

Scott Van Hove, Esquire  
c/o Americans With Hart, Inc.  
122 C. Street, N.W.  
Suite 360  
Washington, D.C. 20001

Group III Communications, Inc. - Debt

Dear Scott:

It was a pleasure meeting with you concerning repayment of the Group III debt.

I have spoken with my client and have three proposals. First, we would like to talk about a direct mail effort. I believe we could have the use of a substantial Democratic donor list in Virginia. We would like you to determine if Senator Hart would sign such a letter. We propose that Group III would retain all net proceeds from the mailing. I would like your view on whether such a mailing and fund raising event would have to be approved by the Federal Election Commission.

Second, we would like to enter into a written agreement with the Hart campaign whereby Group III would be entitled to 25% of all revenues netted from fund raising events during the next twelve months.

Third, it is my understanding that Senator Hart's campaign had a rather successful fund raising event within the past two weeks. We now make demand for a reasonable portion of those proceeds.

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Scott Van Hove, Esquire  
Page Two  
October 14, 1985

Please call me concerning both of these matters at your  
earliest convenience.

Very truly yours,



Richard Cullen

RC/tat

cc: Mr. David R. Iwans

33740724304

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Gary Hart  
Washington, D.C.

November 21, 1985

Richard Cullen, Esquire  
McGuire, Woods & Battle  
One James Center  
Richmond, Virginia 23219

Re: Group III Communications, Inc.

Dear Mr. Cullen:

This letter is to confirm our conversation of October 29, 1985, regarding the outstanding balance due Group III Communications.

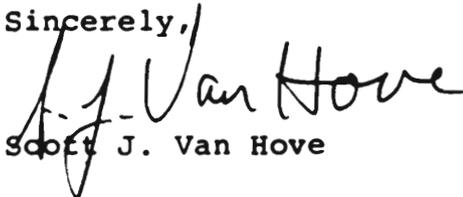
As I indicated, Americans with Hart, Inc. ("AWH") is willing to cooperate in direct mail activities to help retire the Group III debt. These activities could not, however, include any mailings to the existing AWH mailing list. We will be happy to work with you on any other arrangements you may wish to pursue.

AWH is not able to enter into an agreement whereby Group III receives a specific percentage of net fundraising revenue. AWH currently has approximately 330 creditors and we must maintain as much flexibility as possible in order to settle with the smaller creditors. These settlements will permit AWH to focus its fundraising efforts on the largest creditors including Group III. Our bank also prevents us from agreeing to such a proposal given their interest in AWH's fundraising activities.

Your third proposal referred to the proceeds of Harriman fundraiser. Unfortunately, those funds were previously committed to pay for the costs of the event and to make a principal and interest payment to our bank.

Please be assured that AWH is doing everything it can to meet its outstanding obligation to Group III. Feel free to contact me at your convenience should you have additional questions.

Sincerely,

  
Scott J. Van Hove

SJVH/mrm

Paid for by Americans with Hart

8

89040724306

88040724307

*Mike* ←

**Group III Communications Inc.**  
Marketing, Advertising & Public Relations

*Call Wied.*  


921 Crawford Parkway • Portsmouth, Virginia 23704

804-397-9148

April 2, 1986

*4/7 Phoned him & asked for a few days*

Bill Dixon  
Gary Hart's Office  
237 Russell Senate Office Bldg.  
Washington, DC 20510

*4/10 phoned him & told him we'll begin payment of minimum of \$5000/ with hope it will increase*

Dear Bill,

We have made every effort to work with Americans with Hart, Inc. with regard to the debt owed to us by the campaign. Our patience, however, has been tested to the limit.

The time has come when we need to see some real and tangible action in terms of repayment. Without this action, we will be forced to file suit in order to protect our rights as a creditor.

*4/11 Sent him \$5000*

I will expect to hear from you next week about a repayment schedule so further action on our part will not be necessary.

Sincerely,

*David R. Iwans*

David R. Iwans,  
President

DRI:rl

*EYE Wans*

*(miles Sex Rubin)*

83040724308

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AMERICANS WITH HART  
P. O. BOX 6287  
DENVER, COLORADO 80206

3432

482

23-7/1020

April 10 1986

Pay to the order of Group III Communications, Inc.

\$5,000<sup>00</sup>/<sub>100</sub>

Five thousand and <sup>no</sup>/<sub>100</sub> Dollars



**United Bank of Denver**

National Association  
United Bank Center 1760 Broadway Denver, Colorado 80202

*Patti Sampers*

⑈003432⑈ ⑆102000076⑆ 872 588⑈ ⑈0000500000⑈

83 407 4311  
Law Deposit Only  
Group III Communication  
# 090-026-1951

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FBI DENVER  
1020-0018-8  
PAY ANY BANK  
23-19

AP 80 15  
FBI DENVER  
1020-0018-8  
PAY ANY BANK  
23-19

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To send, through Mike

**Group III Communications Inc.**  
Marketing, Advertising & Public Relations

I will want  
another 5000  
check to me  
please by 5/30  
Dixon

Mr. Bill Dixon  
Gary Hart's Office  
237 Russell Senate Ofc. Bldg.  
Washington, DC 20510

April 14, 1986

S T A T E M E N T

<u>DATE</u>	<u>INVOICE</u>	<u>DISCRIPTION</u>	<u>AMOUNT</u>
3/20/84	406	Posters (11,000) Literature (200,000)	\$7,297.82
3/21/84	407	Buttons (85,000)	4,037.50
3/27/84	417	Shipping (Posters and Literature)	2,127.30
4/02/84	421	Flyers (50,000) Posters (23,000) Bumper Strips (15,000) Buttons (62,000)	12,346.20
4/09/84	426	Flyers (138,000)	3,222.76
4/10/84	427	Posters (6,000) Ad Slicks (100)	2,192.00
4/13/84	429	Shipping Flyers (188,000) " Posters (23,000)	4,960.93
5/01/84	M-267	Television Schedule	200,000.00
5/30/84	M-285	Television Schedule	200,000.00
4/14/86		Payment	5,000.00

TOTAL DUE ..... \$431,184.51

38040724313

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~~SWH~~ ~~May 11/11~~ ~~ended no~~ ~~late~~ ~~late~~ ~~memo~~

United States Senate  
WASHINGTON, D.C. 20510

Mike - I would like to personally send May \$5000 check to Swans at Group 3 soonest (last was 4/11). Your estimate please on when I can get it. Bill

88040724315

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**GARY HART**  
WASHINGTON, D.C.

May 23, 1986

Mr. David R. Iwans  
Group III Communications Inc.  
921 Crawford Parkway  
Portsmouth, VA 23704

Dear David,

Please find enclosed your check in the amount of \$5000.

Sincerely,

Michael P. Novelli

88040724317



United Bank Center, 1700 Broadway, Denver, Colorado 80274

# United Bank of Denver

National Association

614413 23-7/1020

## Cashier's Check

"Purchase of an indemnity bond will be required before any official check of this Bank will be replaced in the event it is lost, destroyed, or stolen."

MAY 19, 1986

Date

Pay To The Order Of \*\*\*GROUP III COMMUNICATIONS\*\*\* \$ \*\*\*5,000.00\*\*\*

United Bank of Denver 5,000 dol's 00 cts

RE: AMERICANS WITH HART

*Gilbert Lee Romeu*  
Authorized Signature

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88040724319

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Mike

# Group III Communications Inc.

Marketing, Advertising & Public Relations

Mr. Bill Dixon  
Gary Hart's Office  
237 Russell Senate Ofc. Bldg.  
Washington, DC 20510

May 28, 1986

S T A T E M E N T

<u>DATE</u>	<u>INVOICE</u>	<u>DISCRIPTION</u>	<u>AMOUNT</u>
3/20/84	406	Posters (11,000) Literature (200,000)	\$7,297.82
3/21/84	407	Buttons (85,000)	4,037.50
3/27/84	417	Shipping (Posters and Literature)	2,127.30
4/02/84	421	Flyers (50,000) Posters (23,000) Bumper Strips (15,000) Buttons (62,000)	12,346.20
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5/01/84	M-267	Television Schedule	200,000.00
5/30/84	M-285	Television Schedule	200,000.00
4/14/86		Payment	5,000.00
5/27/86		Payment	<u>5,000.00</u>
TOTAL DUE .....			\$426,184.51

88040724320

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**McGUIRE, WOODS & BATTLE**

ONE JAMES CENTER

**RICHMOND, VIRGINIA 23219**

COURT SQUARE BUILDING  
POST OFFICE BOX 1288  
CHARLOTTESVILLE, VIRGINIA 22902  
TELEPHONE (804) 977-2500

TELEPHONE (804) 644-4131

CABLE MCWOBAT

TELEX 5101010047

137 YORK STREET  
POST OFFICE BOX 379  
WILLIAMSBURG, VIRGINIA 23187  
TELEPHONE (804) 229-2393

JEFFERSON COURT  
1025 THOMAS JEFFERSON STREET, N. W.  
WASHINGTON, D. C. 20007  
TELEPHONE (202) 337-1337

SOVRAN CENTER  
POST OFFICE BOX 3767  
NORFOLK, VIRGINIA 23514  
TELEPHONE (804) 627-7677

July 21, 1986

DIRECT DIAL NUMBER  
(804) 775-

*Mike - for file*

Mr. William Dixon  
Office of Senator Gary Hart  
Room 237  
Russell Senate Office Building  
Washington, D.C. 20510

Re: Group III Communications

Dear Mr. Dixon:

This letter is to confirm the meeting we have scheduled for Friday, August 8, at 10:30 a.m. in your offices. I understand that you, Scott Van Hove and Mike Novelli will be in attendance. Robert H. Patterson, Jr. and I will attend as counsel for Group III Communications.

Should there be any change in this schedule, I would appreciate your advising my office as soon as possible. I will be away during the week of July 22, but expect to be in the office by July 29.

Sincerely yours,

*Anne Marie Whittemore*

Anne Marie Whittemore

AMW:bfc

33040724322

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**McGUIRE, WOODS & BATTLE**

ONE JAMES CENTER

**RICHMOND, VIRGINIA 23219**

TELEPHONE (804) 644-4131

CABLE MCWOBAT

TELEX 5101010047

137 YORK STREET  
POST OFFICE BOX 379  
WILLIAMSBURG, VIRGINIA 23187  
TELEPHONE (804) 229-2393

SOVRAN CENTER  
POST OFFICE BOX 3767  
NORFOLK, VIRGINIA 23514  
TELEPHONE (804) 627-7677

DIRECT DIAL NUMBER  
(804) 775-

COURT SQUARE BUILDING  
POST OFFICE BOX 1288  
CHARLOTTESVILLE, VIRGINIA 22902  
TELEPHONE (804) 977-2500

JEFFERSON COURT  
1025 THOMAS JEFFERSON STREET, N.W.  
WASHINGTON, D. C. 20007  
TELEPHONE (202) 337-1337

September 8, 1986

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Michael P. Novelli  
Americans with Hart, Inc.  
122 C Street, N.W.  
Suite 360  
Washington, D. C. 20001

Dear Mr. Novelli:

We have reviewed with our client, Group III Communications, Inc., the matters discussed at our meeting with you and Mr. Dixon on July 24. We now must make demand for prompt payment of the \$426,184.51, plus interest, owed to Group III by Americans with Hart, Inc. If this amount is not paid on or before September 22, 1986, it is Group III's intention to bring suit to compel payment.

Sincerely,



Robert H. Patterson, Jr.

RHPJr:hsw  
cc: William P. Dixon

33040724324

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Mike N

**Group III Communications Inc.**  
Marketing, Advertising & Public Relations

---

600 Crawford Street • Portsmouth, VA 23704 • 804-397-9148

November 3, 1986

Mr. Bill Dixon  
Gary Hart's Office  
237 Russell Senate Ofc. Bldg.  
Washington, DC 20510

Dear Bill,

Pursuant to our most recent phone conversation, Group III Communications will expect to receive a "good faith" payment to catch up on the monthly installments that have been missed since May 1986.

Monthly installments of at least \$5,000 will resume and continue from now on.

You also suggested that we call you towards the end of November to remind you to earmark a significant portion of the money raised on December 8, 1986 for Group III.

Bill, I am taking your word of honor that this is the course that you will take. If, for any reason, you do not intend to follow this agreement, I expect to hear from you immediately.

Sincerely,



Dave Iwans

DI/btg

cc: Ann Whittemore  
McGuire, Woods & Battle  
One James Center  
Richmond, VA 23219

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Dixon → Call him Monday 11/17

**Group III Communications Inc.**  
Marketing, Advertising & Public Relations

600 Crawford Street • Portsmouth, VA 23704 • 804-397-9148

*copies - Mike N  
Jim B*

November 12, 1986

Mr. Bill Dixon  
Gary Hart's Office  
237 Russell Senate Ofc. Bldg.  
Washington, DC 20510

Sent Overnight Federal Express 11/12/86

Dear Bill,

By virtue of the fact that I have received no further word or money in response to my registered letter of November 3rd, I believe that Group III Communications is left with no other alternative but to file suit against Americans With Hart, Inc.

Bill, please be advised that I have held true to my word to give you prior notice before proceeding. If I do not hear from you with a satisfactory proposal for repayment by Friday, November 14, 1986, I will instruct my attorneys to proceed with the filing on Monday, November 17, 1986.

I truly regret that we have been unable to settle this matter, but I feel that I have no other alternative.

Sincerely,

*David R. Iwans*  
David R. Iwans

DRI:rl

cc: Anne Whittemore  
Susan Medalie

*3. We pay IRS & he gets check  
#2. We won't pay any other  
creditors before I get him a  
check to show good faith!*

11/13 10:49 AM - I gave Iwans

my personal word Today:  
1. I will call him Monday 11/17 & tell him when he will get a check & in what amount!  
2. He will get a "chunk" of 12/8 proceeds to make up part of arrearage in our deal!  
Please help me keep my word. Dixon

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98040724329

AMERICANS WITH HART, INC.

P. O. BOX 75356  
WASHINGTON, D.C. 20013

3915

12/30 1986

12-71

PAY TO THE ORDER OF

GROUP THREE COMMUNICATIONS

\$ 2500.00

Two Thousand Five Hundred & 00/100

DOLLARS



THE NATIONAL BANK OF WASHINGTON

HEAD OFFICE WASHINGTON, D.C. 20001

FOR

*A. J. Van Hout*

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Weston  
Best guess of  
Mike/Richard on  
when we can get  
Swans on 2nd 2500  
for Dec please?

Please return  
answer.

Bill  
1/7

Mike is returning  
at this weekend  
with ~~the~~ - outstanding  
It might offer  
from ~~some~~  
had. →

33040724332

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Group III Communications Inc.  
Marketing, Advertising & Public Relations

Mr. Bill Dixon  
Americans with Hart  
237 Russell Senate Office Building  
Washington, DC 20510

March 9, 1987

S T A T E M E N T

<u>DATE</u>	<u>INVOICE</u>	<u>DISCRIPTION</u>	<u>AMOUNT</u>
3/20/84	406	Posters (11,000) Literature (200,000)	\$7,297.82
3/21/84	407	Buttons (85,000)	4,037.50
3/27/84	417	Shipping (Posters and Literature)	2,127.30
4/02/84	421	Flyers (50,000) Posters (23,000) Bumper Strips (15,000) Buttons (62,000)	12,346.20
4/09/84	426	Flyers (138,000)	3,222.76
4/10/84	427	Posters (6,000) Ad Slicks (100)	2,192.00
4/13/84	429	Shipping Flyers (188,000) " Posters (23,000)	4,960.93
5/01/84	M-267	Television Schedule	200,000.00
5/30/84	M-285	Television Schedule	200,000.00
4/14/86		Payment	5,000.00
5/27/86		Payment	5,000.00
11/14/86		Payment	2,500.00
1/5/87		Payment	<u>2,500.00</u>
TOTAL DUE .....			\$421,184.51

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GINNS

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Americans With Hart, Inc. )  
Debt Settlement )

COMMITTEE NO.  
C00159251

DEBT SETTLEMENT AGREEMENT

1. Pursuant to 11 C.F.R. §114.10 (c), Americans With Hart, Inc. (AWH) and Group III Communications, Inc. (Vendor) hereby enter into a debt settlement agreement and request Commission approval of the same.

2. AWH incurred obligations to Vendor of \$886,486.10 of which \$465,301.59 was paid in full and \$421,184.51 is current.

3. This obligation was incurred for: Media Consulting, Printing & TV Buy.

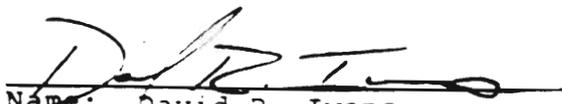
4. Being unable to meet the balance of its obligation to Vendor, AWH offers and Vendor hereby agrees to accept as settlement in full for AWH's current obligation the sum of \$42,118.45, it being understood that AWH has paid Vendor a total of \$507,420.04 for its services rendered.

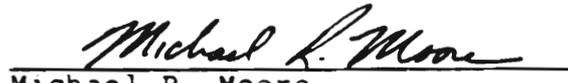
5. Vendor verifies that the initial extension of credit to AWH was commercially reasonable and that it has taken all commercially reasonable steps to collect the full amount owing.

6. This agreement is conditioned on approval by the Federal Election Commission.

FOR VENDOR:

FOR AMERICANS WITH HART, INC.:

  
Name: David R. Iwans  
Title: President, Group III  
Date: 3/27/87 Communications

  
Michael R. Moore  
Treasurer  
Date: 3/31/87

33040724336



United Bank of Denver 1700 Broadway, Denver, Colorado 80274

# United Bank of Denver

National Association

648968 28-7-1000

## Cashier's Check

Purchase of an indemnity bond will be required before any official check of this Bank will be replaced in the event it is lost, destroyed or stolen.

Date 03/31/87

\*\*\*\*\*42,118.45

Pay To The Order Of GROUP III COMMUNICATIONS \$

\*\*\*\*\*42,118\*DOLLARS AND\*45\*CENTS

*Thomas J. Erickson*  
Authorized Signature

Americans With Hart Debt Settlement

⑈648968⑈ ⑆02000076⑆ 010 479⑈

733342704038

Negotiation of this check  
constitutes payment in full  
for all goods and services  
provided.

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SEMPER/MOSER ASSOCIATES INC.

March 7, 1984

James Dwinell  
AMERICANS FOR HART, INC.  
507 8th Street S.E.  
Washington, D.C. 20003

Dear Mr. Dwinell:

Enclosed are two copies of the agency agreement we discussed covering the placement of media for Americans for Hart, Inc.

Please sign one copy and return it to us. You may retain the second copy for your files.

If you have any questions, please don't hesitate to call.

Sincerely,

Peter J. Semper  
President

/s/

98040724339

LETTER OF AGREEMENT

Americans for Hart, Inc.  
Name of Advertiser

507 8th Street S.E.  
Address of Advertiser

Washington, D.C. 20003  
City of Advertiser

Gentlemen:

This letter outlines the terms and conditions under which it is agreed that you appoint Semper/Moser Associates, Inc. to serve as your advertising agent and counsel.

T E R M S   A N D   C O N D I T I O N S

GENERAL PROVISIONS:

We agree to devote our best efforts to your interests, and to endeavor in every way to make your advertising successful, and you agree to aid us in doing so by making available to us such information pertaining to your business as we may need and to cooperate with us in expediting our work.

This agreement shall be subject to any present or future obligation on our part to or requirements of media. We agree to secure your approval of all our expenditures in connection with your advertising.

We will exercise reasonable care to preserve any of your property in our possession, but shall have no other obligation in connection therewith either as to insurance or otherwise. We shall use our best efforts to obtain the return of any of your property turned over by us to third parties but shall have no further obligation.

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GENERAL PROVISIONS, CONT'D:

You reserve the right, in your own best interest, to modify, reject, cancel or stop any and all plans, schedules or work in process; and in such event we shall immediately take proper steps to carry out your instructions; but you agree to assume our liability for all commitments, and to reimburse us for any losses we may sustain by reason of your action, and for all expenses incurred in connection with your advertising on your authorization, and to pay us any service charges relating thereto, in accordance with the provisions of this agreement.

We will use our best efforts to guard against any loss to you through failure of media or suppliers properly to execute their commitments, but we shall not be held responsible for any failure on their part.

CHARGES FOR ADVERTISING SPACE, RADIO AND TELEVISION TIME:

You agree to pay us at card rates (current published rates) for advertising run in all media, except in media allowing no commission or less than 15% commission. In such exceptional cases you agree to pay us at card rates plus an amount which, together with the commission, if any, allowed by media, will yield us 15% of our total charge to you, before cash discount.

RATE ADJUSTMENTS:

If, in a medium having a schedule of graduated rates, less space or radio time than contracted for is used, you are to pay us the difference, if any, between the amount due at the rate named in the contract and the amount due at the rate applicable to the quantity of space or radio and television times used, in accordance with such short rate payments as we may be obligated for in connection with your advertising.

If, in a medium having a schedule of graduated rates, more space or radio and television time than contracted for is used, we shall refund to you any excess you may have paid us over the amount due at the rate earned, in accordance with such refunds as may be made to us by the media.

We shall refund or credit to you any other refunds received by us in connection with advertising space, radio and television time, or material for which you have paid us.

CASH DISCOUNTS:

The exact amount of cash discount allowed to us by media for prompt payment will be allowed to you provided payment is made to us in accordance with the cash discount terms stated on our invoices, and provided that there is no overdue indebtedness at the time of payment.

No cash discount is allowed on our bills for materials and services purchased for you since such bills usually represent funds already disbursed by us, such charges being accumulated and billed to you on completion of each job.

CHARGES FOR MATERIALS AND SERVICES PURCHASED:

You agree to pay us the gross invoice price of all materials and services (other than space, radio or television time) purchased for you on your authorization plus 20% of such gross invoice price except cash outlays provided for in section headed: "Charges for Special Services Performed By Us."

Items to be billed on this basis include the following:

- 1) Artwork purchased
- 2) Engravings, electros, typography, matrices and other mechanical parts
- 3) Printed matter
- 4) Special writers
- 5) Radio talent, scripts, musical arrangements and production, and electrical transcriptions
- 6) Surveys contracted for with independent research organizations or individuals

CHARGES FOR SPECIAL SERVICES PERFORMED BY US:

- 1) Upon our performing the services listed below, you agree to reimburse us such cash outlays as we make in connection with them:

Forwarding and mailing (including packing, postage, express, import duties, and messenger service)

Telephoning and telegraphing on client's behalf

Traveling except between agency's and client's main office

Taxes incurred in the performances of this agreement

CHARGES FOR SPECIAL SERVICES PERFORMED BY US, CONT'D:

- 2) If you should desire other special services from time to time, the compensation we are to receive shall be agreed upon between us in advance in writing, or failing such agreement, the reasonable value of the services.

TERMS OF PAYMENT:

It is agreed that all outside purchases performed for you by the agency will be marked-up 20%.

Two fundamental principles on which the client-agency-medium financial relationship is based are (1) that the advertising agency shall finance its own service, but not the advertising of its clients, and (2) that the advertising agency is held by media as liable for payment. Therefore it is essential that we collect from you in time to satisfy our media bills.

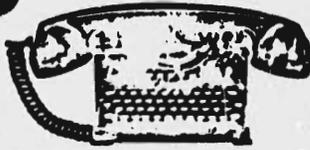
Therefore, we agree to pay media bills for you in advance, contrary to our usual policy, providing you keep your account current within 60 days of billing. If media cash discounts are offered, we will pass them on to you if you pay within ten days of billing.

Unless specified otherwise in writing agreed to by both parties, a service fee of 1½% per month will be applied to any unpaid invoice thirty days after billing.

We reserve the right in case of delinquency in your payments to us, or such impairment of your credit as in our opinion might endanger future payments to us to change the requirements as to terms of payment under this agreement, or to cancel this agreement on ten days' notice.

TERMINATION OF AGREEMENT:

This agreement shall become effective the 7th day of March, 1984, and shall continue in force unless terminated in writing given by either party to the other and sent by certified mail to the principle place of business of the party to whom such notice is addressed. The rights, duties and responsibilities of the agency shall continue in full force during the period of notice, including the ordering and billing of all advertising in media where closing dates fall within such period.



TERMINATION OF AGREEMENT, CONT'D:

After the expiration of the above-specified interval following notice, no rights or liabilities shall arise out of this relationship, regardless of any plans which may have been made for future advertising, with the following exceptions:

That any uncancellable contract made on your authorization, and still existing at the expiration of the agreed-on interval following notice, shall be carried to completion by us and paid for by you unless mutually agreed in writing to the contrary, in accordance with the provisions herein.

That any time and expense on our part incurred during or prior to period of notice not covered by commission or fees as outlined herein before shall be paid for by you at our cost plus.

Upon the termination of this contract, we shall upon request by you in writing, transfer, assign, and make available to you, or your representative, all property and materials in our possession or control belonging to and paid for by you. We also agree to give all reasonable cooperation toward transferring all reservations, contracts and arrangements with advertising media, or others, for advertising space, radio time, yet to be used and all rights and claims thereto and therein, upon being duly released from the obligation thereof.

However, at termination, unused or unpublished advertising plans and ideas prepared by us shall remain our property, regardless of whether or not the physical embodiment of the creative work is in your possession in the form of copy, art work, plates, etc.

EXAMINATION OF RECORDS:

It is understood that you may at any time during the life of this contract, and upon reasonable notice, and at any time during business hours consistent with proper conduct of our business, examine our files and records pertaining to the handling of your advertising.

ACCEPTED:

ACCEPTED:

Americans for Hart, Inc.  
Client

SEMPER/MOSER ASSOCIATES, INC.  
1744 Washington Boulevard  
Venice, California 90291

By \_\_\_\_\_

*Robert J. Moser*  
By \_\_\_\_\_  
President

Title \_\_\_\_\_

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TERMINATION OF AGREEMENT, CONT'D:

After the expiration of the above-specified interval following notice, no rights or liabilities shall arise out of this relationship, regardless of any plans which may have been made for future advertising, with the following exceptions:

That any uncancellable contract made on your authorization, and still existing at the expiration of the agreed-on interval following notice, shall be carried to completion by us and paid for by you unless mutually agreed in writing to the contrary, in accordance with the provisions herein.

That any time and expense on our part incurred during or prior to period of notice not covered by commission or fees as outlined hereinbefore shall be paid for by you at our cost plus.

Upon the termination of this contract, we shall upon request by you in writing, transfer, assign, and make available to you, or your representative, all property and materials in our possession or control belonging to and paid for by you. We also agree to give all reasonable cooperation toward transferring all reservations, contracts and arrangements with advertising media, or others, for advertising space, radio time, yet to be used and all rights and claims thereto and therein, upon being duly released from the obligation thereof.

However, at termination, unused or unpublished advertising plans and ideas prepared by us shall remain our property, regardless of whether or not the physical embodiment of the creative work is in your possession in the form of copy, art work, plates, etc.

EXAMINATION OF RECORDS:

It is understood that you may at any time during the life of this contract, and upon reasonable notice, and at any time during business hours consistent with proper conduct of our business, examine our files and records pertaining to the handling of your advertising.

ACCEPTED:

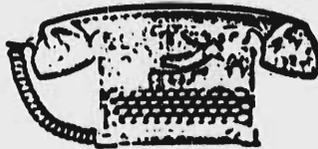
ACCEPTED:

Americans for Hart, Inc.  
Client  
*[Signature]*  
By  
*[Signature]*  
Title

SEMPER/MOSER ASSOCIATES, INC.  
1744 Washington Boulevard  
Venice, California 90291  
*[Signature]*  
By  
*[Signature]*  
Title

38040724345





1 P

SEMPER/MOSER ASSOCIATES INC.

April 13, 1984

Mr. Scott Van Hove  
AMERICANS WITH HART  
507 8th Street S.E.  
Washington, D.C. 20003

Subject: Semper/Moser Invoice #2181

Dear Mr Van Hove,

Enclosed are verifications of Semper/Moser media buys  
for Americans With Hart.

These buys, as you know, were made through Mercurio  
Consultants.

If there is anything I can do for you, please let  
me know.

Best regards,

  
Peter J. Semper

/b

cc: James Dwinell

38040724347

<u>Station/Location</u>	<u>Gross Billing</u>	<u>Net Paid</u>	<u>Agency Com.</u>
KYCU Cheyenne, WY	5190.00	4411.50	778.50
KWTO Casper, WY	6095.00	5180.75	914.25
KCWY-TV Casper, WY	2730.00	2320.50	409.50
KCWY-TV Tacoma, WA	5500.00	4675.00	825.00
KOMO-TV-4 Seattle, WA	7065.00	6005.25	1059.75
KIRO-TV Seattle, WA	7825.00	6651.25	1173.75
KING-TV-5 Seattle, WA	9800.00	8330.00	1470.00
KW TV OK City, OK	5765.00	4900.25	864.75
KTVY OK City, OK	915.00	777.75	137.25
KOCO-TV OK City, OK	4490.00	3816.50	673.50
KTEN Ada, OK	600.00	510.00	90.00
KTVN-2 Reno, NV	2950.00	2507.50	442.50
KOLO-TV Reno, NV	3830.00	3255.50	574.50
KLAS-TV Las Vegas, NV	762.00	647.70	114.30
KVVU-TV Las Vegas, NV	1630.00	1385.50	244.50
KVBC-TV Las Vegas, NV	370.00	314.50	55.50
KPAX-TV Missoula, MT	2685.00	2282.25	402.75
<b>Sub Total</b>	<b>56,830.75</b>		
KECI-TV Missoula, MT	755.00	641.75	113.25
KYUS Miles City, MT	500.00	425.00	75.00
KRTU Great Falls, MT	3075.00	2613.75	461.25
KFBB Great Falls, MT	460.00	391.00	69.00
KXGN Glendive, MT	1050.00	892.50	157.50
KXLF Butte, MT	3650.00	3102.50	547.50
KULR Billings, MT	1615.00	1372.75	242.25
KLVO-2 Billings, MT	1605.00	1364.25	240.75
KOUS-TV Billings, MT	325.00	276.25	48.75
KDNL-TV-30 St. Louis, MO	1900.00	1615.00	285.00
KMOX St. Louis, MO	14,075.00	11,963.75	2111.25
KOTV Tulsa, OK	4640.00	3944.00	696.00
KXII-TV Ardmore, OK	1079.00	917.15	161.85
KAME Reno, NV	1055.00	896.75	158.25
KTVG Helena, MT	495.00	420.75	74.25
	<b>104,481.00</b>	<b>88,808.85</b>	

(1519.00 short)  
(add Wichita)



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MILTON DAVIS  
M. STEPHEN DAVIS

DAVIS AND DAVIS  
ATTORNEYS AT LAW  
9171 WILSHIRE BOULEVARD  
BEVERLY HILLS, CALIFORNIA 90210

AREA CODE 213  
TELEPHONE 273-0816

February 12, 1985

James Dwinell  
Americans With Hart, Inc.  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002

Re: Semper-Moser Associates, Inc.

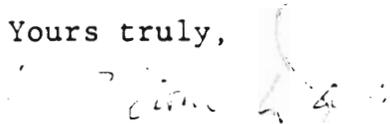
Dear Mr. Dwinell:

On December 14, 1984, you agreed on behalf of the National Committee of Americans with Hart, Inc., a Colorado corporation, that you would commence to discharge the Committee's very substantial indebtedness to my client, Semper - Moser Associates, Inc., by sending them 18% of amounts raised at various fund raising dinners commencing with the dinner meeting that week in Beverly Hills, California.

On December 26, 1984, you called me and informed me that you were sending me a check that day. As you well know, no such check was sent. This is particularly unfortunate inasmuch as I withheld commencement of suit based upon your promises as I believed that you would discharge your commitments.

I have been attempting to reach you by telephone last week and this week but without success. Accordingly, you have left me no alternative except to commence the suit that I should have begun two months ago. If I do not have a substantial check on account by the end of this week, I will without further notice whatsoever commence appropriate legal action and let the chips fall where they may. If you wish to avoid the unsatisfactoriness of litigation and the additional expense which you will incur, it will be necessary for you to comply with the foregoing demand as no further notice will be given to you before suit.

Yours truly,

  
Milton Davis

MD/rv

cc: Semper - Moser Associates, Inc.

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AMERICANS WITH HART, INC.

2373

PH. 202-675-9000

311 MASSACHUSETTS AVE., N.E.

WASHINGTON, D.C. 20002

PAY TO THE ORDER OF

Semper/Moser Associates Inc.

DOLLARS

two thousand three hundred sixty three <sup>00</sup>/<sub>100</sub>

2/13 19 85 <sup>147</sup>/<sub>100</sub>



THE NATIONAL BANK OF WASHINGTON

FOR LH proceeds distribution

⑆002373⑆ ⑆054000072⑆ ⑆10260 25 ⑆

J. Van Horn

2 5 3 4 2 7 0 4 8 8

8 3 0 4 0 7 2 4 3 5 3



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SEMPER/MOSER ASSOCIATES INC.

April 4, 1985

AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002

Attention: Scott Van Hove

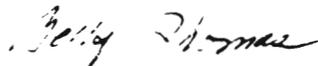
Dear Mr. Van Hove:

Per your telephone request, enclosed is a copy of our Letter of Agreement, our April 13, 1984 letter to you and copies of all past due invoices.

As you can see, this account is well past due and the interest is really adding up. I am sure you are as eager as we are to see payments handled in a more timely manner.

Giving you time to review the enclosed, I will soon be in touch to discuss what payment schedule you have arranged.

Yours truly,



Betty Thomas  
(Accounting Department)

88040724354



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02777  
Date: 04/03/85  
Our job no:  
Account no:

To: AMERICANS WITH HART  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002  
Attn: Scott Van Hove

Description: To charge you for service fee @ 1 1/2% on unpaid invoices:

	Invoice Amount	Paid on A/C	Interest Due
Invoice #2181	106,010.00		1,590.15
2301	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.66		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
2736	1,846.46	2,363.00	(7.75)
Current	1,538.71		-
	126,782.36	2,363.00	

Interest on this Invoice: 1,336.71

TOTAL AMOUNT DUE: 124,419.36

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

/b

**PAST DUE**  
*Please!*

38040724355



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02777  
Date: 04/03/85  
Our job no:  
Account no:

To: AMERICANS WITH HART  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002  
Attn: Scott Van Hove

Description: To charge you for service fee @ 1 1/2% on unpaid invoices:

	Invoice Amount	Paid on A/C	Interest Due
Invoice #2181	106,010.00		1,590.15
2301	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.66		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
2736	1,846.46	2,363.00	(7.75)
Current	1,838.71		-
	<u>126,782.36</u>	<u>2,363.00</u>	

Interest on this Invoice: 1,838.71

TOTAL AMOUNT DUE: 124,419.36

  
PETER J. SEMPER, PRESIDENT

/b

88740724356



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 1877  
Date: 05/01/75  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
Attn: James Dwinell

83040724357

Description:

To charge you for Service Fee @ 1 1/2% on unpaid invoices:

		Pd. on A/C	
Invoice 2181	106,010.00		1,590.15
2301	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.00		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.48
2629	1,792.29		26.86
2705	1,819.17		27.29
Current	1,846.4	2,363.00	-
<b>TOTAL:</b>	<b>124,943.05</b>	<b>2,363.00</b>	<del>1846.46</del> <b>1846.46</b>

TOTAL DUE: ~~1846.46~~  
**1846.46**

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

/b

**PAST DUE**  
*Please!*



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02736  
Date: 03/01/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
Attn: James Dwinell

Description:

To charge you for Service Fee @ 1½% on unpaid invoices:

		Pd. on A/C	
Invoice 2181	106,010.00		1,590.15
2301	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.66		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
Current	1,846.46	2,363.00	-
TOTAL:	124,943.65	2,363.00	1,846.46

TOTAL DUE: 1,346.46

  
PETER J. SEMPER, PRESIDENT

/b

8 3 0 4 0 7 2 4 3 5 8



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 0000

Date: 2/2/85

Our job no:

Account no:

To: AMERICANS WITH ART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
ATTN: James Dwinell

Description: To charge you for service fee at 1.5% on unpaid invoices

INVOICES:	INVOICE AMOUNT	INTEREST FEE
2181	106010.00	1590.15
2301	1590.15	23.85
2341	1614.00	24.21
2402	1658.21	24.87
2409	62.44	.94
2430	1662.78	24.94
2479	1688.66	25.33
2492	1713.99	25.71
2561	1739.70	26.10
2615	1765.80	26.48
2629	1792.29	26.88
Current	1819.17	---
	<hr/>	
	\$123097.19	\$1819.17

TOTAL DUE: \$123,097.19

*James Dwinell*  
JAMES DWINELL, PRESIDENT

PAST DUE!  
Please!

980407(2)4359



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02705

Date: 2/8/85

Our job no:

Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
ATTN: James Dwinell

Description: To charge you for service fee at 1.5% on unpaid invoices

	INVOICE AMOUNT	INTEREST DUE
INVOICES: 2181	106010.00	1590.15
2301	1590.15	23.85
2341	1614.00	24.21
2402	1638.21	24.57
2409	62.44	.94
2430	1662.78	24.94
2479	1688.66	25.33
2492	1713.99	25.71
2561	1739.70	26.10
2613	1765.80	26.49
2629	1792.29	26.88
Current	1819.17	---
	<hr/>	
	\$123097.19	\$1819.17

TOTAL DUE: \$123,097.10

  
PETER J. SEMPER, PRESIDENT

88040724360



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 1707  
Date: 1/15/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
ATTN: James Dwinell

Description: To charge you for service fee @1.5% on unpaid invoices:

Invoices:	2181	106,010.00	1590.15
	2301	1,590.15	23.85
	2341	1,614.00	24.21
	2402	1,638.21	24.57
	2409	62.44	0.94
	2430	1,662.78	24.94
	2479	1,688.60	25.33
	2492	7,713.99	115.71
	2501	1,739.70	26.10
	2615	1,765.80	26.49
	Current month	1,792.29	---
		<u>\$121,278.02</u>	<u>271.29</u>

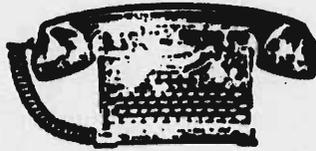
TOTAL DUE: \$121,278.02

  
PETER J. SEMPER, PRESIDENT

PAST DUE

Please!

38040724361



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02090  
Date: 1/15/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
ATTN: James Dwinell

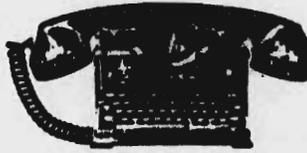
Description: To charge you for service fee @1.5% on unpaid invoices:

Invoices:	2181	106,010.00	1590.15
	2301	1,590.15	23.85
	2341	1,614.00	24.21
	2402	1,638.21	24.57
	2409	62.44	.94
	2430	1,662.78	24.94
	2479	1,688.66	25.33
	2492	7,713.99	25.71
	2561	1,738.70	26.10
	2613	1,765.80	26.49
	Current month	1,792.29	---
		<u>\$121,278.02</u>	<u>1792.29</u>

TOTAL DUE: \$121,278.02

  
PETER J. SEMPER, PRESIDENT

83040724362



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 01011  
Date: 12/07/64  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002  
Attn: James Dwinell

Description:

To charge you for Service Fee @ 1 1/2% on unpaid invoices:

	Invoice Amount	Fee Amount
Invoice 2181	106,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2402	1,658.21	24.57
2409	62.44	.94
2430	1,662.73	24.94
2479	1,688.66	25.33
2492	1,713.99	25.71
2561	1,739.70	26.10
Current Month	1,765.80	---
	<u>119,485.73</u>	<u>1,765.80</u>

TOTAL DUE: \$119,485.73.

PETER J. SEMPER, PRESIDENT

/b

PAST DUE  
Please!

3804074363



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02613  
Date: 12/07/84  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002  
Attn: James Dwinell

Description:

To charge you for Service Fee @ 1 1/2% on unpaid invoices:

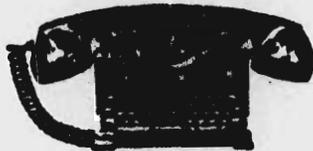
	Invoice Amount	Fee Amount
Invoice 2181	106,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2402	1,638.21	24.57
2409	62.44	.94
2430	1,662.78	24.94
2479	1,688.66	25.33
2492	1,713.99	25.71
2561	1,739.70	26.10
Current Month	1,765.80	---
	<u>119,485.73</u>	<u>1,765.80</u>

TOTAL DUE: \$119,485.73

*Peter Semper, P.*  
PETER J. SEMPER, PRESIDENT

/b

98040724364



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 04701  
Date: 11/06/84  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002  
Attn: James Dwinell

Description: To charge you for service fee @ 1 1/2% on unpaid invoices:

	<u>Invoice Amount</u>	<u>Fee Amount</u>
Invoice: 2181	106,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2402	1,638.21	24.57
2409	62.44	.94
2430	1,662.73	24.94
2479	1,688.66	25.33
2492	1,713.99	25.71
Current Month Fee	<u>1,739.79</u>	<u>1,739.79</u>
TOTAL DUE:	117,719.93	

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

/s/

FAST DUE  
Please!

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SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02561  
Date: 11/06/84  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington, D.C. 20002  
Attn: James Dwinell

Description: To charge you for service fee @ 1 1/4% on unpaid invoices:

	<u>Invoice Amount</u>	<u>Fee Amount</u>
Invoice: 2181	106,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2402	1,638.21	24.57
2409	62.44	.94
2430	1,662.78	24.94
2479	1,688.66	25.33
2492	1,713.99	25.71
Current Month Fee	<u>1,739.70</u>	<u>1,739.70</u>
TOTAL DUE:	117,719.93	

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

/b

8 9 0 4 0 7 2 4 3 6 6





SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 00402  
Date: 10/03/84  
Our job no:  
Account no:

To: AMERICANS WITH HART INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

Description:

To charge you for Service Fee @ 1 1/2% on unpaid invoices:

Invoice:	Inv. Amnt.	Fee
2181	100,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2408	1,638.21	24.57
2409	62.44	.94
2430	1,662.78	24.94
2479	1,688.60	25.33
Total Invoice:	114,266.24	1,713.99

TOTAL DUE: \$1,713.99

  
PETER J. SEMPER, PRESIDENT

/b



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 1007  
Date: 09/14/84  
Our job no:  
Account no:

To: AMERICANS WITH HART INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: ~~Scott Van Dyke~~  
*James Maxwell*

38040724369

Description:

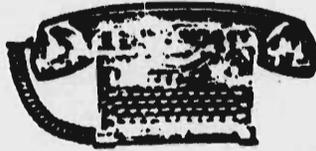
To charge you for service fee @ 1 1/2% on unpaid invoices:

Invoice:	2181	\$106,010.00	\$1,590.15
	2301	1,590.15	23.85
	2341	1,614.00	24.21
	2402	1,638.21	24.57
	2409	62.44	.94
	2430	1,662.78	24.94
	Invoice Total:	\$112,577.58	

TOTAL FEE DUE: \$1,638.66

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

PAST DUE  
Please!



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02478  
Date: 09/14/84  
Our job no:  
Account no:

To: AMERICANS WITH HART INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: ~~James K. Harte~~  
*James K. Harte*

Description:

To charge you for service fee @ 1 1/2% on unpaid invoices:

Invoice: 2181	\$106,010.00	\$1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2402	1,638.21	24.57
2409	62.44	.94
2430	1,662.78	24.94

Invoice Total: \$112,577.58

TOTAL FEE DUE: \$1,688.66

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

v/b

83040724370



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 01100  
Date: 08-08-84  
Our job no:  
Account no:

To: AMERICANS WITH HART  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: Accounts Payable/Scott Van Hove

Description: To charge you for Service Fee @ 1 1/4% on unpaid invoices:

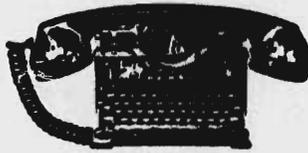
Invoice 2181	106,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2402	1,638.21	24.57
TOTAL:	<u>110,852.36</u>	
TOTAL FEE:		1,662.78

~~PETER J. SEMPER, PRESIDENT~~

/b

*WST*  
*Please*

88040724371



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02430  
Date: 08-08-84  
Our job no:  
Account no:

To: AMERICANS WITH HART  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: Accounts Payable/Scott Van Hove

Description: To charge you for Service Fee @ 1 1/2% on unpaid invoices:

Invoice 2181	106,010.00	1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
2402	1,638.21	24.57
TOTAL:	<u>110,852.36</u>	
TOTAL FEE:		1,662.78

PETER J. SEMPER, PRESIDENT

/b



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 07/17/84  
Date: 07/17/84  
Our job no: AWI-1003  
Account no: 412-157

To: AMERICANS WITH HART  
507 8th Street, S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

Description:

Telephone charges... \$13.44  
Federal Express:  
Material to J. Dwinell & S. Van Hove 49.00  
\$62.44

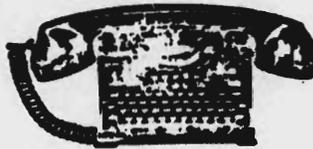
TOTAL DUE: \$62.44

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

/b

PAST DUE  
Please!

88040724373



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02100  
Date: 07/17/84  
Our job no: AWH-1003  
Account no: 412-137

To: AMERICANS WITH HART  
507 8th Street, S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

Description.

Telephone charges...	\$13.44
Federal Express:	
Material to J. Dwinell & S. Van Hove	49.00
	<u>\$62.44</u>

TOTAL DUE: \$62.44

  
PETER J. SEMPER, PRESIDENT

/b

83040724374



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 1111  
Date: 06/30/84  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
507 8th St. S.E.  
Washington, D.C 20003  
Attn: James Dwinell

Description: TO CHARGE YOU FOR SERVICE FEE @ 1 1/2% ON UNPAID INVOICES:

Invoice 2181	\$106,010.00	\$1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
TOTAL:	\$109,214.15	
TOTAL SERVICE FEE DUE:		\$1,638.21

PETER J. SEMPER, PRESIDENT

/b

*Please!*

98040724375



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02402  
Date: 06/30/84  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
507 8th St. S.E.  
Washington, D.C 20003  
Attn: James Dwinell

Description: TO CHARGE YOU FOR SERVICE FEE @ 1 1/2% ON UNPAID INVOICES:

Invoice 2181	\$106,010.00	\$1,590.15
2301	1,590.15	23.85
2341	1,614.00	24.21
	<hr/>	
TOTAL:	\$109,214.15	
TOTAL SERVICE FEE DUE:		\$1,638.21

  
PETER J. SEMPER, PRESIDENT

v/b

4376  
24376  
07  
040  
404  
304  
304  
304



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 0700  
Date: 06/06/34  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

Description: TO CHARGE FOR SERVICE FEE AT 1 1/2%  
ON UNPAID INVOICES:

Invoice	2181	\$100,010.00	\$1,590.15
	2301	1,590.15	<u>25.85</u>

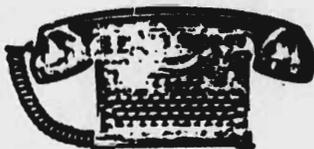
TOTAL SERVICE FEE DUE: \$1,614.00

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

/b

**HAST**  
*Please!*

38040724377



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02341  
Date: 06/06/84  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

Description:

TO CHARGE FOR SERVICE FEE AT 1 1/2%  
ON UNPAID INVOICES:

Invoice	2181	\$106,010.00	\$1,590.15
	2301	1,590.15	<u>23.85</u>

TOTAL SERVICE FEE DUE: \$1,614.00

  
PETER J. SEMPER, PRESIDENT

/b

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SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02181  
Date: 05/14/68  
Our job no: AFH-1001  
Account no:

To: AMERICANS WITH HART INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

Description:

To charge for service - 1 1/2% on unpaid invoice:

Our Invoice 02181                      \$106,010.00

Service fee due:                      \$1,590.15

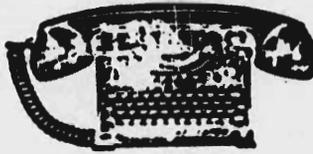
~~PETER J. SIMON, PRESIDENT~~

/b

*Please!*

*unpaid  
7/1/68*

890407-24379



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02301  
Date: 05/14/84  
Our job no: AFH-1001  
Account no:

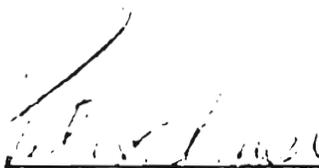
To: AMERICANS WITH HART INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attn: James Dwinell

Description:

To charge for service - 1 1/2 on unpaid invoice:

Our Invoice 02181                      \$106,010.00

Service fee due:                      \$1,590.15

  
\_\_\_\_\_  
PETER J. SEMPER, PRESIDENT

/b

*unpaid  
7-8-84*

88040724380



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 11  
Date: 3/13/85  
Our job no: AFH-1001  
Account no: 412-

*Van Hove*

To: AMERICANS FOR HART, INC.  
507 8th Street S.E.  
Washington, D.C. 20003  
Attention: James Dwinell

Description:

AFH-1001 --	
TV/Nevada -- 500 GRP's 3/9-3/13 ...	\$ 20,000.00
AFH-1002 --	
TV/Washington -- 500 GRP's 3/9-3/13...	\$6,000.00
Wire transfer charge ....	10.00
	<u>5100,010.00</u>

TOTAL DUE: \$100,010.00

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

7b

**PAID**

*02/13/85*

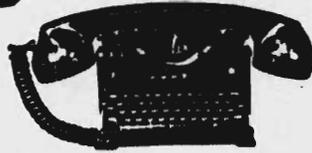
*ch # 2373*

*\$2363.<sup>00</sup>*

*Please*

83040724381

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SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 100000  
Date: 5/13/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave., N.E.  
Washington D.C. 20002  
ATTN: Scott Van Hove

Description: To charge you for service fee at 1 1/2% on unpaid invoices

INVOICE	INVOICE AMOUNT	PAID ON ACCOUNT	INTEREST DATE
2181	106010.00		1590.15
2301	1590.15		23.85
2341	1614.00		24.21
2402	1638.21		24.57
2409	62.44		.94
2430	1662.78		24.94
2479	1688.66		25.35
2492	1713.99		25.71
2501	1739.70		26.10
2613	1765.80		26.49
2629	1792.29		26.88
2705	1819.17		27.29
2730	1846.46	2363.00	(7.75)
2777	1858.71		27.68
Current			----

INTEREST DUE ON  
THIS INVOICE

-----\$1000.25-----

TOTAL DUE: \$126,285.65

PAST DUE

*Please!*

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

98040724383



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02831  
Date: 5/13/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave., N.E.  
Washington D.C. 20002  
ATTN: Scott Van Hove

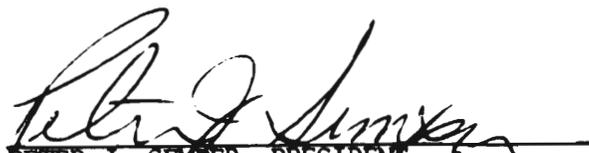
Description: To charge you for service fee at 1 1/2% on unpaid invoices

<u>INVOICE</u>	<u>INVOICE AMOUNT</u>	<u>PAID ON ACCOUNT</u>	<u>INTEREST DUE</u>
2181	106010.00		1590.15
2301	1590.15		23.85
2341	1614.00		24.21
2402	1638.21		24.57
2409	62.44		.94
2430	1662.78		24.94
2479	1688.66		25.33
2492	1713.99		25.71
2561	1739.70		26.10
2613	1765.80		26.49
2629	1792.29		26.88
2705	1819.17		27.29
2736	1846.46	2363.00	(7.75)
2777	1838.71		27.58
Current			----

INTEREST DUE ON  
THIS INVOICE

\$1866.29

TOTAL DUE: \$126,285.65

  
PETER J. SEMPER, PRESIDENT

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● 8 8 0 4 0 7 2 4 3 8 5

ATTORNEYS AT LAW

# SWANKIN & TURNER

SUITE 108 1424 16TH STREET N.W. WASHINGTON D.C. 20006 TELEPHONE 202 462-9800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG

MARY ELLEN R. FISE  
BETSY E. LEHRFELD

May 16, 1985

Mr. Michael Novelli  
Americans with Hart, Inc.  
122 "C" Street, N.W.  
Washington, DC 20001

RE: Semper-Moser Associates, Inc.

Dear Mike:

Please find enclosed a letter agreement signed by Peter Semper.

I have tried to incorporate some of Peter's concerns with the approaches that you, Scott and I discussed together.

If this is agreeable, please return one original to me with signatures of Americans with Hart and National Bank of Washington.

Thank you for your courtesy and imagination in working to resolve this matter. I wish you the best of success.

Sincerely,

  
Betsy E. Lehrfeld

98040724386

# SWANKIN & TURNER

SUITE 106 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 482-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG

MARY ELLEN R. FISE  
BETSY E. LEHRFELD

May 15, 1985

Mr. Michael Novelli  
Americans with Hart, Inc.  
122 "C" Street, N.W.  
Washington, DC 20001

RE: Semper-Moser Associates, Inc.

Dear Mike:

This letter will serve as a confirmation of the agreement between Americans with Hart, Inc. ("Americans with Hart") and Semper-Moser Associates, Inc. ("Semper-Moser"), regarding the repayment of sums owed to Semper-Moser under the Letter Agreement between the two organizations effective March 7, 1984.

Americans with Hart agrees that fifty percent (50%) of all proceeds from fundraising events held in the State of California which it receives, net of costs it expends on said events, shall be paid over within ten days of receipt to Semper-Moser until such time as the sum of \$106,010.00 plus accrued interest at the rate of 1.5% per month from April 7, 1984, is paid in full. Semper-Moser acknowledges receipt of \$2,363.00 on account on February 15, 1985.

Americans with Hart also agrees that one hundred percent (100%) of all net proceeds from fundraising events, or any activities resulting in income to Americans with Hart, whether inside or outside the State of California, which have been organized by or on behalf of Semper-Moser, or the organizers of which have specifically designated that the net proceeds be used to retire the debt to Semper-Moser, be paid to Semper-Moser within ten days of receipt until the above referenced amount has been paid in full.

For purposes of this agreement, "fund raising events" includes, but is not limited to, all in-person gatherings for the purpose of raising funds to retire the debts of the 1984 presidential campaign of Senator Gary Hart. It does not include direct mail solicitations; however, ten percent (10%) of all funds raised by mail solicitation from residents of the State of California, net of costs including commission for the mail solicitation, shall be paid over to Semper-Moser as above.

83040721387

Notwithstanding any of the provisions of this agreement, Americans with Hart agrees to repay its debt to Semper-Moser from whatever funds are available, whether or not originating in the State of California. Semper-Moser does not waive its right to pursue any and all legal remedies in the event of non-payment or in the event of a failure by Americans with Hart to comply with the terms of this agreement, except as provided herein.

In return for the promises of Americans with Hart contained in this agreement, Semper-Moser agrees not to bring any legal action to collect this debt for a period of three months from the date of this letter agreement. If, after the expiration of three months, Semper-Moser has been paid \$50,000.00 or more, Semper-Moser agrees to continue to forebear from suit for an additional three months. In all other respects, this agreement shall be in effect for eighteen months from the date first written above.

The disposition of funds described herein has been assented to by Americans with Hart's primary creditor, National Bank of Washington.

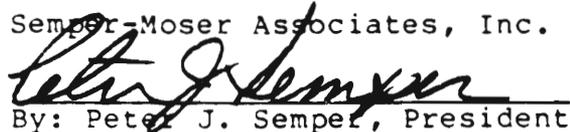
Sincerely,



Betsy E. Lehrfeld  
Attorney for Semper-Moser

Agreed:

Semper-Moser Associates, Inc.

  
By: Peter J. Semper, President

Date: 5/15/85

Americans with Hart, Inc.

\_\_\_\_\_  
By: Michael J. Novelli Date: \_\_\_\_\_

National Bank of Washington

\_\_\_\_\_  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

8 3 0 4 0 7 2 4 3 8 8

# SWANKIN & TURNER

SUITE 108 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG

MARY ELLEN R. FISE  
BETSY E. LEHRFELD

May 15, 1985

Mr. Michael Novelli  
Americans with Hart, Inc.  
122 "C" Street, N.W.  
Washington, DC 20001

RE: Semper-Moser Associates, Inc.

Dear Mike:

This letter will serve as a confirmation of the agreement between Americans with Hart, Inc. ("Americans with Hart") and Semper-Moser Associates, Inc. ("Semper-Moser"), regarding the repayment of sums owed to Semper-Moser under the Letter Agreement between the two organizations effective March 7, 1984.

Americans with Hart agrees that fifty percent (50%) of all proceeds from fundraising events held in the State of California which it receives, net of costs it expends on said events, shall be paid over within ten days of receipt to Semper-Moser until such time as the sum of \$106,010.00 plus accrued interest at the rate of 1.5% per month from April 7, 1984, is paid in full. Semper-Moser acknowledges receipt of \$2,363.00 on account on February 15, 1985.

Americans with Hart also agrees that one hundred percent (100%) of all net proceeds from fundraising events, or any activities resulting in income to Americans with Hart, whether inside or outside the State of California, which have been organized by or on behalf of Semper-Moser, or the organizers of which have specifically designated that the net proceeds be used to retire the debt to Semper-Moser, be paid to Semper-Moser within ten days of receipt until the above referenced amount has been paid in full.

For purposes of this agreement, "fund raising events" includes, but is not limited to, all in-person gatherings for the purpose of raising funds to retire the debts of the 1984 presidential campaign of Senator Gary Hart. It does not include direct mail solicitations; however, ten percent (10%) of all funds raised by mail solicitation from residents of the State of California, net of costs including commission for the mail solicitation, shall be paid over to Semper-Moser as above.

98040724389

Notwithstanding any of the provisions of this agreement, Americans with Hart agrees to repay its debt to Semper-Moser from whatever funds are available, whether or not originating in the State of California. Semper-Moser does not waive its right to pursue any and all legal remedies in the event of non-payment or in the event of a failure by Americans with Hart to comply with the terms of this agreement, except as provided herein.

In return for the promises of Americans with Hart contained in this agreement, Semper-Moser agrees not to bring any legal action to collect this debt for a period of three months from the date of this letter agreement. If, after the expiration of three months, Semper-Moser has been paid \$50,000.00 or more, Semper-Moser agrees to continue to forebear from suit for an additional three months. In all other respects, this agreement shall be in effect for eighteen months from the date first written above.

The disposition of funds described herein has been assented to by Americans with Hart's primary creditor, National Bank of Washington.

Sincerely,



Betsy E. Lehrfeld  
Attorney for Semper-Moser

Agreed:

Semper-Moser Associates, Inc.

  
By: Peter J. Semper, President

Date: 5/15/85

Americans with Hart, Inc.

\_\_\_\_\_  
By: Michael J. Novelli Date: \_\_\_\_\_

National Bank of Washington

\_\_\_\_\_  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

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MEMORANDUM

TO: Mike Novelli  
FROM: Scott Van Hove *SVH*  
DATE: May 30, 1985  
RE: Semper-Moser Proposal

*By* A letter dated May 16, 1985 Betsey E. Lehrfeld forwarded a contract to you regarding a proposal for debt settlement for the Semper-Moser Contract. What follows are my observations regarding that contract and my recommendation of how we should proceed.

1. The proposed contract commits us in writing to repayment of the debt in full. The outstanding balance is approximately \$106,000 and the contract states explicitly that we are to pay the balance in full and provides no room for negotiation. I do not believe we should agree to this provision.

2. Interest will be charged. The contract states that we will be paying interest at 1.5 percent per month from April 7, 1984 until the balance outstanding is paid in full. This would be the first time that we state in writing, following *the* campaigns termination, that we would be subject to interest requirements. I do not believe we should agree to this provision.

3. Fifty percent of the net of all California events goes to Semper. The contract states that Semper-Moser will

*Yes per ill. 14*

3 3 7 4 0 7 2 4 3 9 2

receive fifty percent of all net proceeds from fundraising events held in the state of California. This is generally in line with the discussion we had with Betsey Lehrfeld previously. You should note, however, if we agree to this, we are committed to do this until they're paid off in full. I believe this open ended agreement might create problems for us long-term with other creditors. We may want to be more specific and identify the fundraising events we're willing to cosponsor.

4. One hundred percent of the net from specific Semper fundraisers goes to Semper. The contract indicates that, should any fundraising being initiated by Semper or his associates, one hundred percent of the net revenue would go directly to payoff the Semper outstanding balance. This is in conformance with our prior conversations and I don't think we have any difficulties with this provision.

5. Ten percent of all California direct mail net proceeds must be paid to Semper-Moser. This is a new provision included in the contract and not discussed by us prior to this point. This provision would be difficult to monitor and would not be in our best interests in dealing with the direct mail program. I would be opposed to our incorporating this in any contract with Semper-Moser.

6. Legal action would be suspended as a result of implementing the contract. The contract indicates Semper will forebear from suing for a three-month period of time upon

*per pending*

*NO*

8 3 7 4 0 7 2 4 3 9 3

execution of this agreement. Assuming they are paid \$50,000 within three months, Semper indicates they will forebear for an additional three months. They indicate that the contract is envisioned to last 18 months. The provision agreeing to forebear, in my opinion, is not much of a concession on their part given that we seem to be judgment proof at this point.

RECOMMENDATION

I do not like the letter agreement that was proposed by Semper-Moser. There are only two portions of this contract that I would recommend we adopt. The first is that one hundred percent of all fundraisers specifically geared towards Semper-Moser would be paid over to them. The second would be that other "selected" California events would be designated fifty percent to Semper-Moser. I believe the universal rule of California events being diverted to Semper-Moser and a rule permitting ten percent of California direct mail proceeds is simply unreasonable in light of our other creditor demands. I also believe that we should be very reluctant to sign anything that commits us to repayment in full or to payments of interest on any outstanding balances simply because of the problems this might create with other creditors. I think that it should be made clear if any agreement is signed that Semper-Moser is considered to be a full participant in the process and their commitment is essential to the success of the program. You should get back to me with your recommendations or observations as soon as possible so I can return Betsy Lehrfeld's call.

88040724394

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6/5/85

call from Lehnfeld

Told her

- ① 100% on Semper fundraisers ok
- ② 50% of Net on CA events ok
- ③ incorporate terms of prior K ok - NOT restated
- ④ Need semper performance clause
- ⑤ Reject all others

she will

- ① Redraft
- ② Schedule meeting w/ Novelli later

93040724396

8 3 0 4 0 7 2 4 3 9 7

SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02501  
Date: 06/07/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave., N.E.  
Washington D.C. 20002  
Attn: Scott Van Hove

Description: To charge you for service fee @ 1 1/4% on unpaid invoices:

INVOICE	INV. AMOUNT	PAID ON A/C	INTEREST DUE
2181	106,010.00		1,590.15
2301	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,633.06		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
2735	1,846.46	2,363.00	(7.75)
2777	1,838.71		27.53
2831	1,866.29		27.99

Interest Due on this Invoice: \$1,894.23

TOTAL DUE: \$128,179.93

*[Signature]*  
PETER J. SIMPER, PRESIDENT

PAST DUE  
*Please!*

/b

8 3 0 4 0 7 4 3 9 8

SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 02866  
Date: 06/07/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave., N.E.  
Washington D.C. 20002  
Attn: Scott Van Hove

Description: To charge you for service fee @ 1 1/2% on unpaid invoices:

<u>INVOICE</u>	<u>INV. AMOUNT</u>	<u>PAID ON A/C</u>	<u>INTEREST DUE</u>
2181	106,010.00		1,590.15
2301	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.66		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
2736	1,846.46	2,363.00	(7.75)
2777	1,838.71		27.58
2831	1,866.29		27.99

Interest Due on this Invoice: \$1,894.28

TOTAL DUE: \$128,179.93

  
PETER J. SEMPER, PRESIDENT

/b

83740724399

83040724400

ATTORNEYS AT LAW

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG

MARY ELLEN R. FISE  
BETSY E. LEHRFELD

June 18, 1985

Mr. Michael Novelli  
Americans with Hart, Inc.  
122 "C" Street, N.W.  
Washington, DC 20001

RE: Semper-Moser Associates, Inc.

Dear Mike:

Please find enclosed a revised letter of agreement.

I have tried to incorporate the matters raised by Scott on the telephone last week.

If this is agreeable, please return both originals to me with signatures of Americans with Hart and National Bank of Washington, and I will send them to Peter for his signature.

Thanks for giving this your prompt attention.

Sincerely,

  
Betsy E. Lehrfeld

cc: Peter J. Semper  
Scott Van Hove

93040724401

# SWANKIN & TURNER

TE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

June 18, 1985

Mr. Michael Novelli  
Americans with Hart, Inc.  
122 "C" Street, N.W.  
Washington, DC 20001

RE: Semper-Moser Associates, Inc.

Dear Mike:

This letter will serve as a confirmation of the agreement between Americans with Hart, Inc. ("Americans with Hart") and Semper-Moser Associates, Inc. ("Semper-Moser"), regarding the repayment of sums owed to Semper-Moser under the Letter Agreement between the two organizations effective March 7, 1984 ("Letter Agreement"), the terms of which are incorporated herein by reference.

Americans with Hart agrees that fifty percent (50%) of all proceeds from fundraising events held in the State of California which it receives, net of costs it expends on said events, shall be paid over within ten days of receipt to Semper-Moser until such time as all sums due Semper-Moser under the terms of the Letter Agreement have been paid. Semper-Moser acknowledges receipt of \$2,363.00 on account on February 15, 1985.

Americans with Hart also agrees that one hundred percent (100%) of all net proceeds from fundraising events, or any activities resulting in income to Americans with Hart, whether inside or outside the State of California, which have been organized by or on behalf of Semper-Moser, or the organizers of which have specifically designated that the net proceeds be used to retire the debt to Semper-Moser, be paid to Semper-Moser within ten days of receipt until the above referenced amount has been paid in full.

For purposes of this agreement, the term "fund raising events" includes, but is not limited to, all in-person gatherings for the purpose of raising funds to retire the debts of the 1984 presidential campaign of Senator Gary Hart. It does not include direct mail solicitations; however, twenty-five percent (25%) of all funds raised by direct mail solicitation, after such time as all currently outstanding debts to direct mail vendors have been satisfied, net of costs for the mail solicitation including commissions if applicable, shall be paid to Semper-Moser as above.

24402  
24407  
3040

Notwithstanding any of the provisions of this agreement, Americans with Hart agrees to repay its debt to Semper-Moser from whatever funds are available, whether or not originating in the State of California. Semper-Moser does not waive its right to pursue any and all legal remedies in the event of non-payment or in the event of a failure by Americans with Hart to comply with the terms of this agreement, except as provided herein.

In return for the promises of Americans with Hart contained in this agreement, Semper-Moser agrees not to bring any legal action to collect this debt for a period of three months from the date of this agreement. If, after the expiration of three months, Semper-Moser has been paid \$50,000.00 or more, Semper-Moser agrees to continue to forebear from suit for an additional three months. In all other respects, this agreement shall be in effect for eighteen months from the date first written above.

The disposition of funds described herein has been assented to by Americans with Hart's primary creditor, National Bank of Washington.

Sincerely,



Betsy E. Lehrfeld  
Attorney for Semper-Moser

Agreed:

Semper-Moser Associates, Inc.

\_\_\_\_\_  
By: Peter J. Semper, President      Date: \_\_\_\_\_

Americans with Hart, Inc.

\_\_\_\_\_  
By: Michael J. Novelli      Date: \_\_\_\_\_

National Bank of Washington

\_\_\_\_\_  
By: \_\_\_\_\_      Date: \_\_\_\_\_  
Title: \_\_\_\_\_

93040724403

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG

MARY ELLEN R. FISE  
BETSY E. LEHRFELD

June 18, 1985

Mr. Michael Novelli  
Americans with Hart, Inc.  
122 "C" Street, N.W.  
Washington, DC 20001

RE: Semper-Moser Associates, Inc.

Dear Mike:

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In return for the promises of Americans with Hart contained in this agreement, Semper-Moser agrees not to bring any legal action to collect this debt for a period of three months from the date of this agreement. If, after the expiration of three months, Semper-Moser has been paid \$50,000.00 or more, Semper-Moser agrees to continue to forebear from suit for an additional three months. In all other respects, this agreement shall be in effect for eighteen months from the date first written above.

The disposition of funds described herein has been assented to by Americans with Hart's primary creditor, National Bank of Washington.

Sincerely,



Betsy E. Lehrfeld  
Attorney for Semper-Moser

Agreed:

Semper-Moser Associates, Inc.

\_\_\_\_\_  
By: Peter J. Semper, President Date: \_\_\_\_\_

Americans with Hart, Inc.

\_\_\_\_\_  
By: Michael J. Novelli Date: \_\_\_\_\_

National Bank of Washington

\_\_\_\_\_  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

88040724405

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SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 131  
Date: 07/11/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
Attn: Scott van Hove

*Attn: Mike Novelli*

Description: To charge you for service fee @ 1 1/2% on unpaid invoices.

Invoice	Inv. Amount	Paid on Account	Interest Due
2181	106,010.00		1,590.15
2361	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.66		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
2736	1,846.46	2365.00	( 7.75)
2777	1,838.71		27.58
2831	1,866.29		27.99
2866	1,894.28		28.41

Interest Due: \$1,922.62

TOTAL AMOUNT DUE: \$130,102.62

**PAST DUE**

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

/b

38040724407



*file*

SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: **02921**  
Date: **07/11/85**  
Our job no:  
Account no:

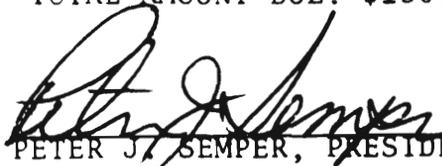
To: AMERICANS WITH HART, INC.  
311 Massachusetts Avenue N.E.  
Washington D.C. 20002  
Attn: Scott van Hove

Description: To charge you for service fee @ 1½% on unpaid invoices.

<u>Invoice</u>	<u>Inv. Amount</u>	<u>Paid on Account</u>	<u>Interest Due</u>
2181	106,010.00		1,590.15
2361	1,590.15		23.85
2341	1,614.00		24.21
2402	1,638.21		24.57
2409	62.44		.94
2430	1,662.78		24.94
2479	1,688.66		25.33
2492	1,713.99		25.71
2561	1,739.70		26.10
2613	1,765.80		26.49
2629	1,792.29		26.88
2705	1,819.17		27.29
2736	1,846.46	2363.00	( 7.75)
2777	1,838.71		27.58
2831	1,866.29		27.99
2866	1,894.28		28.41

Interest Due: \$1,922.69

TOTAL AMOUNT DUE: \$130,102.62

  
PETER J. SEMPER, PRESIDENT

/b

83040724408

8 3 0 4 0 7 2 4 4 0 9



SEMPER/MOSER ASSOCIATES INC.

8/6/85

Scott:

you asked us to contact  
you in August. you promised  
we would be paid this month.

How about some earnest  
money?

Please call me.

Thank you,

Jeri Semper

83040724410

8 3 0 4 0 7 2 4 4 1 1

SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: **02957**  
 Date: **8/6/85**  
 Our job no:  
 Account no:

To: AMERICANS WITH HART, INC.  
 311 Massachusetts Avenue N.E.  
 Washington D.C. 20002  
 ATTN: Scott van Hove

Description: To charge you for service fee at 1 1/2% on unpaid invoices

<u>INVOICE</u>	<u>INVOICE AMOUNT</u>	<u>PAID ON ACCOUNT</u>	<u>INTEREST DUE</u>
2181	106010.00		1590.15
2301	1590.15		23.85
2341	1614.00	PAST DUE	24.21
2402	1638.21		24.57
2409	62.44		.94
2430	1662.78		24.94
2479	1688.66		25.33
2492	1713.99		25.71
2561	1739.70	PAST DUE	26.10
2613	1765.80		26.49
2629	1792.29		26.88
2705	1819.17		27.29
2736	1846.46	2363.00	(7.75)
2777	1838.71		27.58
2831	1866.29	PAST DUE	27.99
2866	1894.28		28.41
2921	1922.69		28.84
Interest due this invoice			1951.53

TOTAL DUE: \$132,054.15

  
 PETER J. SEMPER, PRESIDENT

83040724412

To: Files  
FR: S. Van Hove  
RE: Conversations  
DH: 9/1/85

Per WCO, he spoke  
with the atty + indicated he would  
not receive full amt - unlikely  
even half. Noted litigation  
would get him little judgment  
was meaningless. Suggested  
Thompson hold a fundraiser.

Gary Hart  
Washington, D.C.

38040724413

● 4 1 4 2 7 0 4 3 3 3

OCT 10 1985



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03056  
Date: 9/25/85  
Our job no:  
Account no:

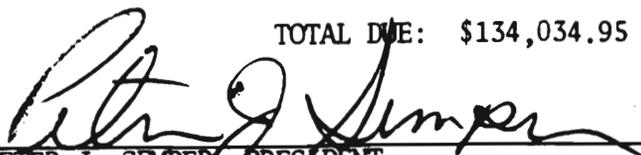
To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott van Hove

Description: To charge you for service fee at 1 1/2% on unpaid invoices

<u>INVOICE #</u>	<u>INVOICE AMOUNT</u>	<u>PAID ON ACCT.</u>	<u>INTEREST DUE</u>
2181	106010.00		1590.15
2301	1590.15		23.85
2341	1614.00		24.21
2402	1638.21		24.57
2407	62.44		.94
2430	1662.78		24.94
2479	1688.66		25.33
2492	1713.99		25.71
2561	1739.70		26.10
2613	1765.80		26.49
2629	1792.29		26.88
2705	1819.17		27.29
2736	1846.46	2363.00	(7.75)
2777	1838.71		27.58
2831	1866.29		27.99
2866	1894.28		28.41
2921	1922.69		28.84
2957	1951.53		29.27
INTEREST DUE			1980.80

PAST DUE

TOTAL DUE: \$134,034.95

  
PETER J. SEMPER, PRESIDENT

83040724415

3 3 0 4 0 7 2 4 4 1 6

United States District Court

FOR THE District of Columbia

86-2711

CIVIL ACTION FILE NO.

Seiper-Moser Associates Inc.
1799 Washington Way
Venice, California 90291

Plaintiff

PENN, J.

SUMMONS

Americans with Hart Inc.
1220 St. 81.W.
Washington D.C.

Defendant

To the above named Defendant : Americans with Hart Inc.

You are hereby summoned and required to serve upon

Betsy E. Lehrfeld

plaintiff's attorney , whose address 1424 16th St. 81.W. Washington D.C.

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

JAMES F. DAVEY

Clerk of Court.

Deputy Clerk. (Signature)

Date: OCT 1 1986

[Seal of Court]

NOTE:—This summons is issued pursuant to Rule 4 of the Federal Rules of Civil Procedure.

83040724417

RETURN ON SERVICE OF WRIT

I hereby certify and return that on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_

I received this summons and served it together with the complaint herein as follows:

(For service made by mail:

I hereby certify that I mailed this summons on \_\_\_\_\_, 19\_\_

at \_\_\_\_\_; and that such service was  
*place of mailing*

- accepted  refused  returned but not refused.

Upon refusal of service, I certify that I made further service as follows:

Fees for Service

Travel \$ \_\_\_\_\_

Service \$ \_\_\_\_\_ or \_\_\_\_\_  
*Authorized or Specially Appointed Process Server* *United States Marshal*  
by \_\_\_\_\_  
*Deputy United States Marshal*

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

\_\_\_\_\_ *Date* \_\_\_\_\_ *Authorized or Specially Appointed Process Server*

Note: Certification required only if service is made by a person other than a United States Marshal or his deputy.

83040724418

United States District Court  
For the District of Columbia

Office of the Clerk  
3rd and Constitution Avenue, N.W.  
Washington, D. C. 20001

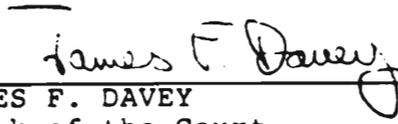
James F. Davey  
Clerk

NOTICE OF RIGHT TO CONSENT TO TRIAL  
BEFORE A UNITED STATES MAGISTRATE

In accordance with the provisions of Title 28, U.S.C. §636(c), you are hereby notified that the United States Magistrates of this District Court, in addition to their other duties, upon the consent of all parties in a civil case, may conduct any or all proceedings in a civil case, including a jury or nonjury trial, and order the entry of a final judgment.

You should be aware that your decision to consent, or not to consent, to the referral of your case to a United States Magistrate must be entirely voluntary. Only if all the parties to the case consent to the reference to a Magistrate will either the Judge or the Magistrate to whom the case has been assigned be informed of your decision.

An appeal from a judgment entered by a Magistrate may be taken directly to the United States Court of Appeals for this judicial circuit in the same manner as an appeal from any other judgment of a District Court. Alternatively, upon consent of all parties, an appeal from a judgment entered by a Magistrate may be taken directly to a District Judge. Cases in which an appeal is taken to a District Judge may be reviewed by the United States Court of Appeals for this judicial circuit only by way of petition for leave to appeal.

  
\_\_\_\_\_  
JAMES F. DAVEY  
Clerk of the Court



COUNT ONE

(Action on a Contract for Services and Advancement of Money)

5. On or about March 7, 1984, plaintiff, an advertising agency, and defendant, a political campaign organization, entered into a contract under the terms of which plaintiff agreed to obtain television broadcast time for defendant's advertising and defendant agreed to pay plaintiff for its costs plus 15% for the value of plaintiff's services, payable in thirty days, any amounts past due to bear interest at the rate of 1.5% per month. A copy of the contract is attached hereto and incorporated herein as Exhibit A.

6. Plaintiff performed all services required under the contract in a satisfactory manner.

7. In order to fulfill the contract, and with defendant's knowledge and at defendant's request, plaintiff advanced \$106,010.00 for the purchase of television advertising time for defendant.

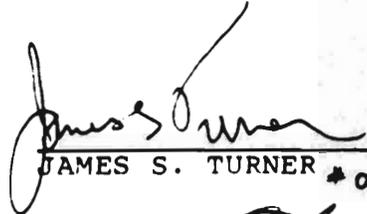
8. Plaintiff has sent invoices demanding payment to defendant each and every month since March, 1984 (which invoices are attached hereto and incorporated herein as Exhibit B), but has received only \$2,363.00 in payment.

9. By reason of the foregoing facts, plaintiff is entitled to judgment for \$103,647.00 plus interest from April, 1984.

93040724421

WHEREFORE, plaintiff prays that the Court enter judgment as follows:

1. Judgment in the amount of \$103,647.00 plus interest at 1.5% per month from April, 1984.
2. Costs of suit and such other and further relief as the Court may deem proper.

  
\_\_\_\_\_  
JAMES S. TURNER # 082479

  
\_\_\_\_\_  
BETSY E. LEHRFELD # 117559  
Swankin & Turner  
1424 16th Street, NW  
Washington, DC 20036  
(202) 462-8800

Attorneys for Plaintiff

I, Peter J. Semper, President of Semper-Moser Associates, Inc., declare under penalty of perjury that the foregoing is true and correct. Executed on Sept 10, 1986.

  
\_\_\_\_\_  
PETER J. SEMPER

93040724422

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SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03060  
Date: 10/10/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott van Hove  
Accounts Payable

Description: To charge you for service fee at 1½% on unpaid invoices

<u>INVOICE #</u>	<u>INVOICE AMOUNT</u>	<u>PAID ON ACCT.</u>	<u>INTEREST DUE</u>
2181	106010.00		1590.15
2301	1590.15		23.85
2341	1614.00		24.21
2402	1638.21		24.57
2407	62.44		.94
2430	1662.78		24.94
2479	1688.66		25.33
2492	1713.99		25.71
2561	1739.70		26.10
2613	1765.80		26.49
2629	1792.29		26.88
2705	1819.17		27.29
2736	1846.46	2363.00	(7.75)
2777	1838.71		27.58
2831	1866.29		27.99
2866	1894.28		28.41
2921	1922.69		28.84
2957	1951.53		29.27
3056	1980.80		29.71

  
PETER J. SEMPER, PRESIDENT

TOTAL INTEREST DUE \$2010.51  
THIS INVOICE

TOTAL DUE: \$136,045.46

3304072424

3 3 0 4 0 7 2 4 4 2 5

Rec'd 10/22/85

LAW OFFICES  
**BLECHER, COLLINS & WEINSTEIN**  
TWENTY-EIGHTH FLOOR  
611 WEST SIXTH STREET  
LOS ANGELES, CALIFORNIA 90017

LES J WEINSTEIN

(213) 622-4222  
TELECOPIER (213) 622-1856

October 18, 1985

William C. Oldaker, Esq.  
Epstein, Becker, Borsody & Green  
1140 19th Street  
Washington, D.C. 20036-6601

Re: The Debt of Americans With Hart, Inc. to  
Semper/Moser Associates, Inc.

Dear Mr. Oldaker:

A few days after I wrote my letter of August 28, 1985 to Senator Hart regarding the above-referenced matter, I received a telephone call from you in which you said you were responding; we discussed the letter and you described yourself as an attorney that has done work for Americans With Hart.

In our discussion, which I will not fully detail here, you explained to me the adverse financial status of the Americans With Hart treasury and I explained to you Mr. Semper's personal plight. After I further explained Mr. Semper's circumstances and his immediate need for funds, you agreed that you would take up the matter personally with the Senator and would call me back within a few days with some information as to what immediate assistance could be afforded Mr. Semper and what could be done to avoid treating him like the large creditor corporations whom you said you believed essentially understood that the debt would be a "gift". You said that you recognized from the tone of my letter to Senator Hart and the circumstances there presented that no gift was intended by Semper/Moser and that special circumstances justified giving special consideration to Mr. Semper in relation to major corporate creditors. Despite your assurances that you would call me back "within a few days", I have not heard from you in these six intervening weeks. In view of the pressing nature of Mr. Semper's situation, I do not know whether to treat that as

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William C. Oldaker, Esq.  
Page Two  
October 18, 1985

8 3 0 4 0 7 2 4 4 2 7

a gross oversight, a stall or plain indifference on behalf of Senator Hart and his campaign committee. When someone has extended credit at the personal behest of another party and finds that the failure to honor a commitment is jeopardizing his home and/or business, indifference is not called for and is, indeed, highly inappropriate. No doubt the Senator acknowledges with a personal letter major contributions; he ought to be able to muster some time and a personal letter to someone who has, through no fault of his own, been placed in personal financial jeopardy by his campaign committee. Common decency requires no less. More than words, Mr. Semper needs a prompt and positive response, i.e., repayment.

I do not know whether you now technically represent Senator Hart individually or whether you will represent him. You indicated to me that you did work for the campaign committee and had personal contact with Senator Hart. I do want you and his campaign committee to know and I want to convey clearly to Senator Hart that under applicable California law we are dealing with what appears to be a case of fraud by his campaign committee and, if the Senator had knowledge of the circumstances and was the indirect beneficiary of that fraud, he may be personally responsible for both the actual damages and punitive damages. I have serious question as to whether the "debt" equals "gift" theory is a defense or even lawful. It certainly isn't applicable in Mr. Semper's case. While it would be with great reluctance and some personal pain that Mr. Semper would take such action against the Senator and his committee, let me assure you that Mr. Semper is not indifferent to his own plight and the wrong that has been perpetrated on him; if he is forced to act because of the indifference or callousness of Senator Hart and his campaign committee, he will do so. Altruistic political rhetoric must have some every day application in the arena of morals and ethics.

I will here assume that you represent both Senator Hart and Americans With Hart and, hence, will accordingly err on the side of caution and refrain from again communicating directly with Senator Hart. I do, however, request and suggest that you bring this letter, my prior letter and our prior telephone conversation to the personal attention of the Senator and the senior

LAW OFFICES  
BLECHER, COLLINS & WEINSTEIN

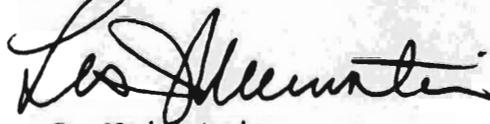
William C. Oldaker, Esq.  
Page Three  
October 18, 1985

members of the campaign committee. If you do not represent Senator Hart in his individual capacity in this matter, advise me immediately and I will again correspond with him directly. Your prompt response will be very much appreciated.

Cordially,

BLECHER, COLLINS & WEINSTEIN

By

  
Les J. Weinstein

LJW/nem

cc: Peter Semper, Semper/Moser Associates, Inc.

83040724428

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SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03101  
Date: 11/13/85  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002

Description: To charge you for service fee at 1 1/2% on unpaid invoices

Total unpaid invoices	INTEREST
\$136,045.46	2040.67

TOTAL DUE ON ACCOUNT: \$138,086.13

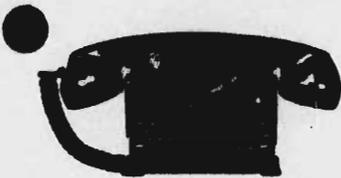
*Please, Scott*

TOTAL DUE THIS INVOICE \$2040.67

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

83040724430

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SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03155

Date: 12/6/85

Our job no:

Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002

Description: To charge you for service fee at 1 1/8% on unpaid invoices

Total unpaid invoices

INTEREST

\$138,086.13

2071.28

TOTAL DUE ON ACCOUNT: \$140,157.41

TOTAL DUE THIS INVOICE

2071.28

  
PETER J. SEMPER PRESIDENT

33040724432

8 8 0 4 0 7 2 4 4 3 3

SEMPER/MOSER ASSOCIATES INC.

INVOICE

PAST DUE

Invoice no: 03208  
Date: 1/ 25/86  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott van Hove

Description: To charge you for service fee at 1½% on unpaid invoices per contract

Total unpaid invoices	INTEREST
\$140,157.41	2102.35

TOTAL DUE ON ACCOUNT: \$142,259.76

*Account* PAST DUE  
*at 1 1/2% per month on unpaid invoices*

TOTAL DUE THIS INVOICE	\$2102.35
------------------------	-----------

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

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February 11, 1986

**MEMO TO FILE:**

MPN spoke with Peter Semper. Explained we had notified proper parties of Semper's financial condition & could not guarantee payment schedule and would address larger debtors, such as Semper, in next few months.

Semper said he was not going to sue at this time & appreciated AWH candor and concern & would like to be kept apprised of financial condition & wanted to remain Hart supporter.

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SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03246  
Date: 2/13/86  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott Van Hove

Description: To charge you for service fee at 1½% on unpaid invoices

**PAST DUE**

Total unpaid invoices

\$142,259.76

INTEREST

2133.89

TOTAL DUE ON ACCOUNT: \$144,593.65

TOTAL DUE  
THIS INVOICE \$2133.89

  
PETER J. SEMPER, PRESIDENT

83040724438

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SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: 03280  
Date: 3/14/86  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott Van Hove

Description: To charge you for service fee at 1½% on unpaid invoices

TOTAL UNPAID INVOICES	INTEREST
\$144,393.65	2165.90

TOTAL DUE ON ACCOUNT \$146,559.55

TOTAL DUE THIS INVOICE	\$2165.90
------------------------	-----------

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

38040724440

33740724441



SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: **03323**  
Date: 4/20/86  
Our job no:  
Account no:

To: AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Accounts Payable

Description: To charge you for service fee at 1½% on unpaid invoices

TOTAL UNPAID INVOICES	INTEREST
146,559.55	2198.39

TOTAL DUE ON ACCOUNT: \$148,757.94

TOTAL DUE THIS INVOICE 2198.39

*Please send an earnest payment now*

*Peter J. Semper*  
PETER J. SEMPER, PRESIDENT

83040724442

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SEMPER/MOSER ASSOCIATES INC.

INVOICE

Invoice no: **03353**  
Date: **June 10, 1986**  
Our job no:  
Account no:

To: AMERICANS WITH MART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ATTN: Scott van Hove

Description: To charge you for service fee at 1 1/2% per month on unpaid invoices per contract

Unpaid invoices	150,989.31	
Interest due		2264.84

TOTAL DUE THIS INVOICE \$2264.84

TOTAL DUE ON ACCOUNT: \$153,754.15

  
PETER J. SEMPER, PRESIDENT

83040724446

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SEMPER/MOSER ASSOCIATES INC.

10 June 1986

Mr. Mike Novelli  
AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002

Dear Mike:

3304072448  
Since you have been unable to speak with me in sometime I thought I should write you about a couple of matters that are disturbing me. I thought it was understood at the conclusion of our meeting in Washington last January that the March 1 direct mail appeal of the Committee for debt reduction would give your team a good handle on when Semper Moser could expect payment on your growing debt to us. Although I have had several pleasant conversations with Weston Franks, I still have not received the kind of commitment from you that I need to keep managing the financial affairs of this company.

Of late Senator Hart has scored very well in the polls and fund raising successes are noted often in the media. It's clear to me that things are picking up for the Senator and since you felt at our last meeting that the campaign debt could be retired by the end of the year with a viable candidate; that payment to us must be near. I've waited my turn Mike, when there was little money in the campaign coffers. I took serious body blows from my bank and creditors (which continue to this day!), but now prompt payment is called for. I know you want to be fair about this matter, Mike and I trust you will get it straightened out quickly.

Additionally I note that in the Committee's reports to the F.E.C. that the interest on the debt to me is not carried. Instead the original \$106,000 (approx.) is shown as the total debt. As you know, my contract calls for interest of 1-1/2% per month on this sum and over the two years plus that the Committee has owed this debt to me the total has grown to over \$150,000.00. That should be the amount shown on the F.E.C. reports, don't you think?

Please note change of address:  
1799 Way

XXXXXXXX WASHINGTON XXXXXXXX VENICE, CALIFORNIA 90291 TELEPHONE 213-823-5388



In order to manage the finances of this business properly and fulfill my obligation to my creditors I must have a schedule for prompt repayment of the \$153,254.15. (Amount owing as of June invoice) This matter has dragged on long enough for both of us and I certainly want to avoid the courts.

Best Regards,

Peter J. Semper

cc: Weston Franks

encl: Copy of June invoice

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*V. Polakovic*



SEMPER/MOSER ASSOCIATES INC.

*Dixon; Shone;*  
*Nuvelli -*  
*This guy keeps*  
*bugging me; he*  
*appears to be on*  
*board" for '88. Not*  
*known*  
*how I can*  
*reaport it*  
*a helpful*  
*way*  
*- K*

7 July 1986

Mr. John Emerson  
Manatt, Phelps, Rothenberg, Tunney and Phillips  
11355 W. Olympic Blvd.  
Los Angeles, Ca. 90064

Dear John:

As you requested, I've enclosed a brief file on Semper Moser's relationship with Americans with Hart. The contract is pretty much our standard one and should be self-explanatory. The letter to Nuvelli sums up things as of June 10th. The meeting in Washington D.C. I refer to included Scott van Hove and Bill Oldeaker (who I understand no longer works for the committee).

The F.E.C. memorandum in note 8 alludes to the finance charges I mentioned - however, in the quarterly F.E.C. filings this debt is not noted. It seems to me that this should be straightened out. Under no circumstance will I make any contribution of this debt. I feel it may be illegal and have been so advised by counsel.

I've also included some newspaper clips on Jack Kemp's version of a "think tank" similar to Hart's and his recent resignation. I have mixed feelings about Hart's tank. I certainly want him to have all the resources available for the '88 drive, but I feel badly that money is going to that effort rather than debt reduction when my creditors are hounding me daily.

To review briefly - I borrowed over \$100,000.00 from my bank to make a critical media buy previous to Super Tuesday for Hart. This money was spent in Washington, Oregon and Oklahoma, all Hart victories.

Although I was a strong supporter, the media buy was strictly a business proposition, complete with contract and assurances from Dwinell and others that the debt would be repaid within 60 days. In the ensuing 2+ years, I've had enough grief from the bank and creditors to last a lifetime.

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page two`  
John Emerson

7 July 1986

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I thought we had the problem solved in May 1985 when we negotiated with Nuvelli and Van Hove to pay us 50% (less costs) of all the money raised in California, but they never signed an agreement and of course, the money never came. I stabilized the situation by more borrowing from friends last fall since it was clear the Committee had no money to pay anyone. Now, according to F.R.C. reports the fund raising is picking up and the debt is being retired. For instance, in the period January 1, 1986 - March 31, 1986 disbursement records show the Committee spent nearly \$7000.00 on current advertising; \$8500 to California National Bank; and over \$46,000 to National Bank of Washington; not to mention an awful lot of money for operating expenses. Naturally, it seems to me our debt could have received some attention, at least debt service. It could make me damned resentful.

But in the face of all that, we still support Senator Hart and want to help with the '88 campaign. Getting some money rolling in will ensure that any resentment is laid to rest.

Your help is deeply appreciated John. We are not asking for special favors; just a fighting chance for our business to survive this thing.

Best,

  
Peter J. Semper  
President  
SEMPER MOSER ASSOCIATES, INC.

8 8 0 4 0 7 2 4 4 5 3



Recd 7/16/86

SEMPER/MOSER ASSOCIATES INC.

STATEMENT OF ACCOUNT: July 11, 1986

AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.E.  
Washington D.C. 20002  
ACCTS PAYABLE

UNPAID INVOICES: \$153,754.15

Service fee at 1½% per month  
on unpaid balance per contract 2,306.31

AMOUNT OWING AS OF THIS STATEMENT \$156,060.46

  
PETER J. SEMPER, PRESIDENT

88040724454

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SEMPER/MOSER ASSOCIATES INC.

STATEMENT OF ACCOUNT: August 1986

AMERICANS WITH HART, INC.  
311 Massachusetts Ave. N.F.  
Washington D.C. 20002  
ACCTS PAYABLE

UNPAID INVOICES: \$156,060.46

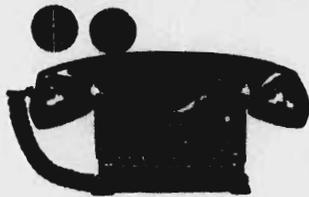
Service fee at 1½% per month  
on unpaid balance per contract 2,340.91

AMOUNT OWING AS OF THIS STATEMENT \$158,401.37

  
PETER J. SEMPER, PRESIDENT

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88040724457



SEMPER/MOSER ASSOCIATES INC.

STATEMENT OF ACCOUNT: September 1986

AMERICANS WITH HART, INC.  
311 Massachusetts Ave, N.E.  
Washington D.C. 20002  
ACCTS PAYABLE

UNPAID INVOICES: 158,401.37

Service fee at 1½% per month  
on unpaid balance per contract 2,376.02

AMOUNT OWING AS OF THIS STATEMENT \$160,777.39

  
PETER J. SEMPER, PRESIDENT

33040721458

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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

NOV 2 1966

SEMPER-MOSER ASSOCIATES, INC.  
1799 Washington Way  
Venice, California 90291

Plaintiff,

vs.

AMERICANS WITH HART, INC.  
122 C Street, N.W.  
Washington, DC

Defendant.

CLERK OF DISTRICT COURT  
U. S. DISTRICT OF COLUMBIA

CIVIL ACTION NO. 86-2711  
Judge Penn

ORDER FOR ENTRY OF DEFAULT  
JUDGMENT

ORDER

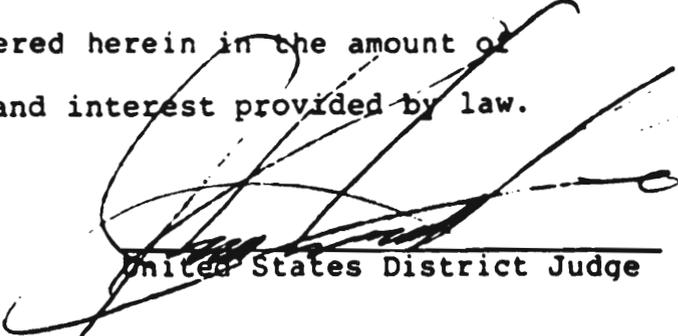
A motion having been duly made by the plaintiff for judgment by default, and it appearing that the defendant herein is in default and that his default has been duly noted, and it further appearing that defendant's damages are a sum capable of being made certain by calculation, it is

ORDERED AND ADJUDGED:

1. That the plaintiff recover of the defendant the damages sustained by him on account of the claim alleged in the complaint;

2. That judgment be entered herein in the amount of \$ 103,709.44 , plus costs, and interest provided by law.

Dated: NOV 21 1966

  
United States District Judge

39040724460





SEMPER/MOSER ASSOCIATES INC.

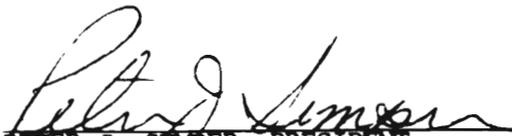
STATEMENT OF ACCOUNT: Month of October, 1986

AMERICANS WITH HART, INC.  
311 Massachusetts Ave., N.E.  
Washington D.C. 20002  
ACCTS PAYABLE

UNPAID INVOICES: 160,777.39

Service fee at 1½% per month  
on unpaid balance per contract 2,411.66

AMOUNT OWING AS OF THIS STATEMENT \$163,189.05

  
PETER J. SEMPER, PRESIDENT

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10/29/14  
Samper  
Novelli  
WCO  
SUIT

## I. Novelli Overview

II. Attorney - WCO v. Samper

- bank v. creditors
- send letter

- 50K in 90 days - note saying NO

- Plans to sue for fraud

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---

STATEMENT OF ACCOUNT: Month of December, 1986

AMERICANS WITH HART, INC.  
122 C St. N.W.  
Washington D.C.  
ATTN: Accts Payable

UNPAID INVOICES: \$165,636.89

Service fee at 1½% per month  
on unpaid balance per contract 2,484.55

AMOUNT OWING AS OF THIS STATEMENT \$168,121.44

  
PETER J. SEMPER, PRESIDENT

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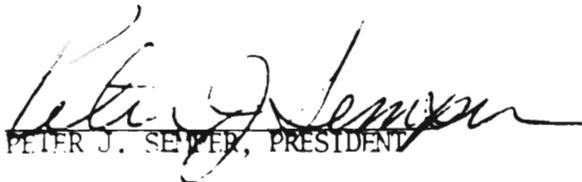


SEMPER/MOSER ASSOCIATES INC.

STATEMENT OF ACCOUNT: Month of November, 1986

AMERICANS WITH HART, INC.  
122 C St. N.W.  
Washington D.C.  
ATTN: Accts. Payable

UNPAID INVOICES	\$163,199.05
Service fee at 1½% per month on unpaid balance per contract	2,447.84
AMOUNT OWING AS OF THIS STATEMENT	\$165,647.89

  
PETER J. SEMPER, PRESIDENT

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FEB 13 1987 B 18 REC'D DMiller

Den Miller 7/23/8

ATTORNEYS AT LAW

# SWANKIN & TURNER

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEHMFELD  
MARY ELLEN R. FISE

SUITE 185 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8888

February 9, 1987

The Honorable Patricia Schroeder  
United States House of Representatives  
2410 Rayburn Building.  
Washington, DC 20515

Dear Congresswoman Schroeder:

We represent Mr. Peter Semper in an action to collect over \$162,000 owed him by Americans With Hart. I am writing to you because of the attached article.

Our client, a small businessman, has suffered severe financial difficulties because of the size of this debt, the length of time it has been owed to him by Senator Hart's campaign and the shabby manner in which Senator Hart's agents have treated him, making and breaking promises and ducking all responsibility for this debt.

Enclosed you will find the documents in the collection case, including our attachment of the bank account, which contained zero dollars; our inquiries indicate it is purposely kept at zero despite the fact that it is used to receive and disburse funds.

Contrary to Mr. Manatt's quoted statement (attached article), we and our client believe that Senator Hart's unpaid debt is a serious obstacle to his being elected president.

Mr. Semper has already found it necessary to begin collection action against the campaign and against individuals and organizations who may have been unlawfully or fraudulently involved in obtaining the advance of funds from him and/or preventing its repayment.

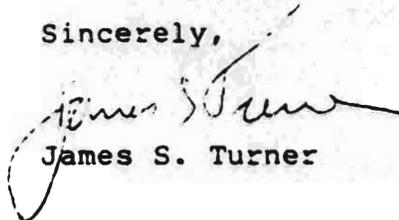
33040724470

Mr. Semper is in the communications industry and he has finally and reluctantly begun to wonder whether this debt, owed to him since March of 1984, may only be collected by means embarrassing to the Senator, such as calling attention of persons like yourself to this debt.

We sincerely hope this will help. The behavior of the Senator's representatives, if unchanged, will do serious harm to his Presidential campaign.

We welcome your help and advice to resolve this problem. I am confident I will receive the courtesy of a reply.

Sincerely,



James S. Turner

89040724471

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

FILED

DEC 16 1986

Clerk, U. S. District Court  
District of Columbia

SEMPER-MOSER ASSOCIATES, INC. :  
1799 Washington Way :  
Venice, California 90291 :

Plaintiff, :

vs. :

AMERICANS WITH HART, INC. :  
122 C Street, N.W. :  
Washington, DC :

Defendant. :

CIVIL ACTION NO. 86-2711  
Judge Penn

ORDER AMENDING JUDGMENT  
DATED NOVEMBER 21, 1986

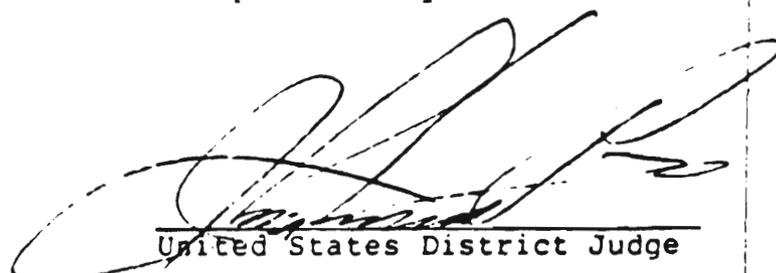
ORDER

A motion having been duly made by the plaintiff for judgment by default, an order entering judgment of default having been issued on November 21, 1986, and a motion having been duly made by plaintiff to amend said order to include interest at the contract rate to date of judgment, it is:

ORDERED AND ADJUDGED:

1. That the Order dated November 21, 1986 be and hereby is amended to enter judgment for plaintiff in the amount of \$162,754.57 plus costs and interest as provided by law.

Dated: DEC 15 1986

  
United States District Judge

93740724472

(2)

8 8 0 4 0 7 2 4 4 7 3

UC 41 gave me this at Atlanta conference  
Jody H

ATTORNEYS AT LAW

# SWANKIN & TURNER

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEHRFELD  
MARY ELLEN R. FISE

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

FEB 10 10:40

Mills does not know this guy.  
Mills/Dori do not know what the debt is for.  
Denver should advise Jon/Dori of result here.  
JH

February 9, 1987

The Honorable Jon Mills  
Speaker of the House  
420 The Capitol  
Tallahassee, Florida 32399-1300

Dear Mr. Speaker:

We represent Mr. Peter Semper in an action to collect over \$162,000 owed him by Americans With Hart. I am writing to you because of the attached article.

Our client, a small businessman, has suffered severe financial difficulties because of the size of this debt, the length of time it has been owed to him by Senator Hart's campaign and the shabby manner in which Senator Hart's agents have treated him, making and breaking promises and ducking all responsibility for this debt.

Enclosed you will find the documents in the collection case, including our attachment of the bank account, which contained zero dollars; our inquiries indicate it is purposely kept at zero despite the fact that it is used to receive and disburse funds.

Contrary to Mr. Manatt's quoted statement (attached article), we and our client believe that Senator Hart's unpaid debt is a serious obstacle to his being elected president.

Mr. Semper has already found it necessary to begin collection action against the campaign and against individuals and organizations who may have been unlawfully or fraudulently involved in obtaining the advance of funds from him and/or preventing its repayment.

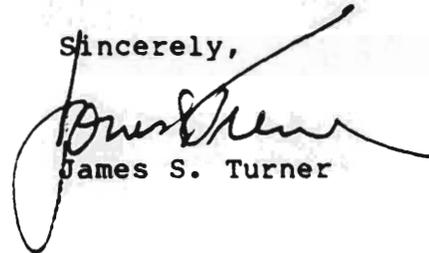
83040724474

Mr. Semper is in the communications industry and he has finally and reluctantly begun to wonder whether this debt, owed to him since March of 1984, may only be collected by means embarrassing to the Senator, such as calling attention of persons like yourself to this debt.

We sincerely hope this will help. The behavior of the Senator's representatives, if unchanged, will do serious harm to his Presidential campaign.

We welcome your help and advice to resolve this problem. I am certain I can count on the courtesy of a reply.

Sincerely,



James S. Turner

33040724475

Marylouise Oates

## The Capital Kisses Its Hart Goodby

WASHINGTON—A bunch of Californians showed up to bid a senatorial farewell to Gary Hart in D.C. this week. But, of course, in Washington nothing is simple—so the party also aimed at helping Hart pay off the \$3-million debt from his '84 presidential campaign.

Kitty and Steve Moses helped spearhead the gathering at the Folger Library. The exquisite Folger, which is available for rent, is usually off-limits for political events—but this party slipped in because the party was also a "retirement tribute" for the Colorado Democratic senator.

The 200-plus crowd was stirred by two arrivals—actor Warren Beatty (naturally), and that of Pamela Harriman, one of the farewell dinner's co-chairs. The widow of Ambassador Averell Harriman (in what was one of her first public appearances since his death this summer), she had raised quite a bit of money in 1984 for Democratic Senate candidates.

And money was, of course, a major concern to Chuck Manatt, who along with U.S. Rep. Pat Schroeder of Colorado and Florida state Rep. Jon Mills, will co-chair the announced-this-week Hart exploratory committee. Manatt said

Please see OATES, Page 12

LOS ANGELES TIMES

12 Part V / Friday, December 12, 1986

## OATES

Continued from Page 1

the \$3-million debt wasn't a serious impediment to Hart's '88 candidacy. When Manatt took over the Democratic National Committee as chair in 1981, there was still \$3 million to be paid off from the 1968 Bobby Kennedy campaign. Staff members were quick to point out that Hart is permitted to raise money for the 1988 campaign while in the process of paying off the '84 debt.

Hart, stiffly serious in '84, seemed almost relaxed. Schroeder, a member of the House Armed Services Committee, contributed to the mood when she joked pointedly that her committee was trying to find out "what happened to all the weapons we have paid for. Maybe they've been given away."

Tim Wirth, who has been elected to replace Hart in the Senate, was there, along with wife Wren. Also very present—L.A. expatriates and long-time Hart supporters Miles and Nancy Rubin (he's credited with raising mucho money for Hart in '84), superlobbyist Tommy Boggs, and Norm Brownstein.

E.I.L.M. FUND. P. 12

33040724476

RECEIVED  
DEC 12 1986  
UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

FILED

DEC 16 1986

Clerk, U.S. District Court  
District of Columbia

SEMPER-MOSER ASSOCIATES, INC.  
1799 Washington Way  
Venice, California 90291

Plaintiff,

vs.

AMERICANS WITH HART, INC.  
122 C Street, N.W.  
Washington, DC

Defendant.

CIVIL ACTION NO. 86-2711  
Judge Penn

ORDER AMENDING JUDGMENT  
DATED NOVEMBER 21, 1986

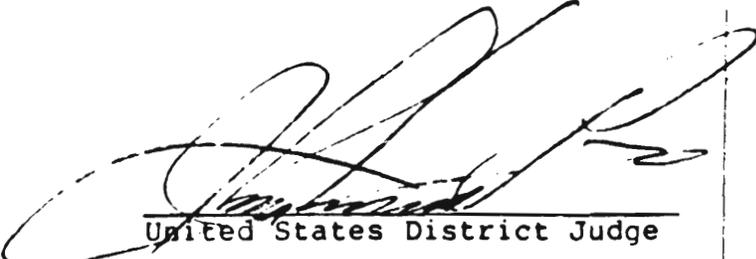
ORDER

A motion having been duly made by the plaintiff for judgment by default, an order entering judgment of default having been issued on November 21, 1986, and a motion having been duly made by plaintiff to amend said order to include interest at the contract rate to date of judgment, it is:

ORDERED AND ADJUDGED:

1. That the Order dated November 21, 1986 be and hereby is amended to enter judgment for plaintiff in the amount of \$162,754.57 plus costs and interest as provided by law.

Dated: DEC 15 1986

  
United States District Judge

83040724477

(2)

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

NOV 2 1966

SEMPER-MOSER ASSOCIATES, INC. :  
1799 Washington Way :  
Venice, California 90291 :

Plaintiff, :

vs. :

AMERICANS WITH HART, INC. :  
122 C Street, N.W. :  
Washington, DC :

Defendant. :

CIVIL ACTION NO. 86-2711  
Judge Penn

ORDER FOR ENTRY OF DEFAULT  
JUDGMENT

ORDER

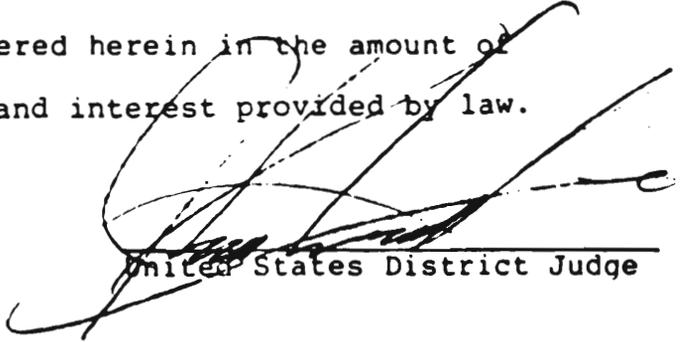
A motion having been duly made by the plaintiff for judgment by default, and it appearing that the defendant herein is in default and that his default has been duly noted, and it further appearing that defendant's damages are a sum capable of being made certain by calculation, it is

ORDERED AND ADJUDGED:

1. That the plaintiff recover of the defendant the damages sustained by him on account of the claim alleged in the complaint;

2. That judgment be entered herein in the amount of \$ 103,709.44 , plus costs, and interest provided by law.

Dated: NOV 21 1966

  
United States District Judge

83040724478

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC.

Plaintiff

vs.

Civil Action No. 86 - 2711

AMERICANS WITH HART, INC.

Defendant

NOTICE

TO:

National Bank of Washington

619 14th Street, Northwest, Washington, DC

[Address]

, Garnishee:

As a garnishee, you are required by law to file answers to the following Interrogatories in Attachment, within ten (10) days after service of the writ upon you [Title 16, Section 521(a), D.C. Code (1981 ed.)]. Judgment may be entered against you for the entire amount of the plaintiff's claim and costs [Title 16, Section 526(b), D.C. Code (1981 ed.)].

The garnishee shall file the original and one copy of the Answers to Interrogatories with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the Answers to Interrogatories or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the Answers to Interrogatories pursuant to Title 15, Section 522, D.C. Code (1981 ed.), the garnishee's obligations under the attachment shall be limited by his answer.

James S. Turner  
Betsy E. Lehrfeld  
Attorney for Plaintiff  
Swankin & Turner  
1424 16th Street, N.W.  
Washington, DC 20036

(Address)

Telephone: (202) 462-8800

INTERROGATORIES (See other side)

Attachment on Judgment  
(Credits other than Wages, Salary,  
Commissions or Pensions)

CO-901A  
Rev. 7-82

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. )  
Plaintiff )

vs.

Civil Action No. 86 - 2711

AMERICANS WITH HART, INC. )  
Defendant )

ATTACHMENT ON JUDGMENT  
(Credits other than Wages, Salary,  
Commissions or Pensions)

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TO: National Bank of Washington  
(Name)  
619 14th Street, Northwest, Washington, DC, GARNISHEE:  
(Address)

You are hereby notified that any credits other than wages, salary, commissions or pensions of the defendant, Americans With Hart, Inc. if to be found in this District, of value sufficient to satisfy the plaintiff's judgment against the said defendant, are seized by this Writ of Attachment, and you are required to hold them and not to pay or surrender them to the said defendant or to anyone else without an order from this Court.

The judgment against the said defendant was entered in the above-entitled cause on the 24<sup>th</sup> day of November, 1986, in the amount of One Hundred Sixty-two Thousand, Seven Hundred Fifty-four and 57/100 (as amended by order dated December 16, 1986) Dollars (\$162,754.57), and costs amounting to \$ 110.00, with interest of \$643.21 less credits of \$ 0.

You are required to answer the annexed INTERROGATORIES IN ATTACHMENT, under penalties of perjury, within ten (10) days after service of the writ upon you.

[16 D.C.C. §521(a) - 1981 Ed.] If you fail to do so, judgment may be entered against you

The garnishee shall file the original and one copy of the answers to INTERROGATORIES with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and also upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the answers to Interrogatories in Attachment or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the answers to Interrogatories pursuant to Title 16, Section 522, D.C. Code (1981 Ed.), the garnishee's obligations under the attachment shall be limited by his answers.

WITNESS The Honorable Chief Judge of said Court, this 19<sup>th</sup> day of December, 1986.

JAMES F. DAVEY, CLERK

By Dorothy Jones  
Deputy Clerk

James S. Turner  
Betsy E. Lehrfeld

James S. Turner  
Betsy E. Lehrfeld  
Attorney for Plaintiff

Swankin & Turner  
1424 16th Street, N.W.

(Address)  
Suite 105  
Washington, DC 20036

Telephone: (202) 462-8800

93040724491

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

SEMPER-MOSER ASSOCIATES, INC. Plaintiff

vs.

Civil Action No. 86 - 2711

AMERICANS WITH HART, INC. Defendant

INTERROGATORIES

TO: National Bank of Washington, GARNISHEE:

1. Were you at the time of the service of the writ of attachment served herewith, or have you been, between the time of such service and the filing of your answer to this interrogatory, indebted to the defendant.

? If so, how and in what amount?

ANSWER: NO FUNDS AVAILABLE

2. Had you, at the time of the service of the writ of attachment, served herewith, or have you had, between the time of such service and the filing of your answer to this interrogatory, any goods, chattels, credits, lands or tenements of the said defendant in your possession or charge? If so, what?

ANSWER: SEE INTERROGATORY #1.

I declare under the penalties of perjury that the answers to the above interrogatories are, to the best of my knowledge and belief, true and correct.

Signed this 23 day of December, 1986

Jacqueline D. Hawkins, Manager GARNISHEE

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ATTORNEYS AT LAW

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N W WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEHRFELD  
MARY ELLEN R. FISE

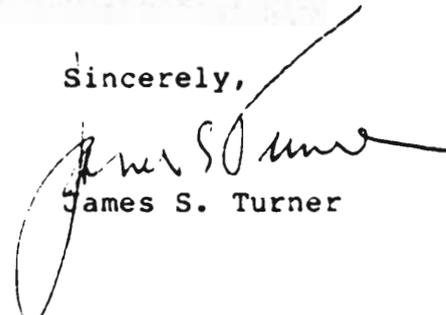
March 18, 1987

The Honorable Patricia Schroeder  
United States House of Representatives  
2410 Rayburn Building  
Washington, DC 20515

Dear Congresswoman Schroeder:

My client Peter Semper, and I both thank you for your help in getting the Hart campaign to focus on Mr. Semper's outstanding debt. The enclosed letter is self explanatory. I trust that the shabby treatment by the campaign will end now that Bill Dixon has taken personal responsibility for resolving the debt.

Sincerely,



James S. Turner

cc: Mr. William P. Dixon

89740724484

88040724485

ATTORNEYS AT LAW

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON D.C. 20036 TELEPHONE 202 462-8800

DAVID A. SWANKIN  
JAMES S. TURNER  
FRED GOLDBERG  
BETSY E. LEHRFELD  
MARY ELLEN R. FISE

March 18, 1987

*ECI - AWH*

Mr. William P. Dixon  
Campaign Manager  
Friends of Gary Hart 1988  
1600 Downing Street  
Denver, Colorado 80218

Dear Bill,

I was glad to receive your call about my client's debt last Tuesday and would like, if at all possible, to receive a copy of the tape you made of it. *- never made. just asked permission.*

While I was disappointed that you could not say "the check is in the mail" I appreciate the difficulties you outlined and your expressed desire to get this debt paid off and behind us.

You said campaign laws make paying this debt difficult. We will soon discuss this debt with the FEC and need your legal interpretations of bearing on it. We might be able to help with clarifications. *? ? non-sense*

I've enclosed the agreement Mike Novelli and Scott Van Hove negotiated and then failed to sign or acknowledge. Neither my client nor I see how Gary can be elected if he allows his staff to act so shabbily about his responsibilities.

You said you retrieved this \$150,000 debt from the cracks through which it fell. I hope this means the debt will be paid -- sooner rather than later. The enclosed note to Pat Schroeder thanks her for getting your attention.

Thanking you for your consideration, I look forward to our working together to resolve this matter.

Sincerely,

*Jim*  
James S. Turner

cc: The Honorable Patricia Schroeder

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Plan 1 Semper Moser Associates

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Address): <input type="checkbox"/> Recording requested by and return to: <b>Betsy E. Lehrfeld</b> Turner-Lehrfeld, P.C. 1424 16th Street, N.W. Suite 105 Washington, DC 20036		TELEPHONE NO.: <b>(202) 462-8800</b>	FOR RECORDER'S USE ONLY
ATTORNEY FOR (Name): <b>Semper-Moser Associates, Inc., Plaintiff</b>			
NAME OF COURT	United States District Court		LEVYING OFFICER (Name and Address):  <b>United States Marshal</b> Room G-23, U.S. Courthouse 312 No. Spring St. Los Angeles, Calif. 90012
STREET ADDRESS	Central District of California		
MAILING ADDRESS	312 N. Spring Street		
CITY AND ZIP CODE	Los Angeles, CA. 90012		
BRANCH NAME			COURT CASE NO.: <b>Misc. 18860</b>
PLAINTIFF:	<b>Semper-Moser Associates, Inc.</b>		
DEFENDANT:	<b>Americans With Hart, Inc.</b>		
NOTICE OF LEVY - under Writ of <input checked="" type="checkbox"/> Execution (Money Judgment) <input type="checkbox"/> Sale			
TO THE PERSON NOTIFIED (name): <b>Americans With Hart</b> <b>Friends of Gary Hart</b> <b>The Knoll, 1130 Schuyler Road, Beverly Hills, CA.</b> <b>Americans With Hart, Inc.</b>			Judgment Debtor

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1. The judgment creditor seeks to levy upon property in which the judgment debtor has an interest and apply it to the satisfaction of a judgment.

The property to be levied upon is described

in the accompanying writ of possession or writ of sale.  
 as follows:

Including but not limited to the proceeds collected from the fundraiser.

2. The amount necessary to satisfy the judgment creditor's judgment is (specify total amount due under the writ less partial satisfactions plus daily interest from the date of the writ until the date of levy):  
\$ 166,097.16

3. You are notified as

a.  a judgment debtor.  
b.  a person other than the judgment debtor (state capacity in which person is notified):

person in possession of funds

(Read Information for Judgment Debtor or Information for Person Other Than Judgment Debtor on reverse.)

Notice of Levy was

mailed on (date): **4/15/87**  
 delivered on (date):  
 posted on (date):  
 filed on (date):  
 recorded on (date):

at (place): **L.A. Ca.**

**Julio Gonzales**  
U.S. Marshal

By *Roy Indovina*  
Deputy

Continued on reverse)

— INFORMATION FOR JUDGMENT DEBTOR —

1. The levying officer is required to take custody of the property described in item 1 in your possession or under your control.
2. You may claim any available exemption for your property. A list of exemptions is attached. If you wish to claim an exemption, you must do so within 10 days after this notice was delivered to you or 15 days after this notice was mailed to you by filing a claim of exemption and one copy with the levying officer as provided in section 703.520 of the Code of Civil Procedure. If you do not claim any exemptions, you lose them and the property is subject to enforcement of a money judgment. If you wish to seek the advice of an attorney, you should do so immediately so that a claim of exemption can be filed on time.
3. You are not entitled to claim an exemption for property that is levied upon under a judgment for sale of property. This property is described in the accompanying writ of sale. You may, however, claim available exemptions for property levied upon to satisfy damages or costs awarded in such a judgment.
4. You may obtain the release of your property by paying the amount of a money judgment with interest and costs remaining unpaid.
5. If your property is levied upon under a writ of execution or to satisfy damages and costs under a writ of possession or sale, the property may be sold at an execution sale, perhaps at a price substantially below its value. Notice of sale will be given to you. Notice of sale of real property (other than a leasehold estate with an unexpired term of less than two years) may not be given until at least 120 days after this notice is served on you. This grace period is intended to give you an opportunity to settle with the judgment creditor, to obtain a satisfactory buyer for the property, or to encourage other potential buyers to attend the execution sale.
6. All sales at an execution sale are final; there is no right of redemption.

— INFORMATION FOR PERSON OTHER THAN JUDGMENT DEBTOR —

1. If the property levied upon is in your possession or under your control and you do not claim the right to possession or a security interest, you must deliver the property to the levying officer. If you do not deny an obligation levied upon or do not claim a priority over the judgment creditor's lien, you must pay to the levying officer the amount that is due and payable and that becomes due and payable during the period of the execution lien which lasts two years from the date of issuance of the writ of execution. You must execute and deliver any documents needed to transfer the property.
2. You must complete the accompanying Memorandum of Garnishee.
3. If you claim ownership or the right to possession of real or personal property levied upon or if you claim a security interest in or lien on personal property levied upon, you may make a third-party claim and obtain the release of the property pursuant to CCP 720.010-720.800.
4. Make checks payable to the U.S. Marshal . Indicate the court case number and judgment debtor's name on each check.

# EXEMPTIONS FROM THE ENFORCEMENT OF JUDGMENTS

The following is a list of assets that may be exempt from levy.

Exemptions are found in the United States Code (USC) and in the California codes, primarily in the Code of Civil Procedure (CCP).

Because of periodic changes in the law, the list may not include all exemptions that apply in your case. The exemptions may not apply in full or under all circumstances. Some are not available after a certain period of time. You or your attorney should read the statutes.

If you believe the assets that are being levied on are exempt, file a claim of exemption, which you can get from the levying officer.

Type of Property	Code and Section	Type of Property	Code and Section
<b>Accounts (See Deposit Accounts)</b>		<b>Benefit Payments (cont.)</b>	
Appliances .....	CCP § 704.020	Railroad Retirement Benefits .....	45 USC § 228(1)
Art and Heirlooms .....	CCP § 704.040	Railroad Unemployment Insurance .....	45 USC § 352(c)
Automobiles .....	CCP § 704.010	Relocation Benefits .....	CCP § 704.180
BART District Benefits .....	CCP § 704.110	Retirement Benefits and Contributions—	
<b>Benefit Payments:</b>		Private .....	CCP § 704.115
BART District Benefits .....	CCP § 704.110	Public .....	CCP § 704.110
Pub Util C § 28896		Segregated Benefit Funds .....	Ins C § 10498.6
Charity .....	CCP § 704.170	Social Security Benefits .....	42 USC § 407
Civil Service Retirement Benefits (Federal) .....	5 USC § 8346	Strike Benefits .....	CCP § 704.120
County Employees Retirement Benefits .....	CCP § 704.110	Transit District Retirement Benefits (Alameda & Contra Costa Counties) .....	CCP § 704.110
Govt C § 31452		Pub Util C § 25337	
Disability Insurance Benefits .....	CCP § 704.130	Unemployment Benefits and Contributions .....	CCP § 704.120
Fire Service Retirement Benefits .....	CCP § 704.110	Veterans Benefits .....	38 USC § 3101
Govt C § 32210		Veterans Medal of Honor Benefits .....	38 USC § 562
Foreign Service Retirement & Disability .....	22 USC § 1104	Welfare Payments .....	CCP § 704.170
Fraternal Organization Funds Benefits .....	CCP § 704.130	Welf & I C § 17409	
Health Insurance Benefits .....	CCP § 704.170	Workers Compensation .....	CCP § 704.160
Irrigation System Retirement Benefits .....	CCP § 704.130	Boats .....	CCP § 704.060
Wat C § 22142		CCP § 704.710	
Judges Survivors Benefits (Federal) .....	28 USC § 376(m)	Books .....	CCP § 704.060
Legislators Retirement Benefits .....	CCP § 704.110	Building Materials (Residential) .....	CCP § 704.030
Govt C § 9359.3		Business:	
Life Insurance Benefits—		Licenses .....	CCP § 695.060
Group .....	CCP § 704.100	Tools of Trade .....	CCP § 699.720(a)(1)
Individual .....	CCP § 704.100	CCP § 704.060	
Lighthouse Keepers Widows Benefits .....	33 USC § 775	Cars and Trucks (including proceeds) .....	CCP § 704.010
Longshore & Harbor Workers Compensation or Benefits .....	33 USC § 916	Cash .....	CCP § 704.070
Military Benefits—		Cemetery Plot .....	CCP § 704.200
Retirement .....	10 USC § 1440	Charity .....	CCP § 704.170
Survivors .....	10 USC § 1450	Claims, Actions & Awards:	
Municipal Utility District Retirement Benefits .....	CCP § 704.110	Personal Injury .....	CCP § 704.140
Pub Util C § 12337		Worker's Compensation .....	CCP § 704.160
Peace Officers Retirement Benefits .....	CCP § 704.110	Wrongful Death .....	CCP § 704.150
Govt C § 31913		Clothing .....	CCP § 704.020
Pension Plans (and Death Benefits)—		Condemnation Proceeds .....	CCP § 704.720(b)
Private .....	CCP § 704.115	County Employees Retirement Benefits .....	CCP § 704.110
Public .....	CCP § 704.110	Govt C § 31452	
Public Assistance .....	CCP § 704.170	<b>Damages (See Personal Injury and Wrongful Death)</b>	
Welf & I C § 17409		<b>Deposit Accounts:</b>	
Public Employees—		Escrow or Trust Funds .....	Fin C § 17410
Death Benefits .....	CCP § 704.110	Social Security Direct Deposits .....	CCP § 704.080
Pension .....	CCP § 704.110	<b>Direct Deposit Account —</b>	
Retirement Benefits .....	CCP § 704.110	Social Security .....	CCP § 704.080
Vacation Credits .....	CCP § 704.113	Disability Insurance Benefits .....	CCP § 704.130
		Dwelling House .....	CCP § 704.740
		Earnings .....	CCP § 704.070
		CCP § 708.050	
		15 USC § 1673(a)	
		Educational Grant .....	Ed C § 21116

(Continued on reverse)

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**EXEMPTIONS FROM THE ENFORCEMENT OF JUDGMENTS**  
(Continued)

<u>Type of Property</u>	<u>Code and Section</u>	<u>Type of Property</u>	<u>Code and Section</u>
Employment Bonds	Lab C § 404	Peace Officers Retirement Benefits	CCP § 704.110 Govt C § 31913
Financial Assistance:		Personal Effects	CCP § 704.020
Charity	CCP § 704.170	Personal Injury Actions or Damages	CCP § 704.140
Public Assistance	CCP § 704.170 Welf & I C § 17409	Pension Plans:	
Student Aid	CCP § 704.190	Private	CCP § 704.115
Welfare (See Public Assistance)		Public	CCP § 704.110
Fire Service Retirement	CCP § 704.110 Govt C § 32210	Prisoner's Funds	CCP § 704.090
Foreign Service Retirement & Disability	22 USC § 1104	Property Not Subject to Enforcement of Money Judgments	CCP § 704.210
Fraternal Organizations Funds and Benefits	CCP § 704.130 CCP § 704.170	Prosthetic & Orthopedic Devices	CCP § 704.050
Fuel for Residence	CCP § 704.020	Provisions (for Residence)	CCP § 704.020
Furniture	CCP § 704.020	Public Assistance	CCP § 704.170 Welf & I C § 17409
General Assignment for Benefit of Creditors	CCP § 1801	Public Employees:	
Health Aids	CCP § 704.050	Death Benefits	CCP § 704.110
Health Insurance Benefits	CCP § 704.130	Pension	CCP § 704.110
Home:		Retirement Benefits	CCP § 704.110
Building Materials	CCP § 704.030	Vacation Credits	CCP § 704.113
Dwelling House	CCP § 704.740	Railroad Retirement Benefits	45 USC § 228(1)
Homestead	CCP § 704.720	Railroad Unemployment Insurance	45 USC § 352(e)
House trailer	CCP § 704.730	Relocation Benefits	CCP § 704.180
Mobilehome	CCP § 704.710	Retirement Benefits & Contributions—	
Homestead	CCP § 704.720	Private	CCP § 704.115
Household Furnishings	CCP § 704.730	Public	CCP § 704.110 Ins C § 10498.6
Irrigation System		Seaman's Wages	46 USC § 601
Retirement Benefits	CCP § 704.110 Wat C § 22142	Segregated Benefit Funds	Ins C § 10498.6
Insurance:		Social Security	42 USC § 407
Disability Insurance	CCP § 704.130	Social Security Direct Deposit Account	CCP § 704.080
Fraternal Benefit Society	CCP § 704.110	Soldiers & Sailors Property	50 USC § 523(b)
Group Life	CCP § 704.100	Strike Benefits	CCP § 704.120
Health Insurance Benefits	CCP § 704.130	Student Aid	CCP § 704.190
Individual	CCP § 704.100	Tools of Trade	CCP § 704.060
Insurance Proceeds —		Transit District Retirement Benefits (Alameda & Contra Costa Counties)	CCP § 704.110 Pub Util C § 25337
Motor Vehicle	CCP § 704.010	Unemployment Benefits & Contributions	CCP § 704.120
Jewelry	CCP § 704.040	Uniforms	CCP § 704.060
Judges Survivors Benefits (Federal)	28 USC § 376(m)	Vacation Credits (Public Employees)	CCP § 704.113
Legislators Retirement Benefits	CCP § 704.110 Govt C § 9359.3	Veterans Benefits	38 USC § 3101
Licenses	CCP § 695.060 CCP § 720(a)(1)	Veterans Medal of Honor Benefits	38 USC § 562
Lighthouse Keepers Widows Benefits	33 USC § 775	Wages	CCP § 704.070 CCP § 708.050 CCP § 708.051
Longshore & Harbor Workers Compensation or Benefits	33 USC § 916	Seamans	46 USC § 601
Military Benefits:		Welfare Payments	CCP § 704.170 Welf & I C § 17409
Retirement	10 USC § 1440	Workers Compensation Claims or Awards	CCP § 704.160
Survivors	10 USC § 1450	Wrongful Death Actions or Damages	CCP § 704.150
Military Personnel — Property	50 USC § 523(b)		
Motor Vehicle (Including proceeds)	CCP § 704.010 CCP § 704.060		
Municipal Utility District Retirement Benefits	CCP § 704.110 Pub Util C § 12337		

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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

Plaintiff(s)  SEMPER-MOSER ASSOCIATES, INC.  vs  AMERICANS WITH HART  Defendant(s)	CASE NUMBER <i>Misc.</i> CV 18860 <hr/> (U.S. Dist. Ct. for the District of Columbia, Civil Action No. 86-2711) <hr/> WRIT OF EXECUTION
--	---

TO THE UNITED STATES MARSHAL FOR THE CENTRAL DISTRICT OF CALIFORNIA

You are directed to enforce the Judgment described below with interest and costs as provided by law.

On December 17, 1986 a judgment was entered in the above entitled  
(amending judgment entered November 24, 1986)  
action in favor of

SEMPER-MOSER ASSOCIATES, INC.

as Judgment Creditor and against

AMERICANS WITH HART, INC.

As Judgment Debtor, for:

\$ 103,709.44 Principal,  
\$ 0 Attorney Fees,  
\$ 59,045.13 Interest, and  
\$ 0 Costs, making a total amount of  
\$ 162,754.57 JUDGMENT AS ENTERED

(See reverse side)

WRIT OF EXECUTION

83040724492

WHEREAS, according to an affidavit and/or memorandum of costs after judgment it appears that further sums have accrued since the entry of judgment, to wit:

\$ 3,036.14 accrued interest, and  
\$ 110.00 accrued costs, making a total of  
\$ 3,146.14 ACCRUED COSTS AND ACCRUED INTEREST

Credit must be given for payments and partial satisfaction in the amount of \$ -0- which is to be credited against the total accrued costs and accrued interest, with any excess credited against the judgment as entered, leaving a net balance of:

\$ 165,900.71 ACTUALLY DUE on the date of the issuance of this writ  
of which

\$ 162,754.57 is due on the judgment as entered, and bears interest  
at 5.77% per cent per annum, in the amount of \$ 25.73

per day, from the date of issuance of this writ, to which must be added the commissions and costs of the officer executing this writ.

DATED: \_\_\_\_\_

APR 15 1987

Clerk, United States District Court

By \_\_\_\_\_  
Deputy Clerk

Linda Chai



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The following are name(s) and address(es) of the judgment debtor(s) to whom a copy of this writ of execution must be mailed unless it was served at the time of the levy. This information must be filed in by counsel requesting this writ.

AMERICANS WITH HART, INC.  
302 - 5th St., N.E.  
Washington, DC 20001

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NOTICE TO THE JUDGMENT DEBTOR: You may be entitled to file a claim exempting your property from execution. You may seek the advise of an attorney or may within 10 days after the date the notice of levy was served deliver a claim of exemption to the levying officer as provided in Sections 703.510-703.610 of the California Code of Civil Procedures.

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Address)

TELEPHONE NO.

Recording required by and return to:

(202) 462-8800

Betsy E. Lehrfeld  
Turner-Lehrfeld, P.C.  
1424 16th Street, N.W.  
Washington, DC 200

ATTORNEY FOR (Name) Semper-Moser Associates, Inc., Plaintiff

NAME OF COURT United States District Court  
STREET ADDRESS Central District of California  
MAILING ADDRESS 312 N. Spring Street  
CITY AND ZIP CODE Los Angeles, CA. 90012  
BRANCH NAME

PLAINTIFF: Semper-Moser Associates, Inc.

DEFENDANT: Americans with Hart

**MEMORANDUM OF GARNISHEE**  
(Attachment - Enforcement of Judgment)

FOR MARSHAL'S USE ONLY

Money received. Holding under attachment.

Money received. Will be remitted to you.

Unless otherwise indicated, no money was received with this memorandum.

LEVYING OFFICER (Name and Address)

**United States Marshal**  
**Room G-28, U.S. Courthouse**  
**312 No. Spring St.**  
**Los Angeles, Calif. 90012**

COURT CASE NO.

Misc. 18860

Americans with Hart, Inc.  
302 - 5th St., N.E.  
Washington, DC 20001

2 of 2

NOTICE TO PERSON SERVED WITH WRIT AND NOTICE OF LEVY OR NOTICE OF ATTACHMENT. This memorandum must be completed and mailed or delivered to the levying officer within 10 days after service on you of the writ and notice of levy or attachment unless you have fully complied with the levy. Failure to complete and return this memorandum may render you liable for the costs and attorney fees incurred in obtaining the required information.

- RETURN ALL COPIES OF THIS MEMORANDUM TO THE LEVYING OFFICER -

This memorandum does *not* apply to garnishment of earnings.

1. If you will not deliver to the levying officer any property levied upon, describe the property and the reason for not delivering it:
2. For writ of execution only. Describe any property of the judgment debtor not levied upon that is in your possession or under your control:
3. If you owe money to the judgment debtor which you will not pay to the levying officer, describe the amount and terms of the obligation and the reason for not paying it to the levying officer:

(Continued on reverse)

Form Approved by the  
Federal Council of California  
7/13/52, New July 1, 1987

**MEMORANDUM OF GARNISHEE**  
(Attachment - Enforcement of Judgment)

CP 488 (10)  
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1. Describe the amount and terms of any obligation owed to the judgment debtor that is levied upon but is not yet due and payable:

2. For writ of execution only. Describe the amount and terms of any obligation owed to the judgment debtor that is not levied upon:

3. Describe any claims and rights of other persons to the property or obligation levied upon that are known to you and the names and addresses of the other persons:

88040724496

STATE OF CALIFORNIA  
COUNTY OF ...  
SUPERIOR COURT  
CLERK OF COURT

**DECLARATION**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date

(TYPE OR PRINT NAME)

(SIGNATURE)

Name of Company

If you need more space to provide the information required by this memorandum, you may attach additional pages.

Total number of pages attached:

3 8 0 4 0 7 2 4 4 9 7

## A Hart '84 Creditor Seizes \$30,000 at Fund-Raiser

By T.R. Reid  
Washington Post Staff Writer

DENVER, April 16—A team of federal marshals walked into a glittery Hollywood fund-raiser for Democratic presidential candidate Gary Hart Wednesday night and seized about \$30,000 in contributions to satisfy a writ obtained by one of the creditors of Hart's 1984 campaign.

While Hart hobnobbed with Donna Mills, John Forsyth, Elliott Gould and other stars at a \$500-per-person gathering to finance the 1988 race Hart kicked off this week, the marshals produced a writ of attachment issued by a federal judge in Los Angeles and took the checks and cash from the party.

Acting Chief Marshal John Freeman said the seizure was handled quietly in a corner of the posh Palace nightclub, and most guests at the fund-raiser were unaware that their contributions had been attached. The marshals acted to enforce a federal

court judgment won by Semper-Moser Associates, a Culver City, Calif., firm that placed television ads for Hart in California in 1984.

The Hart campaign has reported an outstanding debt to Semper-Moser of \$105,412.80. Peter Semper of Semper-Moser said today that he won a judgment of \$162,500 against the Hart campaign last December, which includes 30 months of interest.

Hart still owes \$1.3 million in back bills and outstanding loans to about 60 creditors of his 1984 campaign. He has vowed to settle with all creditors before the first formal votes of the 1988 primary campaign are cast.

But while the old debts remain, Hart is raising money for his 1988 campaign. Hart aides say they have about \$1 million. The Hollywood event was earmarked for the 1988 effort.

For that reason, Hart's campaign staff said today that the federal seizure, based on a 1984 debt, was invalid. "The checks [at the fund-

raiser] were made out to Friends of Gary Hart, 1988, and that committee doesn't owe money to anybody," said Hart spokesman Kevin Sweeney.

"I'm not buying that line," said Semper, the creditor. "These guys are so darn devious. For three years they've been giving me excuses, you know, it's the wrong committee or something. When the whole thing they've done to me comes out in public, a dog wouldn't vote for this guy."

It's not completely clear when campaign funds can legally be shifted back and forth between different committees serving a single candidate.

Hart's campaign manager, William Dixon, says that "the laws prohibit" transfer from Hart's 1988 treasury to his 1984 committee. The Federal Election Commission has authorized candidates to transfer money among committees to pay off old debts. Hart himself used about \$100,000 that he raised for a 1986 Senate campaign—a race he eventually didn't make—to help pay his 1984 debts.

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Attachment on Judgment  
(Credits other than Wages, Salary,  
Commissions or Pensions)

CO-901A ©  
Rev. 7-82

*Court Copy*  
UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

*Am 4 - Semper Moser*

SEMPER-MOSER ASSOCIATES, INC.  
Plaintiff

vs.

Civil Action No. 86-2711

AMERICANS WITH HART, INC.  
Defendant

ATTACHMENT ON JUDGMENT  
(Credits other than Wages, Salary,  
Commissions or Pensions)

TO: National Bank of Washington

(Name)

619 14th Street, N.W., Washington, DC

(Address)

, GARNISHEE:

3 1 4 0 7 2 4 5 0 0  
You are hereby notified that any credits other than wages, salary, commissions or pensions of the defendant, Americans With Hart, Inc. if to be found in this District, of value sufficient to satisfy the plaintiff's judgment against the said defendant, are seized by this Writ of Attachment, and you are required to hold them and not to pay or surrender them to the said defendant or to anyone else without an order from this Court.

The judgment against the said defendant was entered in the above-entitled cause on the 24th day of November, 1986, in the amount of One Hundred Sixty-two Thousand, Seven Hundred Fifty-four and 57/100 Dollars (as amended by Order entered December 17, 1986) Dollars (\$ 162,754.57), and costs amounting to \$ 110.00, with interest in the amount of Three One Hundred (\$3,190.52) Thousand/Ninety and 52/100 Dollars / less credits of \$ -0-

You are required to answer the annexed INTERROGATORIES IN ATTACHMENT, under penalties of perjury, within ten (10) days after service of the writ upon you. [16 D.C.C. §521(a) - 1981 Ed.] If you fail to do so, judgment may be entered against you

The garnishee shall file the original and one copy of the answers to INTERROGATORIES with the Clerk of this Court. In addition, he shall also serve copies upon each defendant subject to the Writ of Attachment and also upon the person at whose instance the writ was issued.

If, within ten (10) days after service of the answers to Interrogatories in Attachment or such later time as the Court may allow, the party at whose instance the Attachment was issued shall not contest the answers to Interrogatories pursuant to Title 16, Section 522, D.C. Code (1981 Ed.), the garnishee's obligations under the attachment shall be limited by his answers.

WITNESS The Honorable Chief Judge of said Court, this 20<sup>th</sup> day of April, 1987.

JAMES F. DAVEY, CLERK

By

May B. Deavers  
Deputy Clerk

Betsy E. Lehrfeld  
Betsy E. Lehrfeld

Attorney for Plaintiff

Swankin & Turner  
1424 16th Street, N.W.

(Address)

Suite 105  
Washington, DC 20036

Telephone: (202) 462-8800

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AFFIDAVIT OF SENATOR GARY HART

Senator Gary Hart, being duly sworn, deposes and says:

1. In the course of my campaigning during the 1984 presidential primary season, I used a number of credit cards to incur qualified campaign expenses. All of these credit card expenditures were obligations of the Americans with Hart Committee. None were my personal obligations.

2. The credit card account (2) discussed at page 17 of the interim audit report was a preexisting credit card held by me. However, at the beginning of the campaign period, I reached an understanding with Committee personnel that the qualified campaign expenditures to be incurred on this card would be the obligations of the Committee. When the bills were received on this credit card by my Senate staff, they were forwarded to the Committee for payment. All such bills were paid by the Committee. At no time did I use my personal funds to pay for any qualified campaign expenditures incurred on this credit card. All such expenditures were the sole obligation of the Committee, not of myself personally.

3. The credit card account (4/5) discussed at page 19 of the interim audit report was a joint account held by the Americans with Hart Committee and myself. Again, it was my

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understanding with the Committee that all qualified campaign expenditures incurred on this account would be the sole obligation of the Committee, and not myself personally. All of the bills for this account were sent to the Committee, and all obligations were paid by the Committee. At no time did I use my personal funds to pay for any qualified campaign expenditures incurred on these accounts.

  
\_\_\_\_\_  
Gary Hart

Subscribed and sworn to before me this 19th day of August, 1985.

My Commission Expires April 30, 1989

  
\_\_\_\_\_  
Notary Public

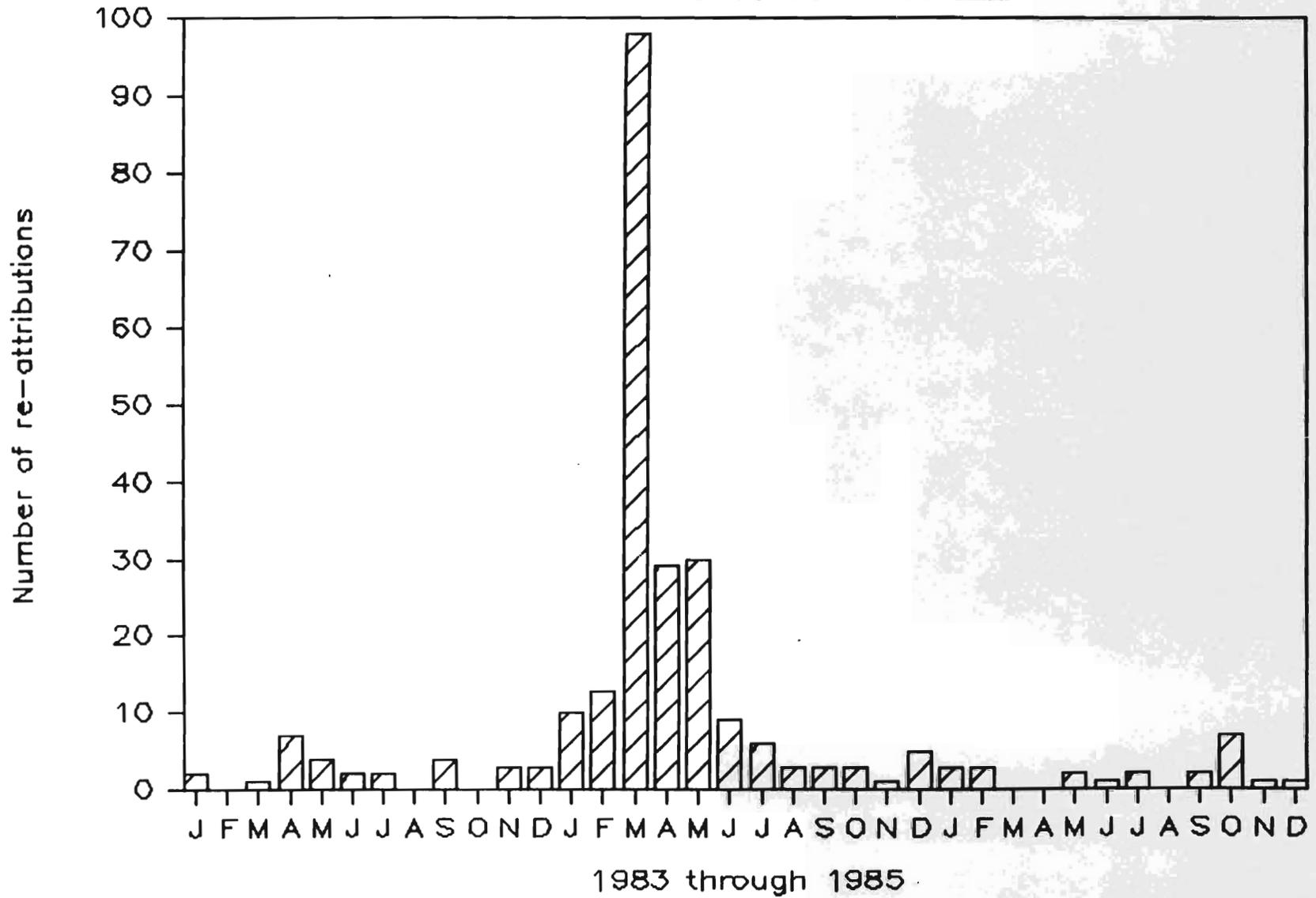
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# RECEIPTS RE-ATTRIBUTED TO CURE EXCESS CONTRIBUTION



GCC# 3655

ATTORNEYS AT LAW

# SWANKIN & TURNER

DAVID A. SWANKIN  
JAMES S. TURNER, P.C.  
FRED GOLDBERG, P.C.  
BETSY E. LEHRFELD, P.C.  
DEBI H. TUCKER

SUITE 105 1424 16TH STREET N.W. WASHINGTON, D.C. 20036 TELEPHONE 202 462-8800

June 18, 1987

Federal Election Commission  
Washington, DC 20463

Attn: Celia Jacoby

RE: MUR 2175  
Semper-Moser Associates, Inc.

Dear Ms. Jacoby:

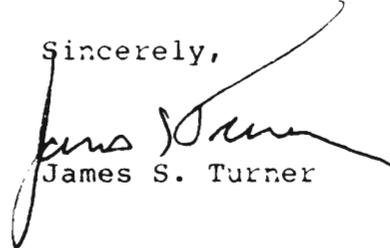
This is to advise you that yesterday, June 17, 1987, at the request of Jack M. Quinn, Esq., representing Americans With Hart, Inc., we forwarded to Mr. Quinn a copy of Semper-Moser's response to the Commission dated May 26, 1987, without enclosures and with certain deletions. This was provided strictly in confidence and we continue to consider all this information confidential, as set out in our letter to the Commission on May 26, 1987.

We have not been in touch with the Committee regarding this matter prior to this.

I would like to meet with you to discuss the procedures and standards of the Commission's review at this stage; we had an introductory discussion of this with your predecessor, Mr. Peterson, several months ago. I will call your office for an appointment at your convenience.

Thank you for your attention.

Sincerely,

  
James S. Turner

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GENERAL COUNSEL  
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CC# 3649

**STEPTOE & JOHNSON**

ATTORNEYS AT LAW

1330 CONNECTICUT AVENUE

WASHINGTON, D. C. 20036

ANITA G. RABY  
(202) 429-8061

June 22, 1987

HAND DELIVERED

Celia Jacoby  
General Counsel's Office  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20468

Re: MUR 2175

Dear Celia:

I am writing on behalf of Group III Communications, Inc. to request that Group III be granted an additional day to file its response to the Commission's reason to believe letter dated April 9, 1987. As my colleague Anita Raby explained to you by telephone today, a former Hart campaign representative who was to sign an affidavit today for submission with Group III's filing unexpectedly left town prior to signing the affidavit. Although we had previously reviewed the content of the affidavit with the affiant, because the affiant is not a Group III employee, we would prefer to have his signature on the affidavit before making even a partial submission because of numerous references to the affidavit in our submission.

We apologize for any inconvenience this may have caused you. On Friday when we spoke with the affiant, he gave no indication he would be unavailable to sign his affidavit on Monday. Thank you for your assistance.

Very truly yours,



Roger E. Warin

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FEDERAL ELECTION COMMISSION

CC# 3467  
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**STEPTOE & JOHNSON**  
ATTORNEYS AT LAW  
1330 CONNECTICUT AVENUE  
WASHINGTON, D. C. 20036

ROGER E. WARIN  
(202) 429-6280

June 23, 1997

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RECEIVED  
GENERAL COUNSEL

DELIVERED BY HAND

Larry M. Noble, Esquire  
Acting General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2175

Dear Mr. Noble:

Enclosed is a copy of Group III's response to the Commission's Reason to Believe notice to be substituted for yesterday's filing. This filing replaces the unexecuted affidavits with executed final affidavits. Rather than substitute just the affidavits, we have provided an entire copy of the submission at Ms. Jacoby's suggestion.

Very truly yours,

*Roger Warin*  
Roger E. Warin

csd

Enclosure

cc: Cecelia Jacoby

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STEPTOE & JOHNSON

ATTORNEYS AT LAW

1330 CONNECTICUT AVENUE

WASHINGTON, D. C. 20036

ROGER E. WARIN  
(202) 429-6280

June 22, 1987

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RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

BY HAND

Larry M. Noble, Esquire  
Acting General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

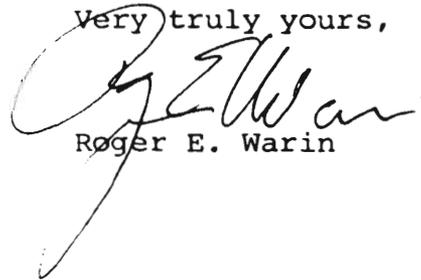
Re: MUR 2175

Dear Mr. Noble:

Attached is a submission on behalf of Group III Communications, Inc. in response to MUR 2175. Earlier today we requested a one-day extension because we could not get an affidavit executed as originally scheduled, due to the fact that the affiant was unexpectedly out of town today. As we could not get formal approval for the extension from the Commission today, we are submitting this filing in this form. We expect to provide the Commission with executed copies of all affidavits tomorrow. We do not anticipate that there will be any difference in the text, which was previously approved by the affiant.

We apologize for any inconvenience this may cause.

Very truly yours,



Roger E. Warin

Enclosure

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BEFORE THE  
FEDERAL ELECTION COMMISSION

In re: MUR 2175

RESPONDENT GROUP III COMMUNICATIONS,  
INCORPORATED'S BRIEF IN RESPONSE TO THE  
COMMISSION'S REASON TO BELIEVE NOTIFICATION

INTRODUCTION

By letter dated April 9, 1987, the Federal Election Commission (the "Commission") notified Group III Communications, Inc. ("Group III"), that based on its audit of then-Senator Gary Hart's 1984 presidential campaign committee, Americans with Hart, Inc. ("AWH" or the "Committee") the Commission had determined there was reason to believe that AWH and Group III may have violated Section 441b(a) of the Federal Election Campaign Act of 1971, as amended (the "Act"). That section prohibits corporations from making "contributions" in connection with any federal election. Specifically, the Office of the General Counsel determined that Group III, a Virginia advertising agency, may have violated the Act by providing

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media services to the AWH in the spring of 1984 without requiring prepayment.<sup>1/</sup>

The "reason to believe" finding was internally generated within the FEC and was based solely on the Audit Division's "experience" that it was contrary to industry practice to extend credit to "nonpolitical" advertisers for spot buys. The Commission had requested no information from Group III. For example, the Factual and Legal Analysis notes that the Audit Division had absolutely no information on Group III's efforts to collect once AWH failed to pay.

The Commission apparently asks two questions:

1. Was the original extension of credit reasonable and within the ordinary course of Group III's business?; and
2. Did Group III make reasonable efforts to collect the outstanding balance when it was not promptly paid? The answer to both questions is unequivocally and undeniably "yes."

The factual record amply demonstrates that Group III, in its dealings with AWH, fully complied with the standards established by the regulations implementing § 441b(a). It was a reasonable and appropriate business judgment for Group III not to require prepayment from AWH. When AWH failed to pay

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<sup>1/</sup> Although Group III submitted an affidavit in 1985 at the request of AWH in connection with the Commission's Audit of AWH on issues relevant to that Audit, Group III was never notified that it was under investigation or asked to submit materials in its own behalf until it received the General Counsel's April 9, 1987 letter, three years after the transactions in question.

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Group III in full, Group III made repeated, relentless efforts to collect. Accordingly, there being absolutely no basis for finding that Group III violated the Act, the Commission should close the investigation.

FACTUAL SUMMARY

Group III Communications is a Virginia marketing, advertising and public relations firm. On March 1, 1984 -- the day after then Senator Gary Hart's upset victory in the New Hampshire presidential primary, David Iwans and Steve Graves of Group III met with representatives of Hart's 1984 election committee, Americans With Hart, regarding Group III's providing advertising and public relations services to AWH in connection with the fast-approaching "Super Tuesday" primaries. At this meeting, Group III presented posters and a layout it had created based on the slogan "Take Hart America." AWH placed an order for posters on the spot and then inquired into Group III's other services, including media buying.

At the March 1 meeting, James Dwinell, AWH's deputy campaign manager for finance, explained to Iwans, then Vice President of Group III, AWH's desire to capitalize immediately on the momentum generated by the New Hampshire win. Dwinell inquired into Group III's standard terms with respect to media buys and other promotional services. Iwans explained that Group III customarily presented an invoice to the client at the time of service for payment within 30 days. Dwinell elaborated

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that most vendors were not requiring prepayment from AWH for goods and services, and requested that Group III provide its services on the standard 30-day terms that Group III offered its commercial clients.

At the time AWH first met with Group III, Group III was a young and growing corporation. Although it was gaining a reputation among its corporate clients and the business was thriving, Group III was very much a newcomer to the national scene, and, moreover, had never had a political client. Group III saw the Hart account as a unique opportunity to quickly gain national exposure and thus expand its client base. In addition, Group III was not unmindful that if Senator Hart won the nomination, the campaign would be in need of a great deal more media and production services.

Despite the fact that Group III considered the Hart account to be an exciting and potentially lucrative business prospect, Group III made it clear that it would not proceed to do business with AWH on the same terms as its commercial clients unless and until AWH could ensure that to do so would be in full compliance with federal election laws and that Group III would receive prompt payment for its services. Dwinell assured Iwans on both counts. Dwinell indicated that he would obtain an opinion letter from AWH's general counsel confirming the legality of the proposed arrangement.

The following day, March 2, 1984, Dwinell telephoned Iwans and read to him a letter from AWH's general counsel, Jack Quinn of Arnold & Porter, indicating that the proposed

arrangement fully complied with the requirements of federal law.<sup>2/</sup> Group III relied on that "comfort letter" that granting AWH the same 30-day terms Group III afforded its nonpolitical clients would in no way subject Group III to liability for violation of federal election laws or regulations.

In addition to providing the opinion of counsel, Dwinell also assured Group III that it would unquestionably be paid promptly for its services. Dwinell explained that as a result of the New Hampshire victory, contributions were pouring in so fast that the money could not be processed quickly enough. Group III was led to believe that AWH had more than ample funds, but it was only very temporarily "cash poor" because the funds could not be released prior to compliance with detailed federal recording and reporting procedures.

It was thus only after seeking and receiving the legal opinion that offering AWH Group III's standard 30-day

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2/ Mr. Quinn's letter states:

a company that commonly extends credit to customers roughly the size of the campaign and that is of similar risk to the campaign may extend credit to [the Committee] on the usual terms used by the company.

In addition, the letter continues that:

An extension of credit beyond normal business or trade practice becomes a contribution only if the creditor fails to make a commercially reasonable attempt to collect the debt.

See Affidavit of James Dwinell (Exhibit 12), and Attachment A to the Affidavit (letter from Jack Quinn to James Dwinell, March 2, 1984).

terms would not violate federal laws and regulations and based upon AWH's representations that Group III would be paid as soon as the Committee had processed the funds, that Group III placed any media buys for AWH. In mid-March, soon after the initial meeting, Group III placed over \$400,000 in buys for AWH.

Within three weeks, AWH paid Group III in full on every invoice.

AWH again approached Group III at the end of April to request that Group III place a \$200,000 media buy, again on Group III's standard terms, in connection with five upcoming primaries. Although AWH had established a good credit history with respect to the over \$400,000 of buys in March, Group III sought further assurances of AWH's ability to pay and exacted a promise that AWH bring any outstanding invoices current. When AWH approached Group III regarding an additional \$200,000 in media buys less than two weeks later -- well before the April invoice was due -- Group III made it clear that it would not agree to the additional buys without additional firm assurances of prompt payment. Prior to Group III's agreeing to the mid-May buys, not only did AWH represent that based on its treasurer's assessment of funds committed to the campaign, including federal matching funds and contributions yet to be credited, there were ample funds to secure payment of Group III's invoices, but Group III insisted, and AWH agreed, that Group III be given a security interest that guaranteed Group III priority over all other creditors, with the exception of

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the National Bank of Washington which held a first-priority security interest.

Additionally, AWH presented favorable polling results suggesting that Gary Hart had a strong chance of winning both the New Jersey and California primaries on June 5, 1984, which, according to AWH, would put Hart in position to win the nomination. Once Hart won the nomination, AWH also pointed out, additional federal campaign funds would be available, and, of course, the Committee would be in need of even more media and production services. As a final "you can't lose" assurance, AWH represented that even if Hart lost, the nominee and the party would likely assist AWH with any outstanding debts. On the basis of these representations, AWH's prompt payment of the substantial invoices the month before, and the agreement on the second security interest, Group III made the additional buys on its standard terms.

Although the April and May invoices were not paid in full when and as promised, the factual record evidences that Group III specifically expected and intended to receive prompt and full payment for its services. These facts do not -- by any stretch of the imagination -- support the slightest inference that Group III made an illegal corporate contribution to AWH when it extended its ordinary terms to the Committee. The fact is that if Group III believed that there was any substantial risk it would not get paid, it would not have provided the services.

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In addition, if this background were not enough of an indication that Group III fully intended and expected to be paid promptly for its services, the lengths and expense to which Group III went in order to collect once AWH failed to pay as promised leave no such doubt. The affidavits of David Iwans and James Dwinell chronicle Group III's relentless efforts to obtain payment. Group III telephoned AWH -- at some points virtually on a daily basis -- set up meetings, suggested fundraising plans, worked out partial payment plans, hired counsel and had a lawsuit drafted. During this period AWH continued to make small payments to Group III. Group III did not actually sue AWH because it knew from federal filings that the Committee was virtually broke and it was told by AWH representatives that only those creditors who refrained from suing the Committee were receiving any money at all. In an effort to explore every reasonable possibility for payment, Group III hired a lawyer to research the possibility of suing Senator Hart's 1988 Committee to obtain funds to pay AWH's 1984 debt to Group III. Only when it was told by its counsel and AWH that 1988 funds would be unavailable to pay the 1984 debt to Group III, did Group III agree to settle for less than full payment -- knowing full well that such agreement would not be binding or enforceable without FEC approval. Later, when AWH sought an Advisory Opinion on the availability of 1988 funds to pay 1984 creditors, Group III urged the Commission to approve the request and disallow the settlement, which had been entered

into on the understanding that 1988 funds would not be available.

The facts of this case give new meaning to the phrase "adding insult to injury." Not only did AWH fail to pay Group III for its services and then force Group III to incur over \$20,000 in legal fees trying to collect what it was owed, but now Group III is left defending itself in an FEC inquiry based on AWH's failure to pay as promised. When the Commission made its reason to believe finding, it did not have the facts before it. Had it been privy to the facts, it would have been clear that the facts support only one finding: this proceeding should be dismissed without further action against Group III.

#### ARGUMENT

##### I. LEGAL STANDARD

It is legal for a corporation to extend credit to a political campaign. An extension of credit to a campaign by a corporate vendor will constitute a violation of federal law only if the extension of credit is deemed to be a prohibited corporate contribution as defined by section 100.7(a)(4) of the regulations.

Indeed, the regulations governing federal elections specifically provide that a corporation may extend credit to a political client without any risk of violating federal law, so long as the credit is extended in the ordinary course of the

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vendor's business on terms substantially similar to those offered other, similar nonpolitical debtors. Section 114.10(a) explains:

A corporation may extend credit to a candidate, political committee, or other person in connection with a Federal election provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to nonpolitical debtors which are of similar risk and size of obligation.

11 C.F.R. § 114.10(a) (1986). In contrast, under section 100.7(a)(4) the only circumstance where an extension of credit to a political client by a corporate vendor constitutes a violation of federal law is when the credit is extended for a period of time beyond normal business or trade practice and, even then, only if the vendor fails to make commercially reasonable attempts to recoup on the debt. Specifically, the regulations state in relevant part that:

The extension of credit by any person for a length of time beyond normal business or trade practice is a contribution, unless the creditor has made a commercially reasonable attempt to collect the debt.

11 C.F.R. § 100.7(a)(4).

Thus, section 114.10(a) provides a "safe harbor" that establishes circumstances under which a vendor can be assured it is insulated from liability for violating § 441b(a), while section 100.7(a)(4) sets out the facts that the Commission must find to establish a violation. Therefore, if Group III can demonstrate that it extended credit to AWH in the ordinary course of business and on terms substantially similar to those

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granted nonpolitical debtors, no violation can be found. However, even if Group III did not specifically fall within the special protection of section 114.10(a), to establish that Group III violated federal election laws, it must be shown that Group III extended credit to AWH for a length of time beyond normal business or trade practice and then failed to make a commercially reasonable attempt to collect.<sup>3/</sup> This is a showing that the Commission cannot make.

As indicated in the Factual Summary, and discussed in greater detail herein, Group III accorded AWH in the ordinary course of business the same 30-day terms offered Group III's nonpolitical clients. Therefore, Group III's conduct was specifically permitted under section 114.10(a). Moreover, even assuming for the sake of argument that Group III's extension of terms similar to those offered nonpolitical clients to AWH did not come within the "safe harbor" provided in section 114.10(a), Group III cannot be found to have violated section 100.7(a)(4). A review of the facts clearly demonstrates first, that Group III extends credit to its nonpolitical clients on 30-day terms, second that Group III offered these same terms to AWH in the ordinary course of business, third any "extension"

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<sup>3/</sup> Group III's conduct is totally lawful even under the most restrictive reading of the regulations, because its extension of credit to AWH was in the ordinary course of its business and on the same terms it offers its nonpolitical clients. Nevertheless, a literal reading of the regulations makes clear that even if Group III did not typically extend credit to its nonpolitical clients, its conduct would still not be unlawful if it "made a commercially reasonable attempt to collect the debt." 11 C.F.R. § 100.7(a)(4).

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beyond the thirty days provided resulted solely from AWH's failure to pay as promised, and fourth, after AWH failed to pay the last two invoices within the agreed-upon 30 days, Group III made relentless efforts to collect on the debt. Therefore, the Commission should dismiss the investigation, because no probable cause could conceivably exist to find that Group III violated federal election laws.

II. BECAUSE GROUP III EXTENDED AWH THE SAME TERMS AFFORDED ITS NONPOLITICAL CLIENTS IN THE ORDINARY COURSE OF BUSINESS, GROUP III DID NOT VIOLATE FEDERAL ELECTION LAWS

A. Group III Does Not Require Prepayment for Media Spots from Its Nonpolitical Clients in the Ordinary Course of Business

The General Counsel's Factual and Legal Analysis, setting forth the basis for the Commission's finding that there is reason to believe that Group III violated 2 U.S.C. § 441b(a) states that Group III's extension of its customary terms to AWH may not have been in the ordinary course of business because "the Audit Division states that its experience with all other presidential audits is that media corporations require payment in advance for non-political advertisers." General Counsel's Factual and Legal Analysis, MUR 2175, at 3 (emphasis added). It thus appears that the General Counsel's tentative conclusion is based upon negative inferences drawn from the Audit Division's experiences with other 1984 presidential audits and not on a review of Group III's practices.

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As a preliminary matter, it is apparent that under the regulations the relevant inquiry is whether Group III extended the credit in the ordinary course of its own business. The regulations specifically refer to extensions of credit in "the ordinary course of the corporation's business," (emphasis added) on terms substantially similar to those afforded similar nonpolitical debtors. The clear focus of the regulations is the ordinary course of the particular corporation's business. Indeed, under closely analogous circumstances, then Deputy General Counsel Noble, in recommending that the Commission find no reason to believe a media production and consulting firm violated 2 U.S.C. § 441b(a), endorsed a standard based on review of the particular company's practices, stating:

[I]n the instant case, the complainant offers no evidence to indicate that its extension to the committee was not in the ordinary course of its business. Rather, the complaint states credit was extended pursuant to an agreement and that the corporation extended credit to the committee for 30 days according to "its normal business practices." . . . Therefore, because the corporation extended the credit in the ordinary course of its business and has attempted to collect the outstanding debt, this office recommends that the Commission find no reason to believe the [committee and treasurer] violated 2 U.S.C. § 4416(b). (Emphasis added).

In re Runnels for Congress Committee, MUR 2246, at 3 (1986). See also In re Eugene McCarthy et al., MUR 485 (1978), General Counsel's Report at 15 (Relevant inquiry was whether extensions of credit were on term's similar to those extended by that vendor to its nonpolitical clients).

As discussed above, and documented in the Affidavit of David Iwans, (Exhibit 1) it was Group III's practice with respect to all its other clients to present an invoice at the time of a media buy for payment within 30 days. See Iwans Affidavit ¶ 5. All that the regulations require is that the vendor treat its political clients no differently than its nonpolitical clients with respect to extension of credit -- exactly to the letter what Group III did here.

In fact, even focusing on industry-wide practice, it is clear that contrary to the suggestion by the Audit Division, media consultants do not generally require payment in advance for non-political advertisers. In fact, as a general rule, advertising agencies like Group III do not require nonpolitical clients to prepay for services in connection with media purchases.<sup>4/</sup> See Affidavit of Thomas Erlon (Exhibit 2) ¶¶ 3-4; Affidavit of Scott E. Diamond (Exhibit 3) ¶¶ 4-5. Although it is more common for an advertising agency to require political clients to pay in advance for media purchases, it is not unheard of for the agency to bill political clients in the same

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<sup>4/</sup> It is curious that the Audit Division would comment on the practices of media corporations for "nonpolitical" advertisers. The Audit Division would not normally have had available to it information on the practices of media corporations with respect to "nonpolitical" advertisers, since FEC filings are limited to debts incurred with respect to political advertisers. Thus, the Audit Division's allusion to its "experience" with other 1984 presidential campaigns cannot be founded on its review of practices with respect to media spots for "nonpolitical" advertisers (as stated in the Commission's April 19, 1987 "reason to believe" letter), as that information was not available to it.

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manner as commercial corporate clients, namely payment after the service was rendered and the "buy" placed.

Indeed, the fact that media corporations extend credit to political campaigns is revealed by AWH's dealings with other media firms totally unrelated to Group III. Semper-Moser Associates, Inc. is one example that the Commission is already familiar with, but clearly there were others as well. For example, the January 1 to January 31, 1985 Schedule D-P form listing debts and obligations by AWH in connection with that period's Form 3P filing, indicates that AWH owed Cambridge Survey Research \$106,094.10, of which \$97,094.10 pertained to a May 31, 1984 "TV Buy." The firm of Martilla & Kiley is listed as being owed \$41,055.86 during this same period of which \$14,092.79 is attributable to a "TV Buy" on April 30, 1984. Ray Strother, Inc. is identified on the debt schedule as having provided "TV Buy[s]" on March 1, 1984 and May 31, 1984 of 17,734.57 and \$99,546.00, respectively. (Exhibit 4).

In addition, a random check of entries on FEC Schedule C-P and D-P forms filed by various committees, revealed several other examples of debts incurred by other political campaigns identified as having been incurred in connection with media and other advertising services. By way of illustration, the Helms for Senate Committee reported in its 1985 submissions a total of \$66,001.37 in debts to "Audiofonics" for "advertising." (Exhibit 5). The Mondale for President Committee, Inc., in its May 1-31, 1984 submission, for example, listed a debt to "Consultants '84" in Austin,

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Texas, of \$112,381.95 for "media." The following month's submission carried the same debt increased to \$182,728.68, due to \$80,346.73 additionally incurred debt and a \$10,000.00 payment. (Exhibit 6). Similarly, the Paul Tribble for Senate Committee, in its thirtieth day report following the 1982 general election, identified an estimated \$20,000 debt to "River Bank, Inc." for "radio and T.V. Purchases and film." (Exhibit 7). In its July 1986 six-month report, Missourians for Kit Bond reported that at the beginning of the reporting period, it owed \$13,428.50 to the media consulting firm of Bailey, Deardourff, Sipple & Associates and, during the period, incurred an additional \$729,482.15 obligation for "media placement/production". (Exhibit 8). President Reagan's 1984 Committee, Reagan for President, also noted on a smaller scale that it had been extended credit by Radio TV Reports, Inc. for "radio spots." (Exhibit 9).

There is, therefore, absolutely nothing to suggest that the Hart campaign was anomalous in its dealings with media corporations or that Group III's standard terms were unknown in the industry.

Further, it is also beyond dispute that all kinds of vendors routinely extend credit to political campaigns for all types of goods and services. It is a truism that no campaign pays cash up front for all goods and services used -- and a review of FEC Form 3P reports and the back-up data included in Schedule C-P and D-P forms filed with the Commission confirms this. See Exhibit 10 (Sample FEC Form 3P filings).

Significantly, with respect to certain campaigns, these reports also reveal that sometimes creditors find that the campaign is unable to meet its obligations, and, through no fault of their own, these creditors are left with uncollectable debts.

Indeed, as of April of this year, as a particularly relevant example, the 1984 Hart campaign still had debts of about \$1.3 million owing to about 60 creditors, some of which were media firms and some of which were not. See N.Y. Times, Apr. 18, 1987, Section 1 at 7, col. 1.

It is clear, then, that the terms extended to AWH by Group III were not inconsistent with the practices of all kinds of vendors. The regulations do not distinguish between types of vendors; there is no special, stricter standard for media corporations extending credit than applies to other vendors. Group III did not violate federal law by doing what the regulations permit and what countless vendors did and have done for countless political campaigns. AWH and virtually all other 1984 presidential campaigns were extended credit (i.e., it was not required to prepay) by a variety of vendors for an almost infinite number of goods and services. The schedules of debts and obligations list, to name a few examples, debts owed for telephone, travel, duplication, direct mail and supplies. These are typical of the vendors who have provided goods and services to political campaigns for decades without requiring prepayment. It is no more an illegal corporate contribution for Group III to treat AWH as it treats its corporate clients,

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than it was for Radio TV Reports, Inc. not to require prepayment for the radio buys provided for the Reagan for President Committee in 1980.<sup>5/</sup>

B. Group III Acted Reasonably And In Conformity With Normal Commercial Standards In Extending AWH the Same Thirty Day Terms Offered Its Non-political Clients

In 1984, when AWH first met with Group III, Group III was a relatively new corporation, virtually unknown on the national advertising scene. It had been in business for just over a year. It had never had a political client. The Hart account clearly represented a unique opportunity for Group III to achieve national exposure. See Iwans Affidavit ¶ 5.<sup>6/</sup> In fact, Group III's successful handling of the Hart account

<sup>5/</sup> In addition, it should be noted that creating a special standard for media corporations prohibiting them from extending credit to political campaigns, would lead to the anomalous result whereby a campaign could take out bank loans, a large portion of which undoubtedly go toward media, and purchase spot buys without violating federal law, while if the purchases were made on credit extended directly by the media corporation instead of the bank, then both the campaign and the media corporation would have violated the Act.

<sup>6/</sup> The Commission has specifically recognized a new business' attempt to break into a market and the future promotional value of a venture as a valid business practice. See, e.g., Advisory Opinion 1979-36 (Direct mail financing system on a commission basis, under which the vendor absorbed the risk of loss if the mailing failed, not illegal for newer, smaller vendor even though the more established firms in the business did not extend similar terms); Answer to Representative James D. Santini, Campaign Practices Report ¶ 6025 (CCH) (Complementary hotel rooms offered to candidates would not be contributions, "provided they were offered in the ordinary course of business by the hotel to increase its publicity and thus its future patrons. . . .")

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resulted in substantial new business and recognition in the industry. See Exhibit 11. (November 1984 Trade Publication describing Group III as having "earlier this year achieved noterity by helping lift presidential candidate Gary Hart from obscurity").

Nevertheless, when AWH requested that Group III extend it the same 30-day terms that Group III customarily afforded its nonpolitical clients, -- the only clients Group III had up until that point -- Group III did not blindly accede to AWH's request. Instead, Group III made a diligent effort to appraise AWH as a credit risk -- precisely as suggested by the regulations which provide a safe harbor for extensions of credit in the ordinary course of business to political debtors on terms similar to those offered nonpolitical clients of a similar size and risk. Moreover, Group III refused to go forward with its work for AWH until it had received complete assurance that it would be completely legal to do so.

Prior to doing any work for AWH, Group III insisted that AWH provide it with a "comfort letter," a legal opinion from AWH counsel to the effect that extending Group III's customary 30-day terms to the Committee would not violate federal election laws. The day after their initial meeting on March 1, 1984, James Dwinell telephoned David Iwans of Group III and read him a letter prepared by AWH's general counsel, Jack Quinn of Arnold & Porter in Washington, D.C. That letter stated as an initial matter that:

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a company that commonly extends credit to customers roughly the size of the campaign and that is of similar risk to the campaign may extend credit to [the Committee] on the usual terms used by the company.

In addition, the letter further explained that:

An extension of credit beyond normal business or trade practice becomes a contribution only if the creditor fails to make a commercially reasonable attempt to collect the debt.

See Affidavit of James Dwinell (Exhibit 12) ¶ 6, and Attachment A to the Affidavit (letter from Jack Quinn to James Dwinell, March 2, 1984); Iwans Affidavit ¶ 6. Group III reasonably relied on the opinion of counsel that extending AWH Group III's customary 30 day terms would comply fully with federal law.

In addition, before the initial buy in March 1984, Group III met with campaign officials to discuss AWH's ability to pay Group III promptly for its services. At that time, there was every reason to believe AWH had the ability to pay its obligations within 30 days. AWH first approached Group III just after Senator Hart's upset victory in the New Hampshire primary on February 28, 1984 when the campaign was in high gear. The New Hampshire victory established Hart as a legitimate contender for the Democratic nomination and thus raised the likelihood that the Committee would receive substantial additional contributions. Indeed, at the initial meeting between Group III and AWH on March 1, 1984, James Dwinell, AWH's deputy campaign manager for finance, represented to Group III that contributions were coming in so fast to AWH that they

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could not be processed.<sup>7/</sup> Iwans Affidavit ¶ 7. The money is coming in "hand over fist," Dwinell told Iwans. Iwans Affidavit ¶ 7. AWH also told Group III that the committee would be entitled to additional federal matching funds. Moreover, the Committee further represented that both sources of funds would be available to satisfy any outstanding debt. Iwans Affidavit ¶¶ 7,8.

Group III's initial evaluation of AWH as a credit risk quickly proved correct. The first three invoices presented to the Committee in March 1984 for \$100,000, \$250,000 and \$98,500 -- for a total of \$448,500 -- were all paid within three weeks of their respective billing dates. See Iwans Affidavit ¶ 10; Dwinell Affidavit ¶ 11.

It was against this backdrop of the Committee's prompt repayment of these initial invoices that AWH approached Group III in late April and early May 1984 with respect to the buys that form the core of this investigation. Although hindsight proves that the later invoices were not paid as promised, the facts demonstrate that at the time Group III made the buys, Group III unequivocally expected and intended, and AWH agreed, that the invoices would promptly be paid in full within 30 days.

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<sup>7/</sup> As reported in The Washington Post, AWH stated that campaign contributions were "rolling in 'comfortably, in six figures on a daily basis'" following the victory in New Hampshire. The Washington Post, Mar. 14, 1984, at A-11.

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When AWH contacted Group III in late April 1984 regarding \$200,000 in media buys in connection with five upcoming primaries, AWH's credit record with respect to the major purchases in March was exceptional. Nevertheless, Iwans was aware that the Committee had been slow to pay a few relatively small interim invoices. Iwans pressed Dwinell on the Committee's slow payment on the small invoices at the April meeting. Before agreeing to go ahead with the April buys, Iwans received Dwinell's assurance that any delay in payment had been due solely to difficulties in processing and reporting contributions and not a shortage of funds. Iwans Affidavit ¶ 12. On the basis of the Committee's payment record and further assurances of financial stability, Group III agreed to proceed with the buys as it would have for any other client under similar circumstances.

When the Committee again approached Group III less than two weeks later -- well before payment on the April invoice was due -- regarding an additional \$200,000 in media buys, Group III demanded yet further firm assurances of AWH's financial strength. At this time representatives of AWH met with Group III to discuss the campaign's prospects. At this meeting, the Committee presented favorable polling results indicating that Senator Hart had a strong chance of winning both the California and New Jersey primaries. Group III was told that these wins would put Hart in a position to secure the nomination. According to representatives of AWH, not only would this ensure prompt payment, but it would also mean that

the Committee would have an even greater need for purchasing media and production services from Group III. See Iwans Affidavit ¶ 14; Dwinell Affidavit ¶ 13. Moreover, as a safety net, AWH represented that even if Hart failed to win the nomination, the winning candidate or the party would likely underwrite any outstanding debts in an effort to achieve party unity. Iwans Affidavit ¶ 14.

As an additional exercise of caution, Group III insisted, and the Committee agreed, that any debt owed Group III would take priority over all debts owed any other creditor, except the National Bank of Washington, which had a first-priority security interest. Iwans Affidavit ¶ 13; Dwinell Affidavit ¶ 12. Dwinell further represented that he had checked with AWH's treasurer, who had assured him that based on the amount of funds committed to the campaign in the form of federal matching funds and unprocessed contributions, there would be sufficient funds to secure both the Bank's and Group III's security interests. Iwans Affidavit ¶ 13; Dwinell Affidavit 12.

These facts leave no doubt that Group III intended to and did deal with AWH just as it had its nonpolitical clients and went to great lengths to assess the risk represented by and the legality of granting AWH its standard terms. The undisputed facts are that AWH had demonstrated a capacity and willingness to pay promptly its significant obligations, and that Group III diligently investigated the campaign's financial stability and was told that significant funds were available to

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the campaign and the prospects for the future were promising. As a final exercise of caution, Group III insisted upon the second security interest -- which AWH represented would fully secure the purchases. Group III made a reasonable business judgment in extending its ordinary 30-day terms to AWH. It was only in hindsight that it became apparent that Group III's confidence was misplaced.

These facts hardly suggest a violation of federal law. In fact, it is ironic that not only has Group III been faced with an uncollectable debt, but now finds itself the subject of this inquiry precisely because it relied upon AWH's assurances of repayment and the opinion of AWH legal counsel as to the legality of the transactions.

III. WHEN THE COMMITTEE FAILED TO PAY AS PROMISED,  
GROUP III MADE DILIGENT EFFORTS TO COLLECT

The regulations make it clear that even if a vendor extends credit for a period beyond normal business practice, the extension will not be deemed a contribution if "the creditor has made a commercially reasonable attempt to collect the debt." 11 C.F.R. § 100.7(a)(4).

As a threshold matter, Group III cannot really be said to have "extended" credit to AWH beyond normal business or trade practice. Group III offered AWH the same 30-day terms accorded Group III's nonpolitical clients in the ordinary course of business. Any "extension" beyond that 30 days was

not extended by Group III but usurped by AWH.<sup>8/</sup> Nevertheless, even assuming that Group III could be deemed to have extended credit to AWH for a length of time beyond normal terms, the factual record leaves no doubt that Group III made a commercially reasonable attempt to collect. Accordingly, even if the Commission were to find that Group III extended credit "for a length of time beyond normal business or trade practice," this action should be dismissed.<sup>9/</sup>

The factual record here depicts much more than a "commercially reasonable" attempt to collect. The affidavits of David Iwans and James Dwinell chronicle Group III's relentless efforts to collect the money owed Group III by AWH. From shortly after the time the invoices were sent out on the two buys in the spring of 1984 that are at the center of this action, Group III began what amounted to virtually daily contacts with the Committee to first request, and then demand,

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8/ In MUR 454(77), In Re Livingston for Congress Committee et al, the Commission distinguished between "a deliberate extension of credit" and "an attempt to secure payment with [the vendor's] inability to do so resulting in a de facto extension of credit.

9/ As documented, in the affidavit of Thomas Erlon, attached hereto as Exhibit 2, contrary to the Audit Division's surmise, it is not standard practice in the industry for Media corporations to require prepayment from nonpolitical clients. Therefore, the extension of Group III's standard 30 day terms to AWH cannot be the basis for a finding that Group III extended credit for a length of time beyond normal business practice. Nevertheless, even if it were, Group III could not be held to have violated the Act because of the ample record of commercially reasonable attempts to collect.

repayment. See Iwans Affidavit ¶¶ 16-41; Dwinell Affidavit ¶¶ 16-19.

As soon as there was even a suspicion that AWH might not meet the 30-day deadline, the Committee assured Group III that the delay in payment was due solely to difficulties in collecting and processing contributions. Over the next few months, there were repeated promises by AWH that there were sufficient funds and that Group III would receive prompt payment. Iwans Affidavit ¶¶ 16-18. During the summer of 1984, AWH in fact made a few payments, and Group III continued to press for immediate payment of the full balance. Iwans Affidavit ¶ 19, 20.

By September of 1984, it became apparent that the Committee was in serious financial trouble. Iwans confronted Dwinell and was assured that although there was a cash flow problem, Group III would get its money "sometime next year." Iwans Affidavit ¶ 21.

After continued contacts with the Committee in an effort to recoup the money proved fruitless, in August 1985 Group III retained legal counsel to explore the pursuit of legal remedies to collect on the debt. Counsel for Group III met numerous times with Committee representatives to discuss terms for repayment of the debt and to suggest ways to raise additional funds. Iwans Affidavit ¶¶ 24-32. When it became clear that counsel would not be able to negotiate a plan for immediate repayment, Group III instructed counsel to initiate legal action against the Committee. Only in response to the

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threat of legal action did the Committee offer to pay \$5,000.00 a month while securing funds to pay the debt in full. Iwans Affidavit ¶ 27. Meetings between counsel for Group III and the Committee nonetheless continued regarding immediate settlement of the obligation.

In August 1986, dissatisfied in not having received payment in full, Group III instructed counsel to draft a lawsuit against AWH. At the same time, Group III asked counsel to look into the issue of the availability of 1988 funds to pay debts incurred by the 1984 campaign. By September, 1986, not only was it clear that AWH was unable to pay the entire balance, but, in addition, the Committee had even failed to pay regularly the promised \$5,000.00 per month. Group III, therefore, instructed counsel to demand payment with interest by September 22, 1986 and to indicate that if such payment were not made, suit would be filed. Iwans Affidavit ¶ 31.

In response to Group III's ultimatum, Bill Dixon, Senator Hart's administrative assistant, who by this time had taken over the debt resolution issue, told Group III that there were no funds available to satisfy a judgment and that only those creditors who refrained from filing suit would continue to receive any funds at all. Iwans Affidavit ¶ 32. At this point, the Committee re-initiated an earlier offer to settle for 10 cents on the dollar, which Group III rejected in anticipation of recouping the entire amount owed. Iwans Affidavit ¶ 26.

During the ensuing months, Group III remained in constant contact with Dixon, repeatedly demanding that the

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Committee keep up with the \$5,000.00 per month payments. Iwans Affidavit ¶¶ 26-33. During the early part of 1987, Group III continued to press for repayment. After ensuing discussions and a review of FEC filings made it clear that AWH was virtually bankrupt, and based on representations that funds generated by the 1988 campaign could not be used to pay 1984 debt, Group III begrudgingly agreed to a 10 cents on the dollar settlement<sup>10/</sup> -- but only after securing a promise for an exclusive contract with the 1988 campaign<sup>11/</sup> and upon assurances that no other creditor was getting more favorable terms. Iwans Affidavit ¶ 36.

It is difficult to imagine that Group III's unyielding pressure, directly and through counsel, for repayment could be deemed anything less than "commercially reasonable." (Cf. In re The Runnels for Congress Committee, First General Counsel's Report (1986) at 3) ("Moreover there is no indication that the Corporation failed to collect on the debt. In fact, the corporation states it has made two demands for payment.") Indeed, even after receiving \$42,118.45 in settlement, plus \$15,000.00 in installment payments -- far more than the majority of vendors that are still owed money by AWH

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<sup>10/</sup> Because Commission Counsel advised that debt settlement is unrelated to this MUR, and that settlement may be governed by different standards, this submission does not address the reasonableness of the settlement. Group III would be prepared to address that issue, however, at the Commission's request.

<sup>11/</sup> Based on its experience with AWH, Group III insisted that the 1988 contract require advance payment for all printing and design services and media buys. Iwans Affidavit ¶ 37.

-- Group III continued to pursue every available avenue to recoup the balance. For instance, when Group III learned that the Hart campaign was requesting an Advisory Opinion from the Commission regarding the use of 1988 funds to pay 1984 debt, Group III, through counsel, wrote the Commission urging it to approve the request and to set aside the settlement between Group III and AWH. See Iwans Affidavit ¶ 39. "Commercial reasonableness" surely can require no more than this.

#### CONCLUSION

When the Audit Division recommended that the Commission investigate the debt owing between AWH and Group III, it had before it virtually no information on Group III's practices with respect to its commercial clients. All it had was AWH's schedule of debts and obligations that listed a debt owed to Group III among the hundreds of vendors that extended credit to AWH during the 1984 presidential primary and the over 60 creditors who had not been paid when the Committee went broke. From this limited information, the Audit Division extrapolated, based on its vague "experience" that media buyers require payment from nonpolitical clients for spot buys, that Group III by not requiring prepayment from AWH may not have dealt with AWH in the ordinary course of its business. In addition, the Audit Division admittedly had absolutely no knowledge of Group III's attempts to collect on the debt once AWH failed to pay.

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The factual record set forth in this submission establishes that this investigation should be dismissed without further action against Group III. The facts are clear that, contrary to the Audit Division's surmise, Group III extended AWH the exact same terms it afforded its nonpolitical clients, in the ordinary course of business. The factual record, moreover, is replete with evidence that Group III made every effort to ensure that its conduct was in conformance with federal election laws and regulations and that AWH had the ability and inclination to pay promptly for all goods and services rendered by Group III. Finally, there can be no doubt that Group III went well beyond "commercially reasonable attempts" to collect from AWH. Accordingly, Group III respectfully requests that the members of the Federal Election Committee vote to dismiss this investigation on a finding that there is no probable cause to believe that Group III committed any violation of the Federal Election Campaign Act, as amended, or the accompanying regulations.

Respectfully submitted,

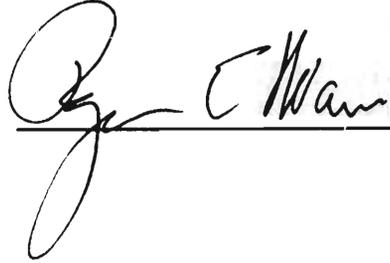


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Dated: June 21, 1987

CERTIFICATE OF FILING

I hereby certify that pursuant to 11 C.F.R. § 111.16(c) (1985), ten copies of the foregoing Respondent Group III Communications, Incorporated's Brief in Response to the Commission's Reason to Believe Notification Were Filed with the Commission Secretary, and that three copies of same were filed with the General Counsel, Federal Election Commission, 1325 K Street, N. W., Washington, D. C. 20463, this 22nd day of June, 1987.

  
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AFFIDAVIT OF DAVID R. IWANS

David R. Iwans, being duly sworn, states as follows:

1. My name is David R. Iwans. My address is 6162 Westwood Terrace, Norfolk, Virginia 23508.

2. During 1984, I was the Vice President of Group III Communications, Inc. ("Group III"), a Virginia marketing, advertising and public relations firm. I am currently the President of Group III.

3. In 1984, when I met with James Dwinell, deputy campaign manager for finance of Senator Gary Hart's 1984 presidential campaign committee, Americans With Hart ("AWH" or the "Committee"), to discuss Group III's services, Group III was a young, relatively small corporation. I showed Dwinell a poster and layout that Group III had created promoting the slogan "Take Hart America." AWH ordered a batch of the posters on the spot and then asked about Group III's other services, including media buying. I recognized that working with the Hart campaign would provide Group III with a unique opportunity to quickly gain national exposure. Senator Hart had just the day before scored an upset victory in the New Hampshire primary. As a result, it was obvious that the campaign would be very active in the then upcoming primaries and that there would be great demand for the services of an advertising firm. I knew also that if Senator Hart won the presidential nomination, AWH would have a great need for media and production services during the general election campaign.

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4. On March 1, 1984, Dwinell and I spoke about Group III providing advertising and public relations services to AWH in connection with the upcoming "Super Tuesday" primaries. Prior to its work with AWH, Group III had never provided services to a political candidate or campaign; all of its clients were commercial corporate clients.

5. In the March 1 meeting, Dwinell explained that most vendors were not requiring prepayment for services and products, and he requested that Group III offer AWH its standard payment terms. Group III did not require any of its clients to prepay, but rather sent out invoices at the time of service, to be paid within 30 days. Although I believed that the Hart campaign was an exciting prospective client for Group III, I had two major reservations, which I discussed with Dwinell. First, Group III had never had a political client, and I wanted an assurance that any arrangement with AWH would strictly comply with federal election laws and regulations. Second, I wanted to be sure that AWH would immediately pay Group III invoices when rendered.

6. With respect to compliance with federal election laws, Dwinell offered to provide a legal opinion from AWH's general counsel. On March 2, 1984, the day after our initial meeting, Dwinell read me a letter provided to him by AWH general counsel, Jack Quinn of Arnold & Porter in Washington, D.C., assuring us that the proposed arrangement between AWH and Group III fully complied with federal election laws.

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7. With respect to AWH's ability to pay promptly Group III for services rendered, Dwinell explained that the Hart upset victory in the New Hampshire primary had given the Hart campaign an incredible boost. In fact, Dwinell told me that contributions were coming in so fast that the real money problem was processing the funds quickly enough to comply with federal recordkeeping and reporting rules. As Dwinell it, the money was coming in "hand over fist." Group III was led to believe that AWH had the necessary funds committed to it and that Group III would be paid as soon as these funds were processed.

8. In addition, representatives of AWH also stated that the campaign was entitled to additional federal matching funds.

9. In reliance on the legal opinion provided by AWH's general counsel and AWH's assurances of prompt payment, Group III agreed to place \$100,000 in media time on behalf of AWH on March 12, 1984, \$250,000 on March 13, 1984, and \$98,500 on March 20, 1984, for a total of \$448,500, on the same standard payment terms Group III offered to its nonpolitical clients.

10. On March 23, 1984, AWH paid the first \$100,000 invoice, and the \$250,000 and \$98,500 invoices on April 2, 1984, all well within their respective 30-day billing periods.

11. During the rest of March and the first half of April 1984, Group III produced and shipped bumper stickers, buttons, posters and flyers for the campaign. Following each

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shipment, Group III promptly presented an invoice. These invoices averaged about \$3,000 apiece. Certain smaller invoices were paid promptly, while others were not paid within the agreed-upon 30 days. Although these invoices were dwarfed by the over \$400,000 in invoices that had already been paid, I personally, as well as other representatives of Group III, made repeated requests for prompt payment.

12. In late April 1984, AWH contacted Group III regarding media buys in connection with five primaries to be held on June 5, 1984, including California and New Jersey. AWH requested that Group III place a \$200,000 media buy on behalf of the Hart campaign, again under Group III's standard billing terms. Based on AWH's credit record with respect to the over \$400,000 in invoices the previous month and Dwinell's representations again that any delay in payment on the smaller invoices was due solely to the difficulties in processing contributions and that AWH would promptly bring all outstanding invoices current, Group III agreed.

13. Less than two weeks after Group III sent AWH the invoice for the \$200,000 buy agreed to on April 22, AWH contacted Group III regarding an additional \$200,000 in media buys. With \$200,000 outstanding from the month's earlier invoice, I told AWH that Group III would not agree to the additional buy without firm assurances of prompt payment. First, Group III requested, and AWH agreed, that any debt owed Group III would take priority over any other creditors, except the National Bank of Washington, which held a first-priority

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security interest. Further, Dwinell represented, after consulting with AWH's treasurer, that based on money committed to the campaign in the form of federal matching funds and contributions but not yet credited due to processing, there would be sufficient funds to secure the Bank's and Group III's debts.

14. In addition, prior to the mid-May buys, as further assurance, a team of AWH representatives made a presentation to Group III analyzing the Hart campaign's prospects. AWH presented favorable polling results indicating that Hart had a strong chance of winning the upcoming California and New Jersey primaries and these wins would put Hart in position to win the Democratic nomination. If Hart were nominated, we were told, federal presidential campaign funds would be available and the campaign would be in need of a great deal of media and production services for the general election campaign. In addition, Dwinell was taken aside and asked his candid, off-the-record assessment as to the likelihood of Group III being paid promptly. At that time, Dwinell said that there was little risk of nonpayment and that he fully believed Group III would be repaid. AWH also represented that even if Hart lost the nomination, the successful candidate and/or the Democratic Party would no doubt assist in obtaining funds to pay Hart's debt to achieve party unity.

15. Based on the Committee's prior payment history with Group III, the representations made to Group III by AWH,

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and the assurance of a second-priority security interest, Group III agreed to the additional \$200,000 buys.

16. During May, especially as the 30-day period on the first \$200,000 invoice came to a close, I or my staff contacted the campaign numerous times regarding payment. On May 29, 1984, during one such conversation, Dwinell assured me that the April invoice would be paid in full by June 1, 1984, due to further delays in collecting and processing contributions.

17. On June 5, 1984, Hart won the California primary but lost in New Jersey. I telephoned Dwinell again to check on the status of Group III's payment. I was particularly concerned since the first invoice which he promised to pay by June 1 had not been paid. Dwinell promised to check into it and get back to me.

18. On June 8, 1984, I spoke to Dwinell again. He assured me that AWH's nonpayment was due to an internal "miscommunication." When I expressed concern over the campaign's future, Dwinell stated, "Don't worry, Dave. Mondale will help us pay our bills to get Gary to step aside." I assumed such negotiations were already underway and that it was common practice for the nominee to assist the unsuccessful candidate with unsatisfied debts.

19. During the month of June, AWH paid off three outstanding invoices totaling approximately \$3,500.

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20. In August 1984, I sent AWH a detailed statement of the \$436,184.51 still owed. On August 9, 1984, I sent another letter, again requesting immediate payment of the debt.

21. By September 1984, it became clear that AWH was not going to be able to pay many of its debts. When I confronted Dwinell, he told me no money would be available to pay Group III until "sometime next year."

22. In October 1984, representatives of AWH told me that Group III would be repaid as soon as AWH had sufficient funds to do so.

23. During the first half of 1985, I continued to press AWH for payment of the money owed Group III. By this time, Scott Van Hove had taken over the debt resolution process. I explained that Group III had made the buys on specific assurances of prompt payment and a second-security interest. Van Hove stated that there simply were no funds to pay the debt.

24. In August 1985, I retained the law firm of McGuire, Woods & Battle ("the McGuire law firm") for assistance in pursuing legal remedies to collect what AWH owed Group III.

25. Richard Cullen of the McGuire law firm contacted Van Hove to discuss terms for repayment. Cullen then wrote me to inform me that AWH had only \$20,000 in assets and had not met its payroll in July. Van Hove argued that Group III should not sue AWH, and that it would be counterproductive to sue. Meetings continued in the fall to develop ideas for raising additional funds, but AWH never followed through.

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26. In early 1986, Bill Dixon, Senator Hart's Administrative Assistant, took over the debt resolution issue. Dixon again stated there was no money. AWH proposed a 10-cents-on-the-dollar settlement, which Group III rejected as wholly inadequate.

27. Shortly thereafter, on April 2, 1986, I wrote Dixon to inform him that Group III would take legal action unless some immediate effort was made to repay the debt. A few days later, Dixon contacted me to offer \$5,000 per month as inducement not to sue, and on April 13, 1986, Group III received a \$5,000 check from AWH.

28. During April and May 1986, the McGuire law firm continued to meet with AWH regarding repayment. I told the McGuire law firm that \$5,000 was not adequate to forestall suit. I contacted AWH to inquire as to the May payment on May 16, and a check for \$5,000 arrived on May 26.

29. In June, I again met with the McGuire law firm regarding legal action on the debt. In July, lawyers from the McGuire firm met with Van Hove and James Barrett and other representatives of AWH regarding the possibility of suit by Group III against Hart's 1988 campaign.

30. In August, after reviewing the options, I instructed the McGuire law firm to draft a complaint against AWH to collect the debt. I also asked for an opinion on the possibility of recovering the amounts owed to Group III from the 1988 Hart campaign.

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31. In September, I became further concerned because AWH had failed to pay regularly even the \$5,000 per month. I therefore instructed the McGuire law firm to send a letter to AWH demanding payment with interest by September 22, 1986, and indicating that otherwise suit would be filed.

32. In response to the September 8, 1986 letter, Dixon again requested that Group III not sue. He indicated that AWH was judgment-proof and, further, that only those creditors who did not file suit would continue to receive any money at all. AWH re-initiated its offer to settle with Group III at 10 cents on the dollar. Dixon and other Hart representatives indicated that other creditors were settling and that none were receiving more than 10 cents on the dollar.

33. In November, 1986 I sent a letter by Federal Express to AWH stating that if payments were not resumed immediately suit would be filed by November 17, 1986. Two successive \$2,500 payments were then received.

34. During the early part of 1987, I repeatedly called Dixon regarding payment of the debt. Dixon told me money would be coming in in 1987. In response to my inquiry, he also told me that 1988 funds could not be used to pay 1984 debts. In addition, Dixon indicated that the 1988 Hart campaign was interested in using Group III's services.

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35. In March of 1987, after repeated telephone calls to Group III, Barrett sent Group III a draft settlement agreement. Group III's position was that there would be no settlement without an exclusive contract with the 1988 Hart campaign calling for payment up front and higher fees.

36. After continued discussions with representatives of AWH and based on representations that: (a) 1988 funds could not be used to pay 1984 debts; (b) the 1984 campaign was virtually bankrupt; (c) 10 cents on the dollar was the best settlement being offered any creditor; (d) the offer of immediate payment by cashier's check, and (e) knowing that the agreement was specifically subject to FEC approval, Group III agreed to settle the outstanding balance for \$42,118.45, which was paid promptly.

37. On April 2, 1987, I signed an agency contract with the 1988 Hart presidential campaign. This agreement provided for advance payment for all printing and design services and media time buys.

38. Group III incurred more than \$20,000 in legal fees and expenses in pursuing and researching its claims against AWH. Group III did not sue AWH given the limited funds available to AWH and on advice of counsel concerning the cost of such litigation and the likelihood of success; Group III would have sued AWH without hesitation if it felt there was any reasonable prospect of recovering its unpaid debt.

39. After learning that the 1988 Hart campaign was requesting an opinion of the use of 1988 funds to pay 1984

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debts, Group III, through counsel, wrote the Commission urging it to allow 1988 funds to be used for 1984 debt and, if so, to disapprove the debt settlement agreement between Group III and AWH which was entered into on the specific representation by AWH that 1988 funds would be unavailable to pay 1984 obligations.

40. As documented above, Group III initially extended credit to AWH on the same 30-day terms afforded its other clients and only after receiving an opinion from AWH's general counsel that such conduct would not violate federal election laws. The purchases that form the overwhelming bulk of the debt were made within two weeks of each other in May 1984 and were made only after AWH had established a history of prompt payment (of more than \$400,000), and even then only after securing assurances of solvency, prompt payment and a second security interest. After AWH failed to pay as promised, Group III relentlessly sought payment, expending its resources in the time-consuming process of negotiating repayment and in hiring counsel to pursue legal remedies.

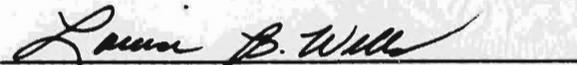
41. As the key participant for Group III in the dealings with AWH, I can state categorically and unequivocally that Group III did not make an illegal corporate contribution to AWH; Group III extended AWH the same payment terms it extended to its other clients. Group III fully expected and intended that it would be paid promptly for all services rendered and has exhausted every reasonable avenue to seek repayment when it was not promptly paid the amounts owed.

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42. The foregoing facts are true to the best of my knowledge and belief.

  
\_\_\_\_\_  
David R. Iwans

Subscribed and sworn before me this 22 day of June, 1987, by David R. Iwans.

  
\_\_\_\_\_  
Notary Public

My commission expires: My Commission Expires February 2, 1988

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AFFIDAVIT OF THOMAS A. ERLON

State of Texas            )  
                                  )  
County of Dallas         )

1. My name is Thomas A. Erlon. I reside in Dallas, Texas. I am the President of Media Directors, Incorporated, a media planning and placement firm.

2. Since May, 1967 I have been employed in media planning and buying and the administration of media departments. Prior to becoming President of Media Directors, Incorporated, I was the Media Supervisor at Knox-Reeves Advertising in Minneapolis, Vice President and Associate Media Director at Post-Keyes-Gardner in Chicago, Vice President and Associate Media Director at Lee King & Partners in Chicago, Vice President and Media Director at Stern Walters/Earl Ludgin in Chicago and then Senior Vice President and Media Director of The Richards Group in Dallas.

3. In all of these positions I had responsibility for media planning and placement, which included procuring spot buys of radio and television time for commercial clients. It was common practice at each of the firms for which I have worked not to require prepayment from our clients for spot buys. Rather, we would place the ads and then bill the client for payment on our standard terms.

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4. Based on my twenty years experience in media planning placement, the practices described above are consistent with the general practice of the industry as a whole: media corporations do not generally require prepayment when placing media spots for their commercial clients.

5. The foregoing facts are true to the best of my knowledge and belief.

Thomas A. Erlon  
Thomas A. Erlon

Subscribed and sworn to before me this 22<sup>nd</sup> day of June 1987 by Thomas A. Erlon.

Teresa J. Phillips  
Notary Public

Teresa J. Phillips

My Commission Expires: 9/15/90

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DISTRICT OF COLUMBIA

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ss:

AFFIDAVIT OF SCOTT E. DIAMOND

1. My name is Scott E. Diamond. I am employed as a legal assistant by the law firm of Steptoe & Johnson, 1330 Connecticut Avenue, N.W., Washington, D.C.

2. On June 19, 1987, I telephoned major advertising agencies in Washington, D.C. and three national networks, ABC, CBS, and NBC, in New York.

3. I spoke to the following individuals at the following advertising agencies:

<u>Name</u>	<u>Title</u>	<u>Company</u>
Rose Mary Anselmo	Senior Media Buyer	Bozell, Jacobs, Kenyon & Eckhardt, Inc.
Mary Ellen Jehn	Media Buyer	J.F. Schramm & Associates
Debbie King	Media Director	Stackig, Sanderson & White, Inc.
Diane Lewis	Vice President-Media Director	DDB Needham Worldwide

Each person indicated that her company had a large volume of media buys for commercial clients.

4. During each conversation, I asked whether, as a general practice, the company required prepayment from a corporation seeking to place a media spot. Each of these

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individuals stated that the agency does not generally require prepayment for media spots.

5. I then called the following networks and spoke with the following individuals:

<u>Name</u>	<u>Title</u>	<u>Network</u>
Dan Scher	Director of Marketing	CBS
Tom Mahony	Director of Sales Services	ABC
Mike Mandelker	Account Executive	NBC

Each representative stated that the respective network does not require prepayment for media spots. I was told that the networks send a bill when the spot is aired, rather than requiring prepayment, whether the media time was purchased through an advertising agency or directly by a corporate advertiser.

6. The foregoing facts are true to the best of my knowledge and belief.

Scott E. Diamond  
Scott E. Diamond

Dated: June 22, 1987

Subscribed and sworn to before me this 22<sup>nd</sup> day of June 1987 by Scott E. Diamond.

Julia J. Wirono  
Notary Public

My Commission Expires December 14, 1991  
JULIA J. WIRONO  
District of Columbia  
~~My Commission Expires~~  
December 14, 1991

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**REPORT OF RECEIPTS AND DISBURSEMENTS  
BY AN AUTHORIZED COMMITTEE OF A  
CANDIDATE FOR THE OFFICE OF PRESIDENT**

85 FEB 25 P 2: 03

NOTE: This report is to be used by an authorized committee of a candidate making nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.

1. NAME OF COMMITTEE IN FULL <b>AMERICANS WITH HART, INC.</b>			2. IDENTIFICATION NUMBER <b>C00158251</b>	
ADDRESS (Number and Street) <b>707 17th Street, Suite 3800</b>			3. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR:	
CITY <b>Denver</b>	STATE <b>Colorado</b>	ZIP CODE <b>80202</b>	<input type="checkbox"/> Primary <input type="checkbox"/> Special	
4. TYPE OF REPORT ("X" appears in box and complete, if applicable)			DATE OF ELECTION	
<input type="checkbox"/> Amendment for (Report) _____ <input type="checkbox"/> April 15 Quarterly Report <input type="checkbox"/> July 15 Quarterly Report <input type="checkbox"/> October 15 Quarterly Report			<input checked="" type="checkbox"/> Monthly Report (Month) <b>JANUARY 1985</b> <input type="checkbox"/> January 31 Year-end Report <input type="checkbox"/> Termination Report	
			<input type="checkbox"/> Tenth Day Before Election <input type="checkbox"/> Tenth Day After Election	
			STATE	ELECTION DATE

**COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS**

5. COVERING PERIOD		FROM	THROUGH	
		January 1, 1985	January 31, 1985	
SUMMARY	6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD .....	184,523.07		
	7. TOTAL RECEIPTS THIS PERIOD (From Lines 22 Column A) .....	300,064.50		
	8. SUBTOTAL (Add Line 6 and 7) .....	484,587.57		
	9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30 Column A) .....	381,670.92		
	10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8) .....	102,916.65		
	11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Itemize All on Schedule C or Schedule D) .....	22,473.00		
	12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Itemize All on Schedule C or Schedule D) .....	4,089,557.90		
	13. EXPENDITURES SUBJECT TO LIMITATION (From FEC Form 3P, Page 4) .....	11,842,390.70		
	NET YEAR-TO-DATE CONTRIBUTIONS AND EXPENDITURES	14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28d Column B from 17a Column B) .....	119,511.77	
		15. NET OPERATING EXPENDITURES (Subtract Line 20a Column B from 23 Column B) .....	13,741.10	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

TYPE OR PRINT NAME OF TREASURER

Michael R. Moore

SIGNATURE OF TREASURER

*Michael R. Moore*

DATE

February 20, 1985

For further information, contact:

Federal Election Commission  
Toll Free 800-434-8630  
Local 823-4088

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g.

All previous versions of FEC Form 3P are obsolete and should no longer be used.

FEC Form 3P (2/83)

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AMERICANS WITH HART, INC.	BEGINNING BALANCE	INCURRED THIS PERIOD	PAYMENTS THIS PERIOD	OUTSTANDING BALANCE
Jim Cackler 306 S. 2nd Laurens, IA 50554	184.24			184.24
Telephone 3/01/84 184.24				
Dan Calegar P.O. Box 263 Hill, NH 03047	776.16			776.16
Travel/Subsistence 8/01/83 217.53				
Travel/Subsistence 11/01/83 185.74				
Travel/Subsistence 12/30/83 84.26				
Travel/Subsistence 1/01/84 146.40				
Travel/Subsistence 2/01/84 142.23				
California Electronic Carriers P.O. Box 2956 Santa Clara, CA 95055	654.00	392.00	1,046.00	
California State Rules Comm. State Capitol, #400 Sacramento, CA 95814	185.25			185.25
Equipment Rental 7/24/84 185.25				
Cambridge Survey Research 1750 Penn. Ave. N.W. Washington, DC 20036	106,094.10			106,094.10
Research 4/30/84 35,500.00				
TV Buy 5/31/84 97,094.10				
Polling 8/13/84 26,500.00				
Camera Service Center 625 W. 54th St. New York, NY	1,136.63			1,136.63
Equipment Rental 4/05/84 926.63				
Equipment Rental 8/17/84 210.00				
Canisius College 2001 Main St Buffalo, NY 14208	831.50			831.50
Maintenance/Repairs 6/27/84 831.50				
Subtotal this period this page				109,207.88

AMERICANS WITH HART, INC.	BEGINNING BALANCE	INCURRED THIS PERIOD	PAYMENTS THIS PERIOD	OUTSTANDING BALANCE
M. Buie Seawell 3124 Woodley Road NW Washington, DC 20008	3,298.14			3,298.14
Travel/Subsistence 4/19/84 1,355.65				
Travel/Subsistence 4/23/84 1,194.61				
Travel/Subsistence 5/08/84 747.88				
Senper/Moser As: :ates, Inc 1744 W. Washington Blvd Venice, CA 90291	107,775.80			107,775.80
TV Buy 3/10/84 106,010.00				
TV Production 12/07/84 1,765.80				
Senate Office 1748 High St Denver, CO	645.10			645.10
Telephone 6/30/84 645.10				
Jeanne Shaheen RFD-Perkins Rd. Durham, NH 03824	2,500.00	190.00	190.00	2,500.00
Travel/Subsistence 8/22/84 2,500.00				
Sheraton Centre P.O. Box 10122 New York, NY 10249	674.40	35.64		710.04
Space Rental 8/14/84 710.04				
Sheraton Inn-Greensburg Rt. 30 E., 100 Sheraton Dr Greensburg, PA 15601	58.30			58.30
Space Rental 6/30/84 58.30				
Sheraton-Spokane Hotel Spokane Falls Blvd., Box 2525 Spokane, WA 99220	116.63			116.63
Travel/Subsistence 1/31/84 116.63				
Subtotal this period this page				115,104.01

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AMERICANS WITH HART, INC.	BEGINNING BALANCE	INCURRED THIS PERIOD	PAYMENTS THIS PERIOD	OUTSTANDING BALANCE
Mary Alice Mandarich P.O. Box 18786 Denver, CO 80218	2,093.16			2,093.16
Travel/Subsistence 8/25/83 93.16 Salary 5/31/84 1,500.00 Salary 6/30/84 500.00				
Frank Mankiewicz 5408 Duvall Dr. Bethesda, MD 20816	650.00			650.00
Travel/Subsistence 4/09/84 375.00 Travel/Subsistence 5/07/84 275.00				
Maquoketa Aviation RR 2 Dubuque, IA	1,410.00			1,410.00
Travel/Subsistence 8/13/84 1,410.00				
Marriott Hotel-Airport 4509 Island Ave Philadelphia, PA 19153	247.11			247.11
Catering 5/18/84 247.11				
Marriott Hotel-Des Moines 700 Grand Ave Des Moines, IA 20003	122.99			122.99
Travel/Subsistence 2/11/84 122.99				
Martilla & Kiley 84 State St. Boston, MA 02109	41,055.86	10,000.00	10,000.00	41,055.86
Polling 3/14/84 4,863.00 TV Buy 4/30/84 14,092.79 TV Production 10/03/84 22,100.07				
Frank Mertz Coach Co Mertz Towers Public Sq Wilkes-Barre, PA 18773	925.50			925.50
Automobile Expense 4/30/84 925.50				
Subtotal this period this page				46,504.62

AMERICANS WITH HART, INC.	BEGINNING BALANCE	INCURRED THIS PERIOD	PAYMENTS THIS PERIOD	OUTSTANDING BALANCE
State of Colorado 136 State Capitol Denver, CO 80203	44.10			44.10
Telephone 5/31/84 44.10				
Sterling Roman Press, Inc. 75 Varick St. New York, NY 10013	1,389.00			1,389.00
Printing/Duplication 3/30/84 1,389.00				
Lisa Stevens 12 Kulp E. Wilkes-Barre, PA 18702	625.00			625.00
Automobile Expense 4/17/84 625.00				
Michael J. Stratton 736 College Hwy. Rockville, MD 20850	3,278.36			3,278.36
Travel/Subsistence 3/14/84 41.60				
Automobile Expense 5/22/84 77.94				
Travel/Subsistence 6/22/84 736.23				
Travel/Subsistence 9/09/84 2,422.59				
Ray Strother, Inc. 308 E. Capital St. Washington, DC 20002	152,464.95			152,464.95
TV Buy 3/01/84 17,734.57				
Media Consulting 4/30/84 35,184.38				
TV Buy 5/31/84 99,546.00				
Kevin Sullivan 2604 36th Pl. N.W. Washington, DC 20007	4,643.16			4,643.16
Consultant Fees 4/30/84 1,500.00				
Travel/Subsistence 5/02/84 105.66				
Consultant Fees 5/31/84 1,500.00				
Travel/Subsistence 6/07/84 37.50				
Consultant Fees 6/30/84 1,500.00				
Subtotal this period this page				162,444.57

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**REPORT OF RECEIPTS AND DISBURSEMENTS**  
For an Authorized Committee

(Summary Page)

1. Name of Committee (in Full) <u>Helms for Senate Committee</u> Address (Number and Street) <u>1425 Barrett Drive</u> City, State and ZIP Code <u>Raleigh, N. C. 27619</u>	2. FEC Identification Number <u>C00165134</u> 3. Is this Report an Amendment? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> Check if address is different than previously reported.
--	--

4. TYPE OF REPORT

<input type="checkbox"/> April 15 Quarterly Report	<input type="checkbox"/> Twelfth day report preceding _____ (Type of Election)
<input type="checkbox"/> July 15 Quarterly Report	election on _____ in the State of _____
<input type="checkbox"/> October 15 Quarterly Report	<input type="checkbox"/> Thirtieth day report following the General Election
<input type="checkbox"/> January 31 Year End Report	on _____ in the State of _____
<input checked="" type="checkbox"/> July 31 Mid Year Report (Non-election Year Only)	<input type="checkbox"/> Termination Report

This report contains activity for -  Primary Election  General Election  Special Election  Runoff Election

SUMMARY		Column A This Period	Column B Calendar Year-to-Date
6. Covering Period	<u>Jan. 1, 1985</u> Through <u>June 30, 1985</u>		
8. Net Contributions (other than loans):			
(a) Total Contributions (other than loans) (from Line 11e) .....		\$ 455,552.17	\$ 455,552.17
(b) Total Contribution Refunds (from Line 20d) .....		\$ 13,880.80	\$ 13,880.80
(c) Net Contributions (other than loans) (Subtract Line 8b from 8a) .....		\$ 441,671.37	\$ 441,671.37
7. Net Operating Expenditures:			
(a) Total Operating Expenditures (from Line 17) .....		\$ 891,569.08	\$ 891,569.08
(b) Total Offsets to Operating Expenditures (from Line 14) .....		\$ 46,799.41	\$ 46,799.41
(c) Net Operating Expenditures (Subtract Line 7b from 7a) .....		\$ 844,769.67	\$ 844,769.67
8. Cash on Hand at Close of Reporting Period (from Line 27) .....		\$ 6,558.35	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D) .....		\$	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D) .....		\$ 890,035.33	

I certify that I have examined the Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:

Federal Election Commission  
Toll Free 800-424-9530  
Local 202-623-4088

Mark L. Stephens  
Type or Print Name of Treasurer  
  
SIGNATURE OF TREASURER

7/31/85  
Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to a fine of \$10,000 or 5 years.

All previous versions of Form 278E are obsolete and should no longer be used.

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FEC FORM 278E

2025 APR 7 20 4 5: 6 6





DEBTS AND OBLIGATIONS  
Excluding Loans

Name of Committee (in Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
<b>Helms for Senate Committee</b>				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
West End Printing Company 1101 Athens Avenue Richmond, VA 23227	7,563.20 3,900.00			7,563.20 3,900.00
Nature of Debt (Purpose)				
Printing Services				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Southern Bell Telephone P. O. Box 33009 Charlotte, NC 28243	982.44 4,048.19 907.78 1,878.31		All paid by credit of deposits	-0- -0- -0- -0-
Nature of Debt (Purpose)				
Telephone Services				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Harry L. Cope 4407 Bleeker Court Raleigh, NC 27606	1,238.53 1,056.70		1,056.70	1,238.53 -0-
Nature of Debt (Purpose)				
Printing Services				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
The Video Production Company 1201 Central Avenue Charlotte, NC 28204	800.00			800.00
Nature of Debt (Purpose)				
Advertising				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Maupin, Taylor & Ellis, PA P. O. Drawer 19764 Raleigh, NC 27619	13,282.77			13,282.77
Nature of Debt (Purpose)				
Legal services				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Eastman Kodak Co. 5315 Peachtree Ind. Blvd. Chamblee, GA 30341	2,421.25			2,421.25
Nature of Debt (Purpose)				
Equipment Lease				
11 SUBTOTALS This Period This Page (optional)				29,205.95
21 TOTAL This Period (Run page this line only)				
22 TOTAL OUTSTANDING LOANS from Schedule C (Run page only)				
23 ADD 21 and 22 and carry forward to column 11 of Schedule C (Run page only)				

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Revised 2/80

Excluding Loans

Part 1  
 This schedule should be attached to each schedule (see)

Name of Debtor (to Part 1)	Outstanding Balance Beginning This Period	Amount Received This Period	Payment This Period	Outstanding Balance at Close of This Period
<b>Helms for Senate Committee</b>				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor		1,525.86		1,525.86
Jefferson Marketing, Inc.		4,372.50		4,372.50
3825 Barrett Drive		595.00		595.00
Raleigh, NC 27619		125.00		125.00
		5,230.00		5,230.00
<b>Nature of Debt (Purpose)</b>				
<b>Fundraising/Advertising</b>				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor		24,496.44		24,496.44
Jefferson Marketing, Inc.		1,808.84		1,808.84
(Same)		10,922.69		10,922.69
		30.26		30.26
		268.30		268.30
<b>Nature of Debt (Purpose)</b>				
<b>Fundraising/Advertising</b>				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor		3,286.28		3,286.28
Jefferson Marketing, Inc.		793.80		793.80
(Same)		4,030.00		4,030.00
		11,613.78		11,613.78
		1,122.12		1,122.12
<b>Nature of Debt (Purpose)</b>				
<b>Fundraising/Advertising</b>				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor		202.63		202.63
Jefferson Marketing, Inc.		75.00		75.00
(Same)		9,954.00		9,954.00
		1,498.13		1,498.13
		4,664.26		4,664.26
<b>Nature of Debt (Purpose)</b>				
<b>Fundraising/Advertising</b>				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor		541.62		541.62
Jefferson Marketing, Inc.		40.00		40.00
(Same)		444.00		444.00
		10.00		10.00
		890.10		890.10
<b>Nature of Debt (Purpose)</b>				
<b>Fundraising/Advertising</b>				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor		320.00		320.00
Jefferson Marketing, Inc.		1,601.25		1,601.25
(Same)		1,920.00		1,920.00
		1,294.00		1,294.00
		75.00		75.00
<b>Nature of Debt (Purpose)</b>				
<b>Fundraising/Advertising</b>				
1) SUBTOTALS This Period This Page (optional) .....				
2) TOTAL This Period (see page 10a only) .....				
3) TOTAL OUTSTANDING LOANS from Schedule C (see page 10a only) .....				
4) ADD 2) and 3) and carry forward to appropriate line on Schedule Page (see page 10a only) .....				

5.7  
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**LIABILITIES AND DEBITATIONS  
Excluding Loans**

202572  
 002000111

Name of Debtor (in Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payments This Period	Outstanding Balance at Close of This Period
<b>Helms for Senate Committee</b>				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor		(9,401.90)		(9,401.90)
Jefferson Marketing, Inc.		400.00		400.00
3825 Barrett Drive		72.75		72.75
Raleigh, NC 27619		(232.29)		(232.29)
		11.75		11.75
Nature of Debt (Purpose):				
<b>Fundraising/Advertising</b>				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor		(734.53)		(734.53)
Jefferson Marketing, Inc.		25.00		25.00
(Same)		(167.50)		(167.50)
		367.20		367.20
		449.59		449.59
Nature of Debt (Purpose):				
<b>Fundraising/Advertising</b>				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor		382.50		382.50
Jefferson Marketing, Inc.		705.00		705.00
(Same)		885.00		885.00
		192.60		192.60
		17.00		17.00
Nature of Debt (Purpose):				
<b>Fundraising/Advertising</b>				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor		25.00		25.00
Jefferson Marketing, Inc.		(514.25)		(514.25)
(Same)				
Nature of Debt (Purpose):				
<b>Fundraising/Advertising</b>				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor		6,561.46		6,561.46
Jefferson Marketing, Inc.		3,390.05		3,390.05
(Same)		10,551.31		10,551.31
		12,769.25		12,769.25
		(147.26)		(147.26)
Nature of Debt (Purpose):				
<b>Direct Mail Services</b>				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor		614.46		614.46
SC Data, Inc.				
POB 26176				
Raleigh, NC 27611				
Nature of Debt (Purpose):				
<b>Data Entry Services</b>				
1) SUBTOTALS This Period This Page (optional) .....				
2) TOTAL This Period (for page this line only) .....				
3) TOTAL OUTSTANDING LOANS from Schedule C (for page only) .....				
4) ADD 2) and 3) and carry forward to appropriate line on Summary Page (for page only) .....				

STATE OF NORTH CAROLINA  
(Revised 2/80)

**DEBTS AND OBLIGATIONS  
Including Loans**

**APPENDIX III**  
See instructions on page 10  
for each numbered line

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9 3 0 2 0 0 0 1 2 0

Name of Committee (in Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payments This Period	Outstanding Balance at Close of This Period
<b>Helms for Senate (Committee)</b>				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Bedford Printing Company 1107 Downtown Boulevard Raleigh, NC 27603		127.96 52.25 9,138.53 394.38 147.82		127.96 52.25 9,138.53 394.38 147.82
Nature of Debt (Purpose)				
Printing Services				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Bedford Printing Company (Same)		221.07 125.40		221.07 125.40
Nature of Debt (Purpose)				
Printing Services				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Jefferson Marketing, Inc. 3825 Barrett Drive Raleigh, NC 27619		72.00 50.75 121.70 6,301.67 12,993.40		72.00 50.75 121.70 6,301.67 12,993.40
Nature of Debt (Purpose)				
Fundraising/Advertising				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Jefferson Marketing, Inc. (Same)		3,119.55 3,360.88 3,119.55 625.00 76.15		3,119.55 3,360.88 3,119.55 625.00 76.15
Nature of Debt (Purpose)				
Fundraising/Advertising				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Jefferson Marketing, Inc. (Same)		321.24 378.76 475.90 5,253.75 324.76		321.24 378.76 475.90 5,253.75 324.76
Nature of Debt (Purpose)				
Fundraising/Advertising				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Jefferson Marketing, Inc. (Same)		5,250.00 336.01 8,858.11 4,683.75 1,934.43		5,250.00 336.01 8,858.11 4,683.75 1,934.43
Nature of Debt (Purpose)				
Fundraising/Advertising				
1) SUBTOTALS This Period This Page (optional) .....				
2) TOTAL This Period (for page this line only) .....				
3) TOTAL OUTSTANDING LOANS from Schedule C (for page only) .....				
4) ADD 2) and 3) and carry forward to appropriate line on Summary Page (for page only) .....				

**SCHEDULE D**  
(Revised 3/80)

**DEBTS AND LIABILITIES**  
**Excluding Loans**

**2.39**  
Use separate schedule for each numbered item

574  
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Name of Committee (in Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payments This Period	Outstanding Balance at Close of This Period
<b>Helm for Senate Committee</b>				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor		41.84		41.84
Jefferson Marketing, Inc.		1,021.20		1,021.20
3825 Barrett Drive		1,161.16		1,161.16
Raleigh, NC 27619		230.30		230.30
		179.32		179.32
Nature of Debt (Purpose):				
<b>Fundraising/Advertising</b>				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor		2,293.41		2,293.41
Jefferson Marketing, Inc.		122.23		122.23
(Same)		1,212.10		1,212.10
		122.76		122.76
		2,709.44		2,709.44
Nature of Debt (Purpose):				
<b>Fundraising/Advertising</b>				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor		396.12		396.12
Jefferson Marketing, Inc.		229.29		229.29
(Same)		1,058.10		1,058.10
		922.09		922.09
		7,773.02		7,773.02
Nature of Debt (Purpose):				
<b>Fundraising/Advertising</b>				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor		523.80		523.80
Jefferson Marketing, Inc.		1,937.26		1,937.26
(Same)				
Nature of Debt (Purpose):				
<b>Fundraising/Advertising</b>				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
(1) SUBTOTALS This Period This Page (optional) .....				
(2) TOTAL This Period (last page this line only) .....				
(3) TOTAL OUTSTANDING LOANS from Schedule C (last page only) .....				
(4) ADD (2) and (3) and carry forward to appropriate line of Summary Page (last page only) .....				890,035.33





**SCHEDULE D**  
**Revised 2000**

**DEBTS AND OBLIGATIONS**  
**(Including Loans)**

LINE NUMBER \_\_\_\_\_  
 Also attach Schedule  
 for each numbered line

Name of Creditor (or Full Name)	Outstanding Balance Beginning This Period	Amount Received This Period	Payment This Period	Outstanding Balance at Close of This Period
<b>Helms for Senate Committee</b>				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor Media Consultants 126 W. Chatham St. Cary, NC 27511	117.24		117.24	-0-
Nature of Debt (Purpose): Advertising				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor Alan Porter SR 31-B Russell Senate Off. Bldg. Washington, DC	75.00		75.00	-0-
Nature of Debt (Purpose): Dinners				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor Western Steer 1302 Collegate Drive Wilkesboro, NC 28697	57.36		57.36	-0-
Nature of Debt (Purpose): Dinners				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor Audiofonics 1101 Downtown Blvd. Raleigh, NC 27603	1,034.55 697.54 1,809.93 11,218.99 1,460.91		1,034.55 697.54 1,809.93 11,218.99 1,460.91	-0- -0- -0- -0- -0-
Nature of Debt (Purpose): Advertising				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor Audiofonics 1101 Downtown Blvd. Raleigh, NC 27603	1,223.69		1,223.69	-0-
Nature of Debt (Purpose): Advertising				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor Bedford Printing Co. 1107 Downtown Blvd. Raleigh, NC 27603	2,099.41 761.02 1,405.18 760.39 996.62		2,099.41 761.02 1,405.18 760.39 996.62	-0- -0- -0- -0- -0-
Nature of Debt (Purpose): Printing Services				
1) SUBTOTALS This Period This Page (optional)				
2) TOTAL This Period (last page this line only)				
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)				
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				

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98040724578

**REPORT OF RECEIPTS AND DISBURSEMENTS  
 BY AN AUTHORIZED COMMITTEE OF A  
 CANDIDATE FOR THE OFFICE OF PRESIDENT**

**HAND DELIVERED**  
 JUN 20 P 4:32

**NOTE: This report is to be used by an authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.**

1. NAME OF COMMITTEE IN FULL <b>MONDALE FOR PRESIDENT COMMITTEE, INC.</b>			2. IDENTIFICATION NUMBER <b>C00164608</b>	
ADDRESS (Number and Street) <b>2201 Wisconsin Avenue, N.W.</b>			3. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR:	
CITY <b>Washington</b>	STATE <b>DC</b>	ZIP CODE <b>20007</b>	<input type="checkbox"/> Check if name or address is changed	
4. TYPE OF REPORT ("X" appropriate box and complete, if applicable)			TYPE OF ELECTION	
<input type="checkbox"/> Amendment for (Report) _____ <input checked="" type="checkbox"/> Monthly Report (month) <b>May 1984</b> <input type="checkbox"/> April 15 Quarterly Report <input type="checkbox"/> July 15 Quarterly Report <input type="checkbox"/> October 15 Quarterly Report <input type="checkbox"/> January 31 Year-end Report <input type="checkbox"/> Termination Report			<input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Twelfth Day Before Election <input type="checkbox"/> Thirtieth Day After Election	
			STATE	ELECTION DATE

**COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS**

5. COVERING PERIOD		FROM <b>May 1, 1984</b>	THROUGH <b>May 31, 1984</b>	
SUMMARY	6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD .....	68,182.73		
	7. TOTAL RECEIPTS THIS PERIOD (From Line 22 Column A) .....	3,897,797.32		
	8. SUBTOTAL (Add Line 6 and 7) .....	3,965,980.05		
	9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30 Column A) .....	3,160,898.11		
	10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8) .....	805,081.94		
	11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Itemize All on Schedule C or Schedule D) .....	221,347.05		
	12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Itemize All on Schedule C or Schedule D) .....	3,109,533.43		
	13. EXPENDITURES SUBJECT TO LIMITATION (From FEC Form 3P, Page 4) .....	16,748,299.99		
	NET YEAR-TO-DATE CONTRIBUTIONS AND EXPENDITURES	14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28d Column B from 17e Column B) .....	4,768,443.47	
		15. NET OPERATING EXPENDITURES (Subtract Line 20a Column B from 23 Column B) .....	10,560,719.11	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

TYPE OR PRINT NAME OF TREASURER <b>MICHAEL S. BERMAN</b>		For further information, contact: Federal Election Commission Toll Free 800-424-9630 Local 523-4088
SIGNATURE OF TREASURER 	DATE <b>6/20/84</b>	

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g.  
 All previous versions of FEC Form 3P are obsolete and should no longer be used.

33940724579  
 9473303,174

**SCHEDULE D-P**

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

**DEBTS AND OBLIGATIONS  
EXCLUDING LOANS**

Use separate  
schedules for  
each category  
of the detailed  
Summary Page

PAGE 24

OF (total pages)  
119

LINE NUMBER  
12

NAME OF COMMITTEE (in Full)	OUTSTANDING BALANCE BEGINNING THIS PERIOD	DATE AND AMOUNT INCLUDED THIS PERIOD	PAYMENT THIS PERIOD	OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
<b>MONDALE FOR PRESIDENT, INC.</b>				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor  Consultants '84 1515 Capitol of TX Highway S. Suite 500 Austin, Texas 78746	66520.57	45861.38	-0-	112381.95
Nature of Debt (Purpose): media				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor  Copy Duplicating Products, Inc. 7830 - 12th Avenue South Bloomington, Minnesota 55420	-0-	5/1/ 365.72	-0-	365.72
Nature of Debt (Purpose): word processing equipment				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor  Copy Supply Inc. 1501 Lakeland Drive, Suite 130 Jackson, Mississippi 39216	-0-	5/1/84 27.70	-0-	27.70
Nature of Debt (Purpose): xerox machine				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor  Cornelius Printing Company 2457 E. Washington Street Post Office Box 7 Indianapolis, IN 56206	-0-	5/14/84 2887.50	-0-	2887.50
Nature of Debt (Purpose): printing				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor  The Council of State Governments Post Office Box 11910, Iron Works Pike Lexington, Kentucky 40578	15.00	-0-	-0-	15.00
Nature of Debt (Purpose): booklet				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor  County Chair Renting, Co. 25 Oak Street Mt. Vernon, New York 10550	-0-	5/2/84 119.05	-0-	119.05
Nature of Debt (Purpose): equipment rental				
1) SUBTOTALS This Period This Page (optional)				115796.92
2) TOTAL This Period (last page this line only)				
3) TOTAL OUTSTANDING LOANS from Schedule C-P (last page only)				
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				

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33040724580; 241

FEC Form 3P, Page 1  
 Federal Election Commission  
 1200 K Street, N.W.  
 Washington, D.C. 20543

**REPORT OF RECEIPTS AND DISBURSEMENTS  
 BY AN AUTHORIZED COMMITTEE OF A  
 CANDIDATE FOR THE OFFICE OF PRESIDENT**

RECEIVED AT THE FEC  
 AND DELIVERED

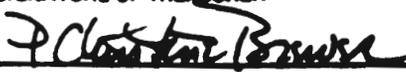
NOTE: This report is required by the Federal Election Commission of candidates making nomination or general election campaigns for the office of President, Vice President, or U.S. Senator or Representative in Congress, or Delegate or Resident Commissioner in the House of Representatives, or for the office of President of the United States or Vice President of the United States.

<b>NAME OF COMMITTEE</b> RONALD REAGAN FOR PRESIDENT COMMITTEE, INC. Address (Number and Street) 2201 Wisconsin Avenue, N.W. CITY STATE ZIP CODE Washington D.C. 20007		<b>REGISTRATION NUMBER</b> C00164608 <b>IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR:</b> <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Youth Day Before Election <input type="checkbox"/> Youth Day After Election <b>TYPE OF ELECTION</b> DATE: _____ ELECTION DATE: _____
<b>TYPE OF REPORT</b> ("X" appropriate box and complete, if applicable) <input type="checkbox"/> Annual Report <input type="checkbox"/> April 15 Quarterly Report <input type="checkbox"/> July 15 Quarterly Report <input type="checkbox"/> October 15 Quarterly Report <input type="checkbox"/> January 31 Year-end Report <input type="checkbox"/> Termination Report	<input type="checkbox"/> Amendment to Report <input type="checkbox"/> Change Report Period <input type="checkbox"/> Youth Day Before Election <input type="checkbox"/> Youth Day After Election	

**COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS**

<b>6. COVERING PERIOD</b>		FROM	THROUGH	
		June 1, 1984	June 30, 1984	
<b>SUMMARY</b>	<b>6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD</b> .....	805,081.94		
	<b>7. TOTAL RECEIPTS THIS PERIOD</b> (From Line 22 Column A) .....	1,716,975.66		
	<b>8. SUBTOTAL</b> (Add Line 6 and 7) .....	2,522,057.60		
	<b>9. TOTAL DISBURSEMENTS THIS PERIOD</b> (From Line 29 Column A) .....	1,974,727.82		
	<b>10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD</b> (Subtract Line 9 from 8) .....	547,329.78		
	<b>11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE</b> (Itemize All on Schedule C or Schedule D) .....	226,069.00		
	<b>12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE</b> (Itemize All on Schedule C or Schedule D) .....	2,739,617.00		
	<b>13. EXPENDITURES SUBJECT TO LIMITATION</b> (From FEC Form 3P, Page 4) .....	17,676,035.02		
	<b>NET YEAR-TO-DATE CONTRIBUTIONS AND EXPENDITURES</b>	<b>14. NET CONTRIBUTIONS (Other than Loans)</b> (Subtract Line 28d Column B from 17a Column B) .....	5,576,059.59	
		<b>15. NET OPERATING EXPENDITURES</b> (Subtract Line 20a Column B from 23 Column B) .....	11,293,093.84	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

<b>TYPE OR PRINT NAME OF TREASURER</b> P. Christine Brewer, Asst. Treas. for M.S. Berman		For further information, contact: Federal Election Commission Toll Free 800-424-9630 Local 523-4008
<b>SIGNATURE OF TREASURER</b> 	<b>DATE</b> 7/20/84	
NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437a. All previous versions of FEC Form 3P are obsolete and should no longer be used.		

FEC Form 3P (2/83)

8 1 0 3 3 0 3 4 5 8 7  
 3 3 1 4 0 7 2 4 5 8

**NAME OF COMMITTEE in Full**  
**MONDALE FOR PRESIDENT, INC.**

Full Name, Mailing Address and Zip Code of Debtor or Creditor	OUTSTANDING BALANCE BEGINNING THIS PERIOD	DATE AND AMOUNT INCLUDED THIS PERIOD	PAYMENT THIS PERIOD	OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
Consultants '84 1515 Capital of TX Highway. S. Austin, Texas 78701	112381.95	6/1-6/29 80346.73	10000.00	182728.68
Nature of Debt (Purpose): media				
Contipental Rental and Sales Corp. 4012 Ridge Avenue Philadelphia, Pennsylvania 19219	-0-	6/1/84 170.87	-0-	170.87
Nature of Debt (Purpose): equipment rental				
Copy Cat General Office 10011 'J' Street Omaha, Nebraska 68127	-0-	6/1/84 19.01	-0-	19.01
Nature of Debt (Purpose): office supplies				
Copy Supply, Inc. 1501 Lakeland Drive, Suite 130 Jackson, Mississippi 39216	27.70	-0-	--0--	27.70
Nature of Debt (Purpose): xerox service				
Copy World 92 Weybossett Street Providence, Rhode Island 02903	-0-	6/5/84 276.00	-0-	276.00
Nature of Debt (Purpose): mailing				
Cornelius Printing Company 2457 E. Washington Post Office Box 7 Indianapolis, Indiana 56206	2887.50	-0-	-0-	2887.50
Nature of Debt (Purpose): printing				

1) SUBTOTALS This Period This Page (optional) 186109.76

2) TOTAL This Period (last page this line only)

3) TOTAL OUTSTANDING LOANS from Schedule C-P (last page only)

33040724582  
 R1033734652

33740724583

**REPORTS OF RECEIPTS AND DISBURSEMENTS  
For Authorized Committee**

(Summary Page)

**ALION AREA** \_\_\_\_\_ **ALION AREA** \_\_\_\_\_

1. Name of Committee (in Full) **Paul Trible for Senate Committee, Inc.** 2. FEC Registration Number **000149310**

Address (Number and Street) \_\_\_\_\_ 3. Is this Report an Amendment?  YES  NO

**P. O. Box 506**  Check if address is different than the one on file with the Commission

City, State and Zip Code **Richmond, VA 23204**

**4. TYPE OF REPORT**

April 15 Quarterly Report  Twelfth day report preceding \_\_\_\_\_ (Type of Election)

July 15 Quarterly Report  Election on \_\_\_\_\_ in the State of \_\_\_\_\_

October 15 Quarterly Report  Thirtieth day report following the General Election on **November 2, 1982** in the State of **Virginia**

January 31 Year End Report  Termination Report

July 31 Mid Year Report (Non-election Year Only)

This report contains activity for:  Primary Election  General Election  Special Election  Run Off Election

SUMMARY		COLUMN A	COLUMN B
Covering Period <u>Oct 14, 1982</u> through <u>Nov 22, 1982</u>		The Period	Calendar Year or State
6. Net Contributions (other than loans)			
(a) Total Contributions (other than loans) (from Line 11 (a))		556,056.11	\$2,162,100.00
(b) Total Contribution Refunds (from Line 20 (a))		2,982.00	8,562.00
(c) Net Contributions (other than loans) (subtract Line 6 (b) from 6 (a))		553,076.11	2,153,538.00
7. Net Operating Expenditures			
(a) Total Operating Expenditures (from Line 17)		5626,016.41	\$2,013,466.24
(b) Total Offsets to Operating Expenditures (from Line 18)		0	2,225.00
(c) Net Operating Expenditures (subtract Line 7 (b) from 7 (a))		5626,016.41	\$2,013,721.24
8. Cash on Hand at Close of Reporting Period (from Line 27)		598,546.70	
9. Debts and Obligations Owed TO The Committee (Items (a) on Schedule C or Schedule D)		0	
10. Debts and Obligations Owed BY The Committee (Items (a) on Schedule C or Schedule D)		550,040.01	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact  
Federal Election Commission  
Washington, D.C. 20543  
Tel.: (202) 692-4328  
Toll-free: 800-426-6830  
Voice Mail: 202-527-4888

B. N. ARMSTRONG  
Type or Print Name of Treasurer

*S. W. Armstrong*  
SIGNATURE OF TREASURER

12/02/82  
Date

NOTE: Submission of false, erroneous or incomplete information may subject the person signing this Report to the penalties of 18 U.S.C. 1457g.

9 8 0 1 4 0 1 3 2 6 4 1 6 9 4

**DETAILED SUMMARY PAGE  
of Receipts and Disbursements  
(Page 2, FEC FORM 3)**

Name of Committee (in Full)		Reporting Period	
Paul Trible for Senate Committee		October 14, 1984, November 22, 1984	
I. RECEIPTS		COLUMN A Total This Period	COLUMN B Calendar Year to Date
11.	CONTRIBUTIONS (other than loans) FROM:		
(a)	Individuals/Persons Other Than Political Committees (Memo Entry Unitemized \$ <u>\$217,785.62</u> )	\$384,914.72	\$1,392,335.54
(b)	Political Party Committees	2,719.62	33,787.52
(c)	Other Political Committees	168,423.77	640,719.40
(d)	The Candidate		
(e)	TOTAL CONTRIBUTIONS (other than loans (add 11(a), 11(b), 11(c) and 11(d)))	556,058.11	2,066,842.46
12.	TRANSFERS FROM OTHER AUTHORIZED COMMITTEES		48,418.66
13.	LOANS:		
(a)	Made or Guaranteed by the Candidate	\$75,000.00	\$75,000.00
(b)	All Other Loans	0	0
(c)	TOTAL LOANS (add 13(a) and 13(b))	75,000.00	\$75,000.00
14.	OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	0	2,245.02
15.	OTHER RECEIPTS (Dividends, Interest, etc.)	1,884.32	8,024.83
16.	TOTAL RECEIPTS (add 11(a), 12, 13(c), 14 and 15)	\$632,942.43	\$2,200,530.97
II. DISBURSEMENTS			
17.	OPERATING EXPENDITURES	\$626,016.41	\$2,015,966.16
18.	TRANSFERS TO OTHER AUTHORIZED COMMITTEES	0	
19.	LOAN REPAYMENTS		
(a)	Of Loans Made or Guaranteed by the Candidate	\$75,000.00	\$75,000.00
(b)	Of All Other Loans	0	0
(c)	TOTAL LOAN REPAYMENTS (add 19(a) and 19(b))	\$75,000.00	\$75,000.00
20.	REFUNDS OF CONTRIBUTIONS TO:		
(a)	Individuals/Persons Other Than Political Committees	\$2,757.00	\$7,987.00
(b)	Political Party Committees	0	0
(c)	Other Political Committees	225.00	375.00
(d)	TOTAL CONTRIBUTION REFUNDS (add 20(a), 20(b), and 20(c))	\$2,982.00	\$8,562.00
21.	OTHER DISBURSEMENTS		
22.	TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)	\$703,998.47	\$2,099,528.16
III. CASH SUMMARY			
23.	CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$ 169,602.68	23
24.	TOTAL RECEIPTS THIS PERIOD (From Line 16)	\$ 632,942.43	24
25.	SUBTOTAL (Add Line 23 and Line 24)	\$ 802,545.11	25
26.	TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	\$ 703,998.41	26
27.	CASH ON HAND AT END OF THE REPORTING PERIOD (Subtract Line 26 from 25)	\$ 98,546.70	27

**SCHEDULE D**  
(Revised 3/80)

**DEBTS AND OBLIGATIONS**  
Excluding Loans

Page 1 of 2 for  
LINE NUMBER 10  
(Use separate schedules  
for each numbered line)

Name of Committee (in Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
<b>PAUL TRIEBE FOR SENATE COMMITTEE</b>				
<b>A. Full Name, Mailing Address and Zip Code of Debtor or Creditor</b> The DCM Group 1515 North Court House Road Suite 301 Arlington, Va. 22201	0	\$18,765.00	0	\$18,765.00
<b>Nature of Debt (Purpose):</b> Consultant's Fee				
<b>B. Full Name, Mailing Address and Zip Code of Debtor or Creditor</b> River Bank, Inc. Mt. Airy, Maryland	0	\$20,000.00	0	\$20,000.00
<b>Nature of Debt (Purpose):</b> Radio and T. V. Purchases				
<b>C. Full Name, Mailing Address and Zip Code of Debtor or Creditor</b> Atlantic Air Limited 11 Monticello Arcade Norfolk, Va. 23510	0	\$264.00	0	\$264.00
<b>Nature of Debt (Purpose):</b> Helicopter Flight				
<b>D. Full Name, Mailing Address and Zip Code of Debtor or Creditor</b> Hawthorne Aviation P.O. Box -96 Sandston, Va. 23150	\$840.00 0	\$2,748.80	\$840.00 0	\$2,748.80
<b>Nature of Debt (Purpose):</b> Airplane Flights				
<b>E. Full Name, Mailing Address and Zip Code of Debtor or Creditor</b> U. S. Jet General Aviation Terminal Washington National Airport Washington, D. C. 20001	\$360.00 0	\$528.00	\$360.00 0	\$528.00
<b>Nature of Debt (Purpose):</b> Airplane Flights				
<b>F. Full Name, Mailing Address and Zip Code of Debtor or Creditor</b> North American Marketing 1710 Altamont Avenue Richmond, Va. 23230	0	\$7,734.21	0	\$7,734.21
<b>Nature of Debt (Purpose):</b> Direct Mail Expenses				
<b>1) SUBTOTALS This Period This Page (optional) .....</b>				
<b>2) TOTAL This Period (last page this line only) .....</b>				
<b>3) TOTAL OUTSTANDING LOANS from Schedule C (last page only) .....</b>				
<b>4) ADD 2) and 3) and carry over to appropriate line of Summary Page (last page only) .....</b>				

3 3 2 9 0 7 2 1 5 2 8 9 2

98040724587



**DETAILED SUMMARY PAGE  
of Receipts and Disbursements  
(Page 2, FEC FORM 3)**

Name of Committee (in Full)		Period Covering the Period	
Missourians for Kit Bond		From: July 17, 1986	To: September 30, 1986
I. RECEIPTS		COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
11. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees (Memo Entry Unrevised \$ 452,695.61)	\$ 1,159,235.72	\$ 2,512,970.97	11 (a)
(b) Political Party Committees	\$ 7,957.04	\$ 25,362.38	11 (b)
(c) Other Political Committees	\$ 372,758.35	\$ 730,659.22	11 (c)
(d) The Candidate	\$ 1,790.33	\$ 3,274.64	11 (d)
(e) TOTAL CONTRIBUTIONS (other than loans (add 11(a), 11(b), 11(c) and 11(d)))	\$ 1,541,741.44	\$ 3,272,267.21	11 (e)
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	\$ 11,965.89	\$ 16,886.23	12
13. LOANS:			
(a) Made or Guaranteed by the Candidate			13 (a)
(b) All Other Loans			13 (b)
(c) TOTAL LOANS (add 13 (a) and 13 (b))			13 (c)
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Returns, etc.)	\$ 11,238.72	\$ 26,278.66	14
15. OTHER RECEIPTS (Dividends, Interest, etc.)	\$ 13,505.67	\$ 42,291.52	15
16. TOTAL RECEIPTS (add 11 (a), 12, 13 (a), 14 and 15)	\$ 1,578,451.52	\$ 3,357,324.62	16
II. DISBURSEMENTS			
17. OPERATING EXPENDITURES	\$ 991,898.04	\$ 3,311,679.34	17
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES			18
19. LOAN REPAYMENTS:			
(a) Of Loans Made or Guaranteed by the Candidate			19 (a)
(b) Of All Other Loans			19 (b)
(c) TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))			19 (c)
20. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees	\$ 12,695.61	\$ 12,695.61	20 (a)
(b) Political Party Committees			20 (b)
(c) Other Political Committees	\$ 2,750.00	\$ 2,750.00	20 (c)
(d) TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b), and 20 (c))	\$ 15,445.61	\$ 15,445.61	20 (d)
21. OTHER DISBURSEMENTS	\$ 437.04	\$ 2,336.68	21
22. TOTAL DISBURSEMENTS (add 17, 18, 19 (c), 20 (d) and 21)	\$ 2,007,980.69	\$ 3,329,711.63	22
III. CASH SUMMARY			
23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$ 1,010,761.65		23
24. TOTAL RECEIPTS THIS PERIOD (From Line 16)	\$ 1,578,451.52		24
25. SUBTOTAL (Add Line 23 and Line 24)	\$ 2,589,213.17		25
26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	\$ 2,007,980.69		26
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	\$ 581,232.48		27

0602030970



8 3 0 4 0 7 2 4 5 9 1

Form 700  
September 1978  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

**REPORT OF RECEIPTS AND EXPENDITURES**

By a Candidate or Authorized Committee of a Candidate Seeking Nomination or Election to the Office of President or Vice President of the United States

RECEIVED FEBRUARY 1980  
FEDERAL ELECTION COMMISSION

NOTE: This report is to be used by a candidate or authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not the candidate is actually running.

1 (a) NAME OF CANDIDATE OR COMMITTEE IN FULL  Check if name or address is changed  
REAGAN FOR PRESIDENT

2 IDENTIFICATION NUMBER  
C00108308

3 Is this report of receipts and expenditures for:  
 PRIMARY  
 GENERAL

(b) ADDRESS (Number and Street)  
9841 Airport Blvd.

(c) CITY, STATE AND ZIP CODE  
Los Angeles, California 90045

4 TYPE OF REPORT (Check appropriate box and complete, if applicable)

(a)  Amendment for \_\_\_\_\_ (which report)  
(b)  April 10 Quarterly Report  
(c)  July 10 Quarterly Report  
(d)  October 10 Quarterly Report  
(e)  January 31 Year End Report  
(f)  Monthly Report FEBRUARY (state month)  
(g)  Termination Report  
(h)  Tenth day report preceding \_\_\_\_\_ Elect on \_\_\_\_\_ in the State of \_\_\_\_\_  
(i)  Thirtieth day report following \_\_\_\_\_ Elect on \_\_\_\_\_ in the State of \_\_\_\_\_

**CANDIDATE OR COMMITTEE SUMMARY OF RECEIPTS AND EXPENDITURES**

5 COVERING PERIOD: FROM FEBRUARY 1, 1980 THROUGH FEBRUARY 29, 1980

Section A - Cash Balance Summary	Column A This Period	Column B Calendar Year-to-Date
6 Cash on Hand January 1, 19 <u>80</u> .....		\$ 554,574.98
7 Cash on Hand at Beginning of Reporting Period .....	\$ 458,793.85	
8 Total Receipts (from Line 23) .....	\$ 3,333,951.07	\$ 9,150,841.03
(a) Subtotal (Add Lines 7 and 8) .....	\$ 3,792,744.92	\$ 9,705,441.01
9 Total Expenditures (from Line 28) .....	\$ 4,130,916.89	\$ 9,000,412.06
10 Cash on Hand at Close of Reporting Period (Subtract Line 9 from Line 8a) .....	\$ 652,828.03	\$ 652,220.00
11 Contributed Items on Hand to be Liquidated (Attach Itemized List) ... \$ <u>525.00</u>		
<b>DEBTS AND OBLIGATIONS</b>		
12 Debts and Obligations Owed TO the Committee (Itemize all on Schedule C-P) .....	\$ 138,842.72	
13 Debts and Obligations Owed BY the Committee (Itemize all on Schedule C-P) .....	\$ 1,510,733.30	
<b>Section B - Summary of Expenditures Subject to Limitation</b>		
14 Expenditure Total (Add Lines 24c and 28b) .....	\$ 2,661,994.01	\$ 4,656,580.17
15 Refunds and Rebates (from Line 21c) .....	\$ 22,868.67	\$ 123,012.62
(a) Expenditures Subject to Limitation (Subtract Line 15 from Line 14) .....	\$ 2,604,125.34	\$ 4,533,567.66
(b) Expenditures from Prior Years Subject to Limitation .....		\$ 5,077,055.00
(c) Total Expenditures Subject to Limitation (Add Lines 15a and 15b) .....		\$ 9,610,623.54

I certify that I have examined this Report, and to the best of my knowledge and belief it is true, correct and complete.

BAY BUCHANAN (Typed Name of Treasurer or Candidate) Bay Buchanan (Signature of Treasurer or Candidate) 2/20/80 (Date)

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g, §441j; and 28 U.S.C. §9012, §9042.

For further information Contact:



Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463  
or Call 800/424-9530

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any other purpose.

9073105475

SCHEDULE C-P

September 1978  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

DEBTS AND OBLIGATIONS

Supporting Line Numbers 12 and 13  
of FEC Form 3P

Page 45 of \_\_\_\_\_ for

Line Number 13

(Use Separate Schedules for  
each numbered line)

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.

Name of Candidate and Committee in Full  
REAGAN FOR PRESIDENT

A. Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Farmcom, Inc. 932 National Press Bldg. Washington, D.C. 20045	2-29-80	2500.00	0.00	2500.00
		\$	\$	\$

NATURE OF OBLIGATION (Details of Debt):

Professional Services

B. Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Radio TV Reports, Inc. 41 East 42nd St. New York, N.Y. 10017	11-15-79 11-15-79	325.08 \$335.00	500.00	397.62
		\$	\$	\$

NATURE OF OBLIGATION (Details of Debt):

11-15-79 237.60

Radio Spots

C. Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Bryant Seaman Association Tuttle Road Briarcliff, N.Y. 10510	1-25-80 1-25-80	2320.00 \$2320.00	0.00	2320.00 \$2320.00
		\$	\$	\$

NATURE OF OBLIGATION (Details of Debt):

1-25-80	2320.00	2320.00
2-09-80	8983.34	8983.34
2-09-80	8983.34	8983.34
2-09-80	8983.32	8983.32

Phone Banks

TOTAL THIS PERIOD	\$ 307.62	\$ 307.62	\$
TOTAL THIS PERIOD	\$	\$	\$

CARRY OUTSTANDING BALANCE ONLY TO APPROPRIATE LINE OF SUMMARY.

83040724594

**REPORTS OF RECEIPTS AND DISBURSEMENTS  
For Authorized Committee**

(Summary Page)

<b>ALIKIN AREA</b>		<b>BALON AREA</b>
<b>1 Name of Committee (in Full)</b> Helms for Senate Committee Address (Number and Street) 3825 Barrett Drive City, State and Zip Code Raleigh, NC 27619		<b>2 FEC Identification Num. for</b> C00165134
Check if address is different than previously reported: <input type="checkbox"/>		<b>3 Is this Report an Amendment?</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

**4 TYPE OF REPORT**

<input type="checkbox"/> April 15 Quarterly Report	<input type="checkbox"/> Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____
<input type="checkbox"/> July 15 Quarterly Report	<input type="checkbox"/> Thirtieth day report following the General Election on _____ in the State of _____
<input type="checkbox"/> October 15 Quarterly Report	<input type="checkbox"/> Termination Report
<input type="checkbox"/> January 31 Year End Report	
<input checked="" type="checkbox"/> July 31 Mid Year Report (Non election Year Only)	

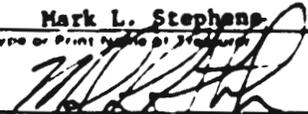
This report contains activity for:  Primary Election     General Election     Special Election     Runoff Election

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
<b>5</b> Covering Period <u>1/1/85</u> through <u>6/30/85</u>		
<b>6</b> Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (from Line 11 (a))	455,552.17	455,552.17
(b) Total Contribution Refunds (from Line 20 (a))	13,880.80	13,880.80
(c) Net Contributions (other than loans) (subtract Line 6 (b) from 6 (a))	441,671.37	441,671.37
<b>7</b> Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17)	891,569.08	891,569.08
(b) Total Offsets to Operating Expenditures (from Line 16)	46,799.41	46,799.41
(c) Net Operating Expenditures (subtract Line 7 (b) from 7 (a))	844,769.67	844,769.67
<b>8</b> Cash on Hand at Close of Reporting Period (from Line 27)	6,558.35	
<b>9</b> Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)		
<b>10</b> Debts and Obligations Owed BY The Committee (Itemize all on Schedule C or Schedule D)	847,605.94	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:  
 Federal Election Commission  
 Toll Free 800 426 6930  
 Local 202 873 4000

Mark L. Stephens  
 Type or Print Name of Treasurer



SIGNATURE OF TREASURER

12-17-86  
 Date

NOTE: Submission of false, erroneous or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

FEC FORM 3 (3/80)

8700012531

RECEIVED

FEC Form 3P  
September 1978  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

**REPORT OF RECEIPTS AND EXPENDITURES**  
By a Candidate or Authorized Committee of  
a Candidate Seeking Nomination or Election  
to the Office of President or Vice President  
of the United States

EO 12821 P12:17

**NOTE:** This report is to be used by a candidate or authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.

1 (a) NAME OF CANDIDATE OR COMMITTEE IN FULL <input type="checkbox"/> Check if name or address is changed <b>George Bush for President</b>		2 IDENTIFICATION NUMBER <b>C100106922</b>
(b) ADDRESS (Number and Street) <b>710 North Post Oak Rd., Suite 208</b>		3 Is this report of receipts and expenditures for: <input checked="" type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL
(c) CITY, STATE AND ZIP CODE <b>Houston, TX 77024</b>		
4 TYPE OF REPORT (Check appropriate box and complete, if applicable)		
(a) <input type="checkbox"/> Amendment for _____ (which report)	(d) <input type="checkbox"/> October 10 Quarterly Report	(g) <input type="checkbox"/> Termination Report
(b) <input type="checkbox"/> April 10 Quarterly Report	(e) <input type="checkbox"/> January 31 Year End Report	(h) <input type="checkbox"/> Tenth day report preceding _____ Election on _____ in the State of _____
(c) <input type="checkbox"/> July 10 Quarterly Report	(f) <input checked="" type="checkbox"/> Monthly Report <u>March</u> (state month)	(i) <input type="checkbox"/> Thirtieth day report following _____ Election on _____ in the State of _____

**CANDIDATE OR COMMITTEE SUMMARY OF RECEIPTS AND EXPENDITURES**

5 COVERING PERIOD: FROM **3/1/80** THROUGH **3/31/80**

Section A - Cash Balance Summary	Column A This Period	Column B Calendar Year-to-Date
6 Cash on Hand January 1, 1980		\$ 75,307.79
7 Cash on Hand at Beginning of Reporting Period	\$ 395,964.67	4900
8 Total Receipts (from Line 23)	\$5,057,385.63	\$ 10,011,472.85
(a) Subtotal (Add Lines 7 and 8)	\$5,453,350.30	\$ 10,086,780.61
9 Total Expenditures (from Line 28)	\$5,349,433.81	\$ 9,982,864.13
10 Cash on Hand at Close of Reporting Period (Subtract Line 9 from Line 8a)	\$ 103,916.49	\$ 103,916.49
11 Contributed Items on Hand to be Liquidated (Attach Itemized List) . . . \$ 1,891.00		
<b>DEBTS AND OBLIGATIONS</b>		
12 Debts and Obligations Owed TO the Committee (Itemize all on Schedule C-P)	\$ -0-	
13 Debts and Obligations Owed BY the Committee (Itemize all on Schedule C-P)	\$ 1,000,000.00	
<b>Section B - Summary of Expenditures Subject to Limitation</b>		
14 Expenditure Total (Add Lines 24c and 28b)	\$ 3,085,395.47	\$ 7,237,050.29
15 Refunds and Rebates (from Line 21c)	\$ 74,957.76	\$ 173,970.84
(a) Expenditures Subject to Limitation (Subtract Line 15 from Line 14)	\$ 3,010,437.71	\$ 7,063,079.45
(b) Expenditures from Prior Years Subject to Limitation		\$ 2,688,000.89
(c) Total Expenditures Subject to Limitation (Add Lines 15a and 15b)		\$ 9,751,080.34

I certify that I have examined this Report, and to the best of my knowledge and belief this is true, correct, and complete.

Thomas M. Roberts  
(Typed Name of Treasurer or Candidate)

*Thomas M. Roberts*  
(Signature of Treasurer or Candidate)

April 18, 1980  
(Date)

**NOTE:** Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g, §441j; and 26 U.S.C. §9012, §9042.

For further information Contact



Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463  
or Call 800/424-9630

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.

93040724596  
8003174030



**REPORT OF RECEIPTS AND DISBURSEMENTS**  
For an Authorized Committee

(Summary Page)

OFFICE OF THE SECRETARY OF THE SENATE

1. Name of Committee (in Full) <b>John Warner for Senate Committee</b> Address (Number and Street) <b>Atoka Farm, Box 1320</b> City, State and ZIP Code <b>Middleburg, Va. 22117</b>	2. FEC Identification Number <b>C 00084210</b> 3. Is this Report an Amendment? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<input type="checkbox"/> Check if address is different than previously reported.	

4. TYPE OF REPORT

<input type="checkbox"/> April 15 Quarterly Report	<input type="checkbox"/> Twelfth day report preceding _____ (Type of election)
<input type="checkbox"/> July 15 Quarterly Report	election on _____ in the State of _____
<input type="checkbox"/> October 15 Quarterly Report	<input type="checkbox"/> Thirtieth day report following the General Election
<input type="checkbox"/> January 31 Year End Report	on _____ in the State of _____
<input checked="" type="checkbox"/> July 31 Mid Year Report (Non-election Year Only)	<input type="checkbox"/> Termination Report

This report contains activity for -  1978 Non-Convention Primary Election  General Election  Special Election  Runoff Election

SUMMARY	Column A This Period	Column B Calendar Year-to-Date
5. Covering Period <u>Jan. 1, 1985</u> Through <u>June 30, 1985</u>		
6. Net Contributions (other than loans):		
(a) Total Contributions (other than loans) (from Line 11e) .....	\$	\$
(b) Total Contribution Refunds (from Line 20d) .....	\$	\$
(c) Net Contributions (other than loans) (Subtract Line 6b from 6a) ...	\$ 0	\$ 0
7. Net Operating Expenditures:		
(a) Total Operating Expenditures (from Line 17) .....	\$	\$
(b) Total Offsets to Operating Expenditures (from Line 14) .....	\$	\$
(c) Net Operating Expenditures (Subtract Line 7b from 7a) .....	\$ 0	\$ 0
8. Cash on Hand at Close of Reporting Period (from Line 27) .....	\$ 0	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D) .....	\$ 0	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D) .....	\$ 400,000.43	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:

Federal Election Commission  
Toll Free 800-424-9530  
Local 202-527-4008

Herbert H. Anderson  
Type or Print Name of Treasurer

Herbert H. Anderson July 26, 1985  
SIGNATURE OF TREASURER

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

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FEC FORM 3 (3/83)

89040724598

Summary Page

AREA  AREA  
 Name of Committee (in Full) **State Bar Kansas Committee, Inc.**  
 Address (Number and Street) **P.O. Box 1996**  
 City, State and Zip Code **Topoka, KS 66661-1996**  Check if address is different than previously reported.  
 F.E.B. Identification Number **C00100000**  
 Is this Report an Amendment?  YES  NO

TYPE OF REPORT

April 15 Quarterly Report  
 July 15 Quarterly Report  
 October 15 Quarterly Report  
 January 31 Year End Report  
 July 31 Mid Year Report (Non-election Year Only)  
 Twelfth day report preceding \_\_\_\_\_ (Type of Election) election on \_\_\_\_\_ in the State of \_\_\_\_\_  
 Twelfth day report following the General Election on \_\_\_\_\_ in the State of \_\_\_\_\_  
 Termination Report

This report contains activity for --  Primary Election  General Election  Special Election  Runoff Election

SUMMARY

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6. Covering Period <u>7-1-85</u> through <u>12-31-85</u>		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (From Line 9) (a) .....	333,033.00	\$1,110,869.00
(b) Total Contribution Refunds (From Line 9) (b) .....	-0-	3,500.00
(c) Net Contributions (other than loans) (Subtract Line 9 (b) from 9 (a) .....	333,033.00	1,107,369.00
7. Net Operating Expenditures		
(a) Total Operating Expenditures (From Line 17) .....	264,267.93	\$61,635.85
(b) Total Offset to Operating Expenditures (From Line 14) .....	3,906.96	10,052.23
(c) Net Operating Expenditures (Subtract Line 14 (b) from 17 (a) .....	260,360.97	51,583.62
8. Cash on Hand at Close of Reporting Period (From Line 23) .....	1,760,673.72	
9. Sales and Collections (Send TO The Committee Summary of on Schedule C or Schedule D) .....	-0-	
10. Sales and Collections (Send TO The Committee Summary of on Schedule C or Schedule D) .....	6,600.00	

I certify that I have examined this report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact  
 Federal Election Commission  
 Toll Free 800-426-6820  
 Local 202-426-6820

**Charles L. Chamberlain**

Type or Print Name of Treasurer

*Charles L. Chamberlain*  
 Signature of Treasurer

1-31-86  
 Date

NOTE: Submission of false, erroneous or incomplete information may subject the person signing this Report to the penalties of 18 U.S.C. § 487c.

All figures in dollars

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K 6 0 2 J 0 4 0 7 1 3

**REPORTS AND DISBURSEMENTS  
For Authorized Committee**

SECRETARY OF THE SENATE

1986 OCT 23 PM 1:10

(Summary Page)

1. Name of Committee (in Full) <b>Brock Adams Senate Committee</b>	2. FEC Identification Number <b>003090</b>
Address Number and Street <b>217 4th Ave. Room 203</b>	3. Is this Report an Amendment? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
City, State and Zip Code <b>Seattle, Wa. 98121</b>	<input type="checkbox"/> Check if address is different than previously reported.

**(H.D.)**

4. TYPE OF REPORT

<input type="checkbox"/> April 15 Quarterly Report	<input type="checkbox"/> Twelfth day report preceding _____ (Type of Statement)
<input type="checkbox"/> July 15 Quarterly Report	station on _____ in the State of _____
<input checked="" type="checkbox"/> October 15 Quarterly Report	<input type="checkbox"/> Thirtieth day report following the General Election in _____
<input type="checkbox"/> January 31 Year End Report	_____ in the State of _____
<input type="checkbox"/> July 31 Mid Year Report (Non-election Year Only)	<input type="checkbox"/> Termination Report

This report covers activity for --  Primary Election  General Election  Special Election  Recall Election

86020412796

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period <u>082886</u> through <u>093086</u>		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (From Line 11 (a))	\$267,748.38	\$872,177.37
(b) Total Contribution Refunds from Line 28 (b)	-0-	125.00
(c) Net Contributions (other than loans) (Subtract Line 6 (b) from 6 (a))	267,748.38	873,052.37
7. Net Operating Expenditures		
(a) Total Operating Expenditures from Line 12	392,575.91	\$1,048,381.89
(b) Total Offset to Operating Expenditures from Line 14	-0-	-0-
(c) Net Operating Expenditures (Subtract Line 7 (b) from 7 (a))	392,575.91	\$1,048,381.89
8. Cash on Hand at Close of Reporting Period (From Line 27)	28,753.25	
9. Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)	-0-	
10. Debts and Obligations Owed BY The Committee (Itemize all on Schedule C or Schedule D)	131,138.44	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:  
Federal Election Commission  
600 E Street, N.W.  
Washington, D.C. 20460  
Toll Free 800-424-9529  
Local 202-376-3128

**Stanley H. Barer**  
Type or Print Name of Treasurer

*Stanley H. Barer*  
SIGNATURE OF TREASURER

**10/15/86**  
Date

NOTE: Submission of false, erroneous or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g

All previous versions of FEC FORM 3 and FEC FORM 2a are obsolete and should no longer be used.



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# Human Edge Probes the 'Sexy' Side of Software

By Robert Chapman Wood  
Feature Correspondent

Thousands of posters with the legend, *Orwell Said It Would Happen And It Has*, caught the attention of attendees at the September National Software Show in Los Angeles. The poster features a terrified woman cowering below a giant, hovering floppy disk with a single inquisitive eye peering from the center hole.

**'The poster was created to initiate some intrigue, to create some chatter'**

— Dave Iwans  
Group 3 Communications

The product for sale is *Mind Prober* from Human Edge Software, perhaps the first artificial intelligence product to be mass marketed to the Commodore 64 market. And the headline was neither accurate nor exactly what Human Edge marketers had

intended when they set out to promote the product, a small-scale "expert system" which mimics a psychologist. *Mind Prober* takes users impressions of a person they've recently met and generates a two-and-a-half page, jargon-free psychological profile of the person. Substantial reaction to the "Orwell" posters swamped a more sedate campaign on the theme, *Software that lets you read people like a book*.

Human Edge seems to be the leading U.S. advocate of the idea that useful expert systems can run on ordinary personal computers, but its president, psychologist Jim Johnson, believes his products won't create a world like Orwell described. And the products' results certainly differ from those Orwell suggested as well. While Orwell's *1984* had a central government using technology to keep track of citizens' thoughts, one of the first results of the *Mind Prober* campaign was a spread in *InfoWorld* which contained this *Mind Prober*-generated analysis of Ronald Reagan's sexuality: *Mr. R.R. can be a considerate and adaptable partner. His style of lovemaking can range from gentle to assertive, depend-*

*Human Edge Software began promoting Mind Prober by designing a poster with an allusion to George Orwell's prediction of "Big Brother is Watching You."*

*ing on his companion's needs. He is likely to be fairly adept at figuring out what his partner wants. Compatibility guides his sexual behaviour — as long as requests are within the bounds of what he considers reasonable. Ordinary folks in Orwell's novel certainly did not possess such data on Big Brother.*

"The poster was created to initiate some intrigue, to create some chatter," claims Dave Iwans of Group 3 Communications in Portsmouth, Va., the small advertising firm which has Human Edge's advertising account and which earlier this year achieved notoriety by helping lift presidential candidate Gary Hart from obscurity.

The general marketing thrust for *Mind Prober* was "really not intended to be positioned that way at all," Iwans says. About \$15,000 of a \$105,000 promotional budget went into the Orwell campaign and an ad placed in the Southern California edition of *Playboy* which pictures a pair of slightly vacant, but sexy, female eyes and promises, *We'll Get You Inside Her Head. The Rest Is Up To You.*

Human Edge tried to place the *Playboy* ad on the back cover of the show daily at the National Software Show and found the ad banned as "sexist." Human Edge's PR

**Orwell Said It Would Happen.  
And It Has.**



## Mind Prober

COMING SEPTEMBER 15

1984.

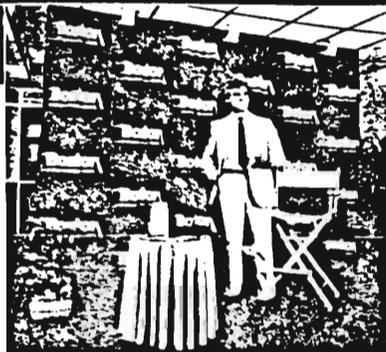


Director Janet Craycroft told the media about the banning when she had a chance. And as a result of the inevitable criticism that arose, Human Edge wound up promising to print a similar ad early next year in *Savvy* featuring male eyes.

But the Orwell campaign seems to have taken on a life of its own. Human Edge's public relations office mentioned no other marketing effort when queried about how the product was being sold. The product's packaging says it may be the most Orwellian software program ever produced, but so what?

"The initial intent was to take \$100,000 for a national rollout and make it go as far as possible. You've got to compete with Procter & Gamble which may have 150 times as much money to spend on a roll out," says Iwans. The problem is that few people are prepared to accept that a soft ware program can do what *Mind Prober* does: "You have to get them to cross over in their own mind in what they think a computer can do," Iwans adds.

Says Johnson: "It's a little bit controversial, and if that scares people into paying attention then fine. It's the old saying, 'I don't care what you say about me, as long as you spell my name right!'"



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**dp** display products inc.

Circle 33 on DATABANK card.

**We'll Get You Inside Her Head.**



**The Rest Is Up To You.**

It's a situation every guy has faced. There she is. The perfect woman. Or close enough. The problem: How to insert yourself into her psyche. The solution: *Mind Prober*. It's an ingenious software program from Human Edge that lets you know what makes a person tick. And that's a tremendous advantage in figuring out how to get what you want from someone. Anyone. In a business situation. Or a personal situation. *Mind Prober* delivers the goods. What you do with them is up to you.

Available at fine computer and retail stores everywhere. Call 1-800-824-7225 (outside California 1-800-624-5227) for more information or the location of the nearest retailer.

Pick up the *Mind Prober* today. And who knows what'll you pick up tomorrow.

*Mind Prober* is another practical expert systems program from the Human Edge Software Corp.

**Mind Prober**

Software That Lets You Read People Like A Book

Publishers of the show daily at the National Software Show refused to run this ad, charging that it is sexist.

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AFFIDAVIT OF JAMES DWINELL

District of Columbia )  
                          ) ss  
                          )

James Dwinell, being duly sworn states as follows:

1. My name is James Dwinell. I am a resident of Washington, D.C.

2. I was employed as the deputy campaign manager for finance by Americans With Hart, Inc. ("AWH"), the 1984 presidential campaign committee of then Senator Gary Hart during the 1984 presidential primary campaign, from 6/1/83 to 8/1/84.

3. On March 1, 1984, the day after Senator Hart's victory in the New Hampshire primary, I met for the first time with David R. Iwans and Steve Graves of Group III Communications, Inc. ("Group III"). At that time, AWH wanted to begin media advertising and increased campaign activities in southern states where primaries were going to be held on March 13, 1984. AWH wished to use Group III's services in connection with those activities.

4. Senator Hart's strong showing in the Iowa caucuses and his victory in the New Hampshire primary on February 28, 1984 had provided AWH with a great deal of momentum and contributions and pledges. Yet, the cash needs were running ahead of the cash flow. I informed Iwans of these difficulties and asked whether Group III would be willing under

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these circumstances to proceed with its work immediately without requiring prepayment.

5. Prior to that time, AWH had been regularly requesting and receiving bank loans. Furthermore, it was a common practice of vendors which supplied AWH with a variety of goods and services not to require prepayment. Iwans expressed a reluctance to extend credit to AWH, although he acknowledged that Group III did not require prepayment from its other clients. Iwans stated that Group III would not extend credit to AWH unless assured that it would be authorized under federal election laws. I told him that I would obtain an opinion letter from AWH's general counsel, John Quinn, of Arnold & Porter.

6. The next day, I read to Iwans a legal opinion letter (a copy of which is attached hereto as Exhibit A) prepared by general counsel Quinn in response to Iwans' request. The letter stated that "a company that commonly extends credit to customers roughly the size of the campaign and that is of similar risk to the campaign may extend credit to [AWH] on the usual terms used by the company." The letter also stated that "[a]n extension of credit beyond normal business or trade practice becomes a contribution only if the creditor fails to make a commercially reasonable attempt to collect the debt."

7. On or about March 12, 1984, Group III agreed to purchase approximately \$100,000 worth of media time on behalf of AWH, Group III believed itself to be complying fully with

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the election laws when it agreed to deal with AWH. Throughout the campaign, numerous vendors provided goods and services to the campaign without requiring prior payment. These vendors included for example, Semper/Moser, Raymond Strother Ltd., Karl Home Video, Merchant Motors, Public Interest Communications, Prince Lithograph, Inc., Cambridge Survey Research and Theresa Sullivan, Inc.

8. During the spring of 1984, several other media companies also billed AWH in a similar manner as Group III. For example, as of March 1985, Ray Strother, Inc. was still owed in excess of \$150,000 by AWH for media consulting services; Semper/Moser Associates Inc. of Venice, California was owed over \$105,000 for TV production and buying; and Karl Home Video of Newport Beach, California was owed over \$95,000 for TV production.

9. Following the initial media buys, Group III made requests for prompt payment of its invoices.

10. In the middle of March, 1984, AWH requested that Group III provide additional media buys for the Illinois primary that was to be held on March 20, 1984. Group III demanded and recieved assurances as to AWH's ability to pay all invoices promptly.

11. By April 2, 1984, the first three invoices, totaling close to \$450,000, had been paid by AWH. During the month of March, AWH had taken in approximately \$3 million in campaign funds. This amount surpassed the total amount taken in all of 1983 by about 200 percent.

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12. In the middle of May 1984, AWH requested that Group III make media buys in anticipation of primaries on June 5 in California, West Virginia, New Jersey, New Mexico, and South Dakota. At this time, Group III demanded concrete assurances that its debt would have priority over debts owed to other creditors. I checked with Michael Moore, Treasurer of AWH and found that the campaign had over \$800,000 in its "suspense file." This file represented, among other things, the amount of anticipated federal matching funds thought due to the campaign, but that had not been requested or collected because of a lack of proper documentation. The figures available to me at that time indicated that there were sufficient funds to grant Group III a second security interest in payments due AWH. At this time, I promised Group III the priority it requested and then negotiated with The National Bank of Washington for permission to grant Group III such a security interest. Eventually, in September 1984, the Bank consented to AWH's granting the security interest to Group III.

13. Also in the middle of May 1984, a meeting was held in Washington, D.C. between Group III and AWH. At this meeting campaign strategy and a media budget were discussed for the final push before the Democratic Convention. AWH presented favorable polling results and voting data in an effort to persuade Group III to make additional media buys on behalf of AWH. AWH particularly emphasized the importance of the upcoming primaries in California and New Jersey. If Hart were able to win the remaining primaries, he could eventually win

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the Democratic nomination. It was pointed out to Group III that if Hart were to win the nomination, AWH would receive substantial additional funding. In addition, AWH emphasized that a Hart victory would result in a need for more media services and that AWH would be looking to Group III to provide some of those services if it remained part of the Hart team.

14. After the presentation and representations, Group III agreed to make additional advance purchases for the upcoming primaries.

15. Sometime in June of 1984, I learned that due to a computer error the figures in the suspense file were incorrect. In fact, there was considerably less money available to pay debts owed by AWH than had been represented to Group III.

16. AWH did not win all the primaries on June 5, 1984. At this time, Group III increased its pressure on AWH for repayment of the debt. Iwans repeatedly made telephone calls to me inquiring as to when Group III would be repaid.

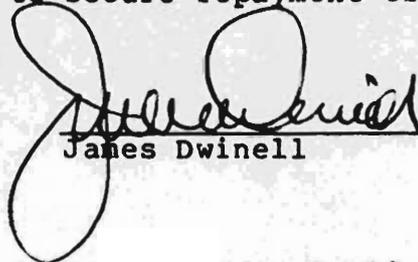
17. Group III's efforts to collect the debt continued throughout the summer. Group III would not accept less than full payment. Although I informed Group III on several occasions that money was not being repaid because AWH did not have any assets, representatives of Group III continued to pressure AWH, Senator Hart, and his staff throughout 1984.

18. Group III was not able to collect its debt for the same reason that various other creditors were not able to collect their debts. AWH simply did not have the money. As of

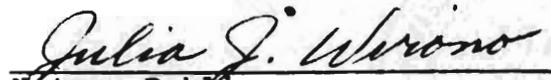
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April 1986, \$1.3 million in debt still remained from the 1984 campaign.

19. During all of 1984, and up to the present, Group III persistently has attempted to secure repayment of the debt.

  
James Dwinell

Subscribed and sworn to me, a Notary Public in and for the District of Columbia, this 23<sup>rd</sup> day of June, 1987.

  
Notary Public

My commission expires: JULIA J. WIRONO  
District of Columbia  
My Commission Expires  
December 14, 1991

33040724610

JOHN M. QUINN  
1200 NEW HAMPSHIRE AVENUE, N. W.  
WASHINGTON, D. C. 20036

March 2, 1984

Mr. James Dwinell  
Americans With Hart  
507 Eighth Street, S.E.  
Washington, D.C. 20003

Dear James:

This responds to your recent inquiry concerning extensions of corporate credit to Americans With Hart. The rule is straightforward.

In general, a corporation may extend credit to a candidate or campaign committee provided that the credit is extended in the ordinary course of the corporation's business and on terms that are substantially similar to extensions of credit to non-political debtors which are of similar risk and size of obligation. Thus, a company that commonly extends credit to customers roughly the size of the campaign and that is of similar risk to the campaign may extend credit to us on the usual terms used by the company. This rule is set forth at 11 C.F.R. § 114.10(a). (There are separate rules governing extensions of credit by industries regulated by the Civil Aeronautics Board, the Federal Communications Commission and the Interstate Commerce Commission.)

An extension of credit beyond normal business or trade practice becomes a contribution only if the creditor fails to make a commercially reasonable attempt to collect the debt. See 11 C.F.R. § 100.7(a)(4).

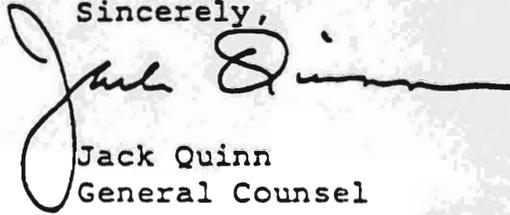
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Mr. James Dwinell  
Americans With Hart  
March 2, 1984  
Page Two

If I can be of any further help in this regard,  
please do not hesitate to call.

Best personal regards.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jack Quinn".

Jack Quinn  
General Counsel  
Americans With Hart

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LAW OFFICES  
**SONOSKY, CHAMBERS & SACHSE**  
1050 31ST STREET, N.W.  
WASHINGTON, D.C. 20007  
(202) 342-9131

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HARRY R. SACHSE  
REID PEYTON CHAMBERS  
WILLIAM R. PERRY  
LLOYD BENTON MILLER\*  
DONALD J. SIMON  
DOUGLAS B. L. ENDRESON\*\*  
MARY V. BARNEY  
LOUISE LYNCH  
ANNE D. NOTO  
JILL A. DE LA HUNT  
  
OF COUNSEL  
LOFTUS E. BECKER, JR.  
ROGER W. DUBROCK

ANCHORAGE OFFICE  
SUITE 700  
900 WEST FIFTH AVENUE  
ANCHORAGE, ALASKA 99501  
  
(907) 258-6377  
TELECOPIER (907) 272-8332

June 29, 1987

\*RESIDENT PARTNER, ANCHORAGE OFFICE  
\*\*ADMITTED IN WISCONSIN

Lawrence M. Noble, Esquire  
Acting General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, D.C. 20463

Re: MUR 2175

Dear Mr. Noble:

I am enclosing an Affidavit of Oliver C. Henkel, Jr. in supplementation of the materials we recently submitted in response to the Commission's reason-to-believe finding in the above-referenced matter. This Affidavit was not available for submission at the time of our previous filing.

The Affidavit gives further, and graphic, support to the argument at pages 15-17 of our Memorandum that the extensions of credit at issue in this MUR should be evaluated in the factual context in which they were made. Mr. Henkel was campaign manager of the Americans with Hart Committee. As he testifies in the Affidavit, the campaign of necessity operated on a minimal budget until after Senator Hart's dramatic and unexpected victory in the 1984 New Hampshire primary. At that point, Mr. Henkel notes, a surge of contributions practically overwhelmed the Committee. As the Committee's political prospects dramatically improved, banks and vendors of all sorts were willing, indeed eager, to extend massive amounts of credit to the Committee. This credit was extended on the reasonable basis of the Committee's vastly improved financial situation and on the strong possibility that Mr. Hart would be the Democratic nominee. It was in this context -- a huge influx of funds, strong political positioning, multi-million dollar bank loans, infusions of credit from multiple vendors in multiple fields -- that the two vendors at issue here

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GENERAL COUNSEL

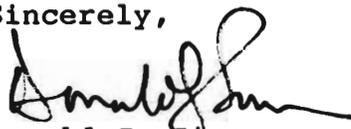
Lawrence M. Noble, Esquire  
June 29, 1987  
Page 2

also extended credit to the Committee. In this perspective, as we argue in our Memorandum, the Committee's acceptance of credit from the vendors at issue here was no different -- and equally as reasonable and justified -- as its acceptance of credit from a number of banks and dozens of other vendors, the total of which was far greater than the amounts at issue here. Mr. Henkel's Affidavit is submitted in support of this important proposition.

We request that you accept this Affidavit for filing with our previously submitted materials, and consider it in your review of our submission.

Thank you.

Sincerely,



Donald J. Simon

DJS/cmt  
Enclosure

33040724614

A F F I D A V I T

I, Oliver C. Henkel, Jr., of Cleveland, Ohio, being first duly sworn, do depose and say as follows:

1. I was the National Campaign Manager for the 1984 Presidential campaign of Gary W. Hart. I began my service as such in March, 1983 and concluded it after the Democratic National Convention in San Francisco in July, 1984. As the Campaign Manager, I was responsible for all phases and functions of the campaign. The duties I carried out were analogous to those of a chief executive officer in a corporate setting. All of the managers of the major functions of the campaign reported to me.

2. Almost from the moment I began as Campaign Manager, fund-raising was our most arduous challenge. Because raising money in 1983 was so difficult, we were consistently cash poor. Because of that, we had to move our headquarters in the Summer of 1983 from Maryland Ave. and 4th St., N.E. to much less expensive and rather dilapidated quarters at 507 8th St., S.E. The press had made much of the fact that it was a two-man race between former Vice President Walter Mondale and Senator John Glenn. It was extremely difficult for the second-tier of candidates, including Hart, to raise money since the chances of anyone winning the nomination other than Mondale or Glenn were characterized by the press generally as exceedingly remote.

3. By July 1, 1983 it was clear that we could not underwrite the current expenses of the campaign on donations alone, so our Finance Director, James Dwinell, and I began negotiations with First American Bank for a line of credit against 80% of the matching funds we expected to receive from the federal government after January 1, 1984. First American agreed to advance funds to Americans with Hart, Inc. ("AWH"), our campaign organization, on the basis of documented statements of amounts AWH expected to receive in matching funds based on actual, qualified donations being made. This arrangement remained in place until early 1984. Even with these borrowed funds, we were forced to discontinue regular payroll payments on July 29, 1983. Even though we were not paying any of the staff, I had to begin cutting back our Washington, D.C. staff because we could not afford the significant telephone expense that staff generated while in the office. Among other things, we started a soup kitchen in our national headquarters, the money raised from which was used to defray expenses. By mid-October we sent most people to the field (particularly Iowa and New Hampshire) with the promise that they could keep whatever they raised locally to help support their respective political activities after such money had been properly accounted for as contributions.

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4. By mid-December, 1983, our national headquarters staff (other than volunteers) had dwindled to less than ten people and most continued to be unpaid. I began private discussions with Hart to develop contingency plans to withdraw from the race in January, 1984 because fundraising was so slow and we seemed to be making very little political progress. Although fundraising had picked up a little (\$35,852 in October, 1983, \$81,300 in November and \$81,484 in December), it was a small fraction of what we needed to conduct a meaningful campaign. Because we were directing most of our field effort at Iowa and New Hampshire and therefore could limit our expenditures, we finally concluded that we could sustain the campaign for the first two months of 1984 (the New Hampshire primary was on February 29) if we could borrow a little more, principally to pay for a limited media effort in those two states.

5. In January, 1984 First American gave Hart a second mortgage loan on his Bethesda, Maryland home in the amount of \$45,000 which he donated to the campaign. In addition, I was able to borrow \$50,000 from NS&T Bank against the anticipated proceeds from a Carole King concert. Our direct mail receipts had picked up in January a little so that we raised a total of \$123,901 that month. Near the end of February, the National Bank of Washington loaned us \$50,000, as I recall, against receivables from the press and secret service for campaign travel. Together with our borrowed funds, our fundraising receipts permitted us to continue a "bare-bones" campaign through the New Hampshire primary. Before that primary, my recollection is that I had only 5 regular, full-time campaign staff still working in the national headquarters. Everyone else was either working in the field on largely contributed time or had left the campaign. Needless to say, staff morale was low before the Iowa caucuses.

6. With Hart's victory in New Hampshire, everything changed literally overnight. I returned to our headquarters in Washington on March 1, the day after the New Hampshire primary, and I could barely get into my office. The headquarters, a large, one-floor warehouse space, was jammed with people. Press from all over the world were in the office wanting to interview anyone who looked as if they were connected with the campaign. People who would not return my phone calls earlier had already called that day, leaving messages for me to call them. A Washington lawyer who had been very scarce before that time was waiting for me, urging me to move to "more appropriate" headquarters downtown and assuring me that he could easily arrange bank loans for AWH. In fact, he was able to arrange a \$1.5 million 10-day line of credit with Riggs National Bank

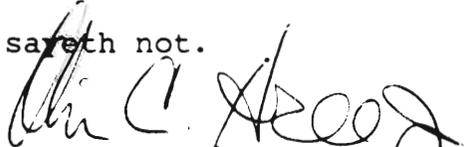
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almost immediately which we used for loan consolidation purposes and to meet the heavy expenses of Super Tuesday on March 14. The political and financial environments were now completely different. Many pundits were touting Hart as the eventual Democratic nominee, the campaign had an over-abundance of volunteers, political veterans in Washington wanted to join the campaign, and our cash flow was a rush. Banks and suppliers were anxious to extend AWH credit. We received \$2,842,392 in contributions in March, 1984. In fact, by the end of March we were able to catch up with all of our past payroll, some of which had gone unpaid since August, 1983.

7. In mid-March we successfully concluded negotiations with National Bank of Washington, as lead bank, and the Women's National Bank, for a \$3.5 million line of credit. Nothing can depict better the dramatically changed environment in which we were then operating than the fact that we were able to secure a loan of that size. Further, we had no difficulty negotiating extensions of credit from suppliers. In April we raised another \$1,332,560 in contributions, and during that period we were able to stay relatively current with our creditors. As Hart's political fortunes began to wane in May, contributions began to diminish and our cash flow once again became troublesome. However, on at least four other occasions we were able to borrow money from banks in addition to our line of credit (twice from National Bank of Washington, in April and May, from a Denver bank against a Dan Fogelberg concert and from a San Francisco bank for the phone system for the convention). Our suppliers continued to be forthcoming.

8. In summary, the Hart campaign represented the absolute extremes of experience, from a campaign that nearly folded before the Iowa caucuses to one that nearly won the nomination. The political roller coaster was mirrored in our financial support. Overnight we went from an impoverished campaign to one to which banks were anxious to make loans and suppliers eager to extend credit.

9. Further affiant saith not.

  
\_\_\_\_\_  
Oliver C. Henkel, Jr.

Public, this 26<sup>TH</sup> day of June, 1987.

  
\_\_\_\_\_  
Notary Public

**SENSITIVE**

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of	)	
	)	
Americans With Hart, Inc.	)	MUR 2175
Michael R. Moore, as treasurer	)	
Gary W. Hart	)	

97 JUL 24 P 4: 03

**GENERAL COUNSEL'S REPORT**

**I. BACKGROUND**

On February 24, 1987, the Federal Election Commission (the "Commission") found reason to believe that Gary W. Hart violated 26 U.S.C. § 9035(a), and that Americans With Hart, Inc. and Michael R. Moore, as treasurer (collectively the "Committee"), had violated 2 U.S.C. § 441a(f) and § 441b(a), and notified the Committee and Mr. Hart of these determinations. Americans With Hart, Inc. is Mr. Hart's 1984 authorized presidential campaign committee. The Committee and Mr. Hart are sometimes hereinafter referred to as the Respondents. After requesting and receiving two extensions of time in which to reply, the Respondents filed a Memorandum in Response to the Commission's Reason-To-Believe Findings (the "Respondents' Memorandum") and a request for conciliation on June 18, 1987 (Attachment 1). 1/

In that Memorandum, the Respondents declared that none of the stated violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), had occurred and requested that

1/ Only the Memorandum and request for conciliation are attached hereto. The submission in its entirety is available in the Docket for the Office of the General Counsel.

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this matter be closed. In the alternative the Respondents requested conciliation to resolve this matter prior to a finding of probable cause to believe.

II. ANALYSIS

The findings by the Commission were based on three issues:

(1) the acceptance by the Committee of corporate contributions from two media firms by extensions of credit; (2) the acceptance by the Committee of individual contributions in excess of statutory contribution limitations; and (3) expenditures in excess of the permissible limit by a candidate by utilizing a personal credit card for campaign expenditures.

The Committee acknowledges that it received excessive contributions from forty-nine (49) individuals, and presented facts to be considered in mitigation. On the issue of exceeding the candidate's expenditure limit, the Respondents denied that the candidate's use of a personal credit card entailed an expenditure on behalf of or advance of funds to the Committee. The possible acceptance of corporate contributions by the Committee was also denied. The Respondents provided documentation to demonstrate that the corporate credit transactions were in the ordinary course of business and that commercially reasonable collection attempts were made.

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The Office of the General Counsel, however, believes that the materials submitted concerning the creditor, Group III Communications, Inc., are insufficient to demonstrate that the initial extension of credit was in the ordinary course of business. Accordingly, this Office is seeking additional information from that creditor.<sup>2/</sup> Until the requested information is received and analyzed, this Office recommends that the Commission decline to enter into negotiations to conciliate this matter at this time.

III. RECOMMENDATIONS

1. Decline at this time to enter into conciliation prior to a finding of probable cause to believe with Americans With Hart, Inc. and Michael R. Moore, as treasurer, and Gary W. Hart.

2. Approve the attached letter.

Date

7/24/87

Lawrence M. Noble (LMN)  
Lawrence M. Noble  
Acting General Counsel

Attachments

- 1. Request for conciliation
- 2. Letter

<sup>2/</sup> A report requesting approval of discovery directed to the creditor is currently on circulation.

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**SENSITIVE**

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
Group III Communications, Inc. )

MUR 2175

07 JUL 24 11:03

**GENERAL COUNSEL'S REPORT**

**I. BACKGROUND**

On February 24, 1987, the Federal Election Commission (the "Commission") found reason to believe that Group III Communications, Inc. ("Group III") may have violated 2 U.S.C. § 441b(a) by its extension of credit to Americans With Hart, Inc. (the "Committee"), the 1984 authorized presidential campaign committee for Senator Gary W. Hart, and notified Group III of this determination. After requesting and receiving an extension of time to reply, Group III filed its response on June 22, 1987, as amended on June 23rd, denying that its extension of credit to the Committee constitutes a corporate contribution in violation of 2 U.S.C. § 441b(a).

In that response Group III presented various affidavits to demonstrate that the extension of credit was not a unusual practice in the media industry. Group III also stated that such credit transactions were an ordinary business practice for Group III. However, these affidavits and statements are conclusory and unsupported by any documentation to show its actual practices with either the Committee or any other client, commercial or political.

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The Office of the General Counsel believes that the materials submitted by Group III are insufficient to demonstrate that the initial extension of credit was in the ordinary course of business. Therefore, this Office recommends that the Commission approve the proposed interrogatories and request for the production of documents directed to Group III Communications, Inc.

II. RECOMMENDATIONS

1. Approve the attached Interrogatories and Request for Production of Documents.
2. Approve the attached letter.

Date

7/24/87

Lawrence M. Noble (LH)

Lawrence M. Noble  
Acting General Counsel

Attachments

1. Interrogatories and Request for Production of Documents
2. Letter

38040724622



BALLOT

SENSITIVE



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: MONDAY, JULY 27, 1987 11:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFIAK, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY WEDNESDAY, JULY 29, 1987 11:00

SUBJECT: MUR 2175 - General Counsel's Report  
(American With Hart, Inc)  
Signed July 24, 1987

93040724624

97 JUL 29 10:59

- ( ) I approve the recommendation
- (X) I object to the recommendation

COMMENTS: For the record

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---

DATE: 7-29-87 SIGNATURE Lee Ann Elliott

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.  
PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.  
PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

MEMORANDUM TO: LAWRENCE M. NOBLE  
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *JM*

DATE: JULY 29, 1987

SUBJECT: OBJECTION TO MUR 2175 - General Counsel's Report  
(Group III Communications, Inc.), Signed July 24,  
1987.

The above-captioned document was circulated to the Commission on Monday, July 27, 1987 at 11:00 A.M.

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

Commissioner Aikens \_\_\_\_\_  
Commissioner Elliott \_\_\_\_\_  
Commissioner Josefiak \_\_\_\_\_ X \_\_\_\_\_  
Commissioner McDonald \_\_\_\_\_  
Commissioner McGarry \_\_\_\_\_  
Commissioner Thomas \_\_\_\_\_

This matter will be placed on the Executive Session agenda for August 4, 1987.

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

MEMORANDUM TO: LAWRENCE M. NOBLE  
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / JOSHUA MCFADDEN *JM*

DATE: JULY 29, 1987

SUBJECT: OBJECTION TO MUR 2175 - General Counsel's Report  
(American With Hart, Inc)  
Signed July 24, 1987

The above-captioned document was circulated to the Commission on Monday, July 27, 1987 at 11:00 A.M.

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

Commissioner Aikens \_\_\_\_\_  
Commissioner Elliott \_\_\_\_\_  
Commissioner Josefiak \_\_\_\_\_ X  
Commissioner McDonald \_\_\_\_\_  
Commissioner McGarry \_\_\_\_\_  
Commissioner Thomas \_\_\_\_\_

This matter will be placed on the Executive Session agenda for August 4, 1987.

Please notify us who will represent your Division before the Commission on this matter.

93040724626

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Group III Communications, Inc. ) MUR 2175  
 )  
Americans With Hart, Inc. )  
Michael R. Moore, as treasurer )  
Gary W. Hart )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of August 4, 1987, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 2175:

1. With respect to Group III Communications, Inc. reject the recommendation contained in the General Counsel's report dated July 24, 1987, and instead:
  - a) take no further action and close the file with regard to Group III Communications, Inc.; and
  - b) direct the Office of General Counsel to send an appropriate letter pursuant to this decision.
  
2. With respect to Americans With Hart, Inc., et al. reject the recommendation contained in the General Counsel's report dated July 24, 1987, and instead:
  - a) enter into conciliation prior to a finding of probable cause to believe with Americans With Hart, Inc. and Michael R. Moore, as treasurer, and Gary W. Hart; and

(continued)

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- b) direct the Office of General Counsel to prepare a proposed conciliation agreement and letter for Commission approval.

Commissioners Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision. Commissioner Aikens was not present during the consideration of this matter.

Attest:

8/4/87

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

33040724628

*Return*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 7, 1987

Roger E. Warin, Esquire  
Steptoe & Johnson  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036

RE: MUR 2175  
Group III Communications,  
Inc.

Dear Mr. Warin:

On April 9, 1987, your client, Group III Communications, Inc., was notified that the Federal Election Commission found reason to believe that your client violated 2 U.S.C. § 441b(a). On June 22 and 23, 1987, you 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 August 4, 1987, to take no further action against Group III Communications, Inc., 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.

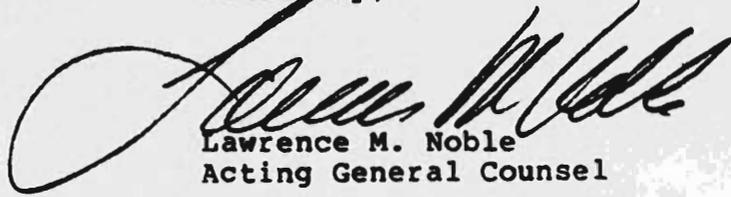
The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that an extension of credit by a corporation outside of the ordinary course of business appears to be a violation of 2 U.S.C. § 441b(a). Your client should take immediate steps to insure that this activity does not occur in the future.

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If you have any questions, please contact Celia L. Jacoby,  
the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble  
Acting General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
Semper-Moser Associates, Inc.

)  
)  
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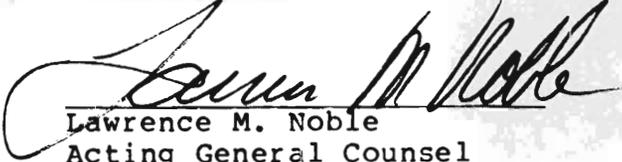
MUR 2175

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to Semper-Moser Associates, Inc., based on the assessment of the information presently available.

Date

9/16/87

  
Lawrence M. Noble  
Acting General Counsel

SENSITIVE

87 SEP 16 PM 3:53

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FEDERAL ELECTION COMMISSION  
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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**SENSITIVE**

September 29, 1987

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87 SEP 29 PM 3:51

MEMORANDUM

TO: The Commission  
FROM: Lawrence M. Noble *LMN (LJN)*  
Acting General Counsel  
SUBJECT: MUR # 2175

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of this brief and a letter notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe was mailed on September 29, 1987. Following receipt of the respondents' reply to this notice, this Office will make a further report to the Commission.

Attachments

1. Brief
2. Letter to respondent

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 29, 1987

James S. Turner, Esquire  
Swankin & Turner  
Suite 105  
1424 16th Street, N.W.  
Washington, D.C. 20036

RE: MUR 2175  
Semper-Moser  
Associates, Inc.

Dear Mr. Turner:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by you, the Federal Election Commission, on February 24, 1987, found reason to believe that your client, Semper-Moser Associates, Inc., violated 2 U.S.C. § 441b(a), and instituted an investigation in this matter.

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

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote on whether there is probable cause to believe a violation has occurred.

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If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time in which to file a brief. The Commission ordinarily will not give any extensions beyond 20 days. All requests for extension of time must be submitted in writing five days prior to the due date. Further, good cause must be shown.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Celia L. Jacoby, the attorney assigned to handle this matter, at (202) 376-8200.

Sincerely,

  
Lawrence M. Noble  
Acting General Counsel

Enclosure  
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Semper-Moser Associates, Inc. ) MUR 2175

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On February 24, 1987, the Federal Election Commission (the "Commission") found reason to believe that Semper-Moser Associates, Inc. ("Semper-Moser") may have violated 2 U.S.C. § 441b(a) by its extension of credit to Americans With Hart, Inc. (the "Committee"), the 1984 authorized presidential campaign committee for Senator Gary W. Hart. Semper-Moser was notified of this determination and requested an extension of time to reply which request was granted. In its response, Semper-Moser denied that its extension of credit to the Committee constituted a corporate contribution in violation of 2 U.S.C. § 441b(a).

II. ANALYSIS

Section 441b of Title 2, United States Code states, in pertinent part, that it is unlawful for any corporation to make a contribution in connection with any election for federal office. The term "contribution or expenditure" is defined to include "any direct or indirect payment, distribution, loan, advance, deposit or gift of money, or any services, or anything of value ... to any candidate, campaign committee, or political party or organization, in connection with any [federal] election..." 2 U.S.C. § 441b(b)(2). The term "contribution" is further defined at 2 U.S.C. § 431(8)(A) to include any gift,

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subscription, loan, advance, or deposit of money, or anything of value made by any person for the purpose of influencing any election for federal office.

However, a corporation may, pursuant to 11 C.F.R. § 114.10(a), extend credit to a political committee in connection with a federal election campaign, provided such credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to the credit terms granted to non-political debtors of comparable size and risk. Even if such extension were permissible under 11 C.F.R. § 114.10(a), the extension of credit for a period beyond the normal trade or business practices is a prohibited contribution, unless the creditor has made a commercially reasonable attempt to collect the debt. 11 C.F.R. § 100.7(a)(4). A debt owed by a political committee which is forgiven or settled for less than the amount owed is also a contribution, unless such debt is settled in accordance with the standards enumerated in 11 C.F.R. § 114.10. Id.

Under these relevant provisions of the Federal Election Campaign Act (the "Act") and its implementing regulations, an extension of credit by a corporation will not constitute a contribution prohibited by 2 U.S.C. § 441b(a), provided (i) such extension of credit was made in the ordinary course of business, (ii) the credit terms are substantially similar to the terms given to a non-political debtor of a similar size and risk, and (iii) commercially reasonable efforts are expended to collect the debt.

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During 1984, the Committee contracted with Semper-Moser for the provision of time buys and other media services. At the present time, the Committee owes Semper-Moser approximately \$106,000.00, plus accrued interest and court costs. 1/

To support its assertion that it had not made any contribution to the Committee, Semper-Moser submitted a "Memorandum in Response" with attachments (the "Memorandum"). Semper-Moser asserts (i) that its extension of credit was in the ordinary course of its business, and (ii) that it has made commercially reasonable attempts to collect this debt.

The efforts of Semper-Moser to collect the sums due from the Committee are well documented. Numerous telephone and written communications by both employees and counsel to the Committee, conferences between counsel and Committee representatives, the filing of a lawsuit and obtaining a default judgment, the registration of that default judgment in two other jurisdictions, the attachment and garnishment of the Committee's bank account, and the seizure by U.S. Marshals of 1988 campaign fund collections evidence the diligent and continuing efforts by Semper-Moser to collect this debt. Additionally there are currently lawsuits by Semper-Moser against the Committee pending in three jurisdictions. These collection efforts apparently

1/ A default judgment in the amount of \$162,754.57 was entered on November 24, 1986, as amended December 15, 1986. That sum represents the invoice balances plus the accrued interest penalty at 1.5% per month. The Committee's reports list the amount of this debt as \$105,412.80. On February 13, 1985, the Committee paid \$2,363 to Semper-Moser. No other payments have been made on this account.

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commenced in 1984 and have continued to the present. It is the view of this Office that such an on-going pattern of collection activity precludes the characterization of an extension of credit for a period beyond the normal trade and business practices as a contribution. 11 C.F.R. § 100.7(a)(4).

Therefore, the characterization of this extension of credit as a contribution in violation of 2 U.S.C. § 441b(a) turns on whether the initial extension was "in the ordinary course of business." The Commission's regulations permit a corporation to extend credit to federal candidates or political committees; however, such credit must be extended in the ordinary course of business in order for a contribution not to occur.

Under its Letter of Agreement (the "Agreement") with the Committee, Semper-Moser provided media services and made time buys for the Committee. Payment for these services was to be made within sixty days of billing and a service fee of 1.5% per month would be applied to any unpaid invoice thirty days after billing. In its response Semper-Moser stressed that such an extension of credit was in the ordinary course of its business. Semper-Moser declared: "It is in the nature of Semper-Moser's business to advance costs provided payment is made by the client within the terms of the invoice or longer with payment of monthly interest. Interest is charged as a penalty for late payment, not as a means of extending credit. The ability to advance costs for a short period is an important aspect of the business."

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Mr. Semper further declared that the extension of credit to the Committee was in ordinary course of the firm's business and that credit on similar terms was extended to its non-political customers.

These assertions are contradicted by the express language in the Agreement. The terms of payment in the Agreement stipulated that:

Two fundamental principles on which the client-agency-medium financial relationship is based are (1) that the advertising agency shall finance its own service, but not the advertising of its clients, and (2) that the advertising agency is held by media as liable for payment, therefore, it is essential that we collect from you in time to satisfy our media bills.

Therefore, we agree to pay media bills for you in advance, contrary to our usual policy, providing you keep your account current within 60 days of billing... (emphasis added)

By the express terms of this Agreement, the initial extension of credit was not in the ordinary course of business for Semper-Moser. That this extension of credit was not in the ordinary course for Semper-Moser is highlighted by the terms of payment expressed in a contract with a commercial client. That commercial contract provided:

Pursuant to the customs and standards of our industry, and in the interest of sound practice, you agree to pay our invoices on payment dates stated therein. We, on our part, agree that such payment dates will not procede (sic), by more than ten days, the date on which we must pay the media.

The language in these two contracts clearly demonstrates that the extension of credit to the Committee was not in the

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ordinary course of Semper-Moser's business. Rather the ordinary practice was to bill the client in advance of any payment to the media, not payment to the media by Semper-Moser with reimbursement from the client. The principle that the agency would not finance the advertising of its clients was apparently the usual policy and practice for Semper-Moser.

Nor does the charging of a service fee alter that policy and practice. To induce prompt payment the Agreement and the commercial contract provided that an interest charge of 1.5% per month would be imposed on delinquent accounts; this charge was denoted as a "service fee." In its reply Semper-Moser confirmed that interest was "charged as a penalty, not as a means of extending credit."

The fact that invoices remained outstanding after the payment due dates does not demonstrate, as Semper-Moser contends, "that its normal business practice was to extend credit from 30 to 180 days or more, provided the monthly interest penalty was paid." That contention is inconsistent with Semper-Moser's statement that interest was levied as a penalty and the commercial contract which required payment in advance.

The fact that accounts receivable remained outstanding and subject to collection does not mean that the company intended to extend, or as a practice did extend, credit, i.e., intentionally advance funds on behalf of its clients. The failure of a client to make payments in accordance with the contract terms may have resulted in an extension of credit, but such extension was

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generated not by the company's actions, but by those of its clients. The charging of a service fee on delinquent accounts does not alter the central fact that the extension of credit granted to the Committee (that Semper-Moser would advance the funds for media purchases) was outside the usual business practices of Semper-Moser.

It is the view of this Office that the exemption from the prohibition under 2 U.S.C. § 441b(a) afforded by the Commission's regulations is not applicable to this credit transaction. Because the initial extension of credit to the Committee by Semper-Moser was not in the ordinary course of business, this extension of credit is a contribution by a corporation in connection with an election for federal office, and as such, a violation of 2 U.S.C. § 441b(a) by Semper-Moser.

It is, therefore, the recommendation of the Office of the General Counsel that the Commission find probable cause to believe that Semper-Moser Associates, Inc. violated 2 U.S.C. § 441b(a).

**III. GENERAL COUNSEL'S RECOMMENDATION**

1. Find probable cause to believe that Semper-Moser Associates, Inc. violated 2 U.S.C. § 441b(a).

9/28/87  
Date

*Lawrence M Noble (79)*  
Lawrence M. Noble  
Acting General Counsel

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CCC # 4557

ATTORNEYS AT LAW

# SWANKIN & TURNER

SUITE 106 1424 16TH STREET N.W. WASHINGTON, D.C. 20036 TELEPHONE 202 462-8800

DAVID A. SWANKIN  
JAMES S. TURNER, P.C.  
FRED GOLDBERG, P.C.  
BETSY E. LEHRFELD, P.C.  
DEBI H. TUCKER

October 14, 1987

Mr. Lawrence M. Noble  
Acting General Counsel  
Federal Election Commission  
Washington, DC 20463

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
87 OCT 14 PM 2:40

RE: MUR 2175 Semper-Moser Associates, Inc.

Dear Mr. Noble:

I received your letter dated September 29, 1987 and enclosed brief on Friday, October 2. This firm intends to file a brief with the Secretary of the Commission on behalf of Semper-Moser Associates, Inc. replying to the brief prepared by your office.

The following Monday morning, October 5, my associate Betsy Lehrfeld, who is working with me on this matter, left on a business trip to the West Coast, as did I on Wednesday morning, October 7. We both returned to Washington yesterday, October 13. On October 8 Ms. Lehrfeld spoke by telephone with Celia Jacoby of your office, who advised her that a request for extension filed by today would be considered timely and agreed that the due date without extension would be Monday, October 19.

As a result of our time schedule, it has not been possible to prepare a response to the issues raised in your brief, and we will require additional time to do so. Therefore, we are requesting an extension of time to file our response to Monday, November 9, the first business day following the 20th day after October 19, which falls on a Sunday.

Your consideration and prompt response are appreciated.

Sincerely,

  
James S. Turner

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

16 October 1987

Betsy E. Lehrfeld, Esquire  
Swankin & Turner  
Suite 105  
1424 16th Street, N.W.  
Washington, D.C. 20036

RE: MUR 2175  
Semper-Moser Associates,  
Inc.

Dear Ms. Lehrfeld:

This is in response to your letter dated October 14, 1987, which we received on October 14, 1987, requesting an extension of 20 days to respond to the General Counsel's Brief. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on Monday, November 9, 1987.

If you have any questions, please contact Celia Jacoby, the attorney assigned to this matter at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

By: Lois G. Lerner  
Associate General Counsel

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*plm*

In the Matter of )  
 )  
Americans With Hart, Inc. )  
Michael R. Moore, as treasurer )  
Gary W. Hart )

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GENERAL COUNSEL'S REPORT

**SENSITIVE**

I. BACKGROUND

On May 7, 1986, the Federal Election Commission (the "Commission") approved the referral of certain matters from the Audit Division to the Office of the General Counsel. On February 24, 1987, the Commission found reason to believe that Gary W. Hart had violated 26 U.S.C. § 9035(a), and that Americans With Hart, Inc. and Michael R. Moore, as treasurer (collectively the "Committee"), had violated 2 U.S.C. § 441a(f) and § 441b(a). Americans With Hart, Inc. is Mr. Hart's 1984 authorized presidential campaign committee. The Committee and Mr. Hart (collectively the "Respondents") were notified of the Commission's findings by letters dated April 9, 1987. Through counsel, the Respondents requested an extension of time to reply to these determinations. An initial extension of twenty days was granted; a second extension of thirty days was also granted, permitting the responsive filing to be delayed until June 18, 1987.

The Respondents filed a Memorandum in Response to the Commission's Reason-To-Believe Findings (the Respondents' "Memorandum") on June 18, 1987 (Attachment 1). 1/ In that

1/ Because of the volume of the response, only the Memorandum and relevant pages of the appendix have been attached hereto. The remainder of the submission is available for review in the Docket of the General Counsel's Office and will be circulated should any Commissioner's Office so request.

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Memorandum, the Respondents declared that none of the stated violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), had occurred and requested that this matter be closed. In the alternative the Respondents requested that the Commission entertain conciliation to resolve this matter prior to a finding of probable cause to believe.

II. ANALYSIS

The findings by the Commission were based on three issues: (1) the acceptance by the Committee of corporate contributions from two media firms by extensions of credit; (2) acceptance by the Committee of individual contributions in excess of contribution limitations; and (3) expenditures in excess of the permissible limit by a candidate by utilizing a personal credit card for campaign expenditures. Each of these issues is discussed below.

A. Prohibited Corporate Contributions

Section 441b of Title 2, United States Code states, in pertinent part, that it is unlawful for any corporation to make a contribution in connection with any election to a federal office and for any candidate, political committee or other person knowingly to accept or receive any contribution prohibited by that section. However, a corporation may, pursuant to 11 C.F.R. § 114.10(a), extend credit to a political committee in connection with a federal election campaign provided such credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to

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non-political debtors of a similar size and risk.

Under 11 C.F.R. § 100.7(a)(4), an extension of credit by any person for a period of time beyond normal business or trade practices is a contribution, unless the creditor has made a commercially reasonable attempt to collect the debt. Further, a debt owed by a political committee which is forgiven or settled for less than the amount owed is also a contribution, unless such debt is settled in accordance with the standards enumerated in 11 C.F.R. § 114.10.

Under these relevant provisions of the Act and its implementing regulations, an extension of credit by a corporation will not constitute a contribution prohibited by 2 U.S.C. § 441b if (i) the extension of credit was made in the ordinary course of the corporation's business, (ii) the credit terms are substantially similar to terms given a non-political debtor of a similar size and risk, and (iii) commercially reasonable efforts are expended to collect the debt. Additionally any settlement of a debt to a corporation must comport with the Act and its regulations.

During 1983-84, the Committee contacted with Semper-Moser Associates, Inc. and Group III Communications, Inc. for media services. At the present time the Committee reports debts to

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Semper-Moser Associates, Inc. of \$105,412.80. 2/, and to Group III Communications, Inc. of \$421,184.51. 3/

The Committee states that these "extensions of credit were proper and do not give rise to a finding of illegality." The bases for this conclusion are the Committee's understanding that these transactions were in the ordinary course of business for these companies, and the "frequency and aggressiveness" of the collection efforts by both firms. To substantiate its assertions, the Committee has provided copies of its contracts, invoices and other materials to the Commission. See Appendix to the Respondent's Memorandum. The credit transactions in question are considered separately below.

(1) Group III Communications, Inc.

Prior to contracting with Group III Communications, Inc. ("Group III"), the Committee was advised by its counsel that "a company that commonly extends credit to customers roughly the size of the campaign and that are of similar risk to the campaign may extend credit to [the campaign] on the usual terms used by the company ... [and that] an extension of credit beyond normal

2/ A civil judgment (as amended) in the amount of \$162,754.57, plus accrued interest and costs, was awarded to Semper-Moser Associates, Inc. on December 15, 1986. To date the Committee has paid \$2,363 to this creditor leaving an unpaid balance of \$103,049.80, exclusive of interest and costs.

3/ In a debt settlement agreement executed on March 31, 1987, the Committee and Group III Communications, Inc. stated that this debt was \$886,486.10, of which \$421,184.45 remains outstanding. To date the Committee has paid \$465,301.59 in curtailment of this debt. A check for \$42,118.45 in settlement was also tendered.

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business or trade practice becomes a contribution only if the creditor fails to make a commercially reasonable attempt to collect the debt." See Attachment 1 at pages 38-39. Although the Committee declares that this "advice precisely states the governing law," that statement fails to fully express the principles which govern the corporate credit relationship with a political committee.

The governing law in 11 C.F.R. § 100.7(a) states:

"(4) The extension of credit by any person for a length of time beyond normal business or trade practice is a contribution, unless the creditor has made a commercially reasonable attempt to collect the debt. (See 11 C.F.R. § 114.10) ..." (emphasis added)

This language does not alter the requirement under 11 C.F.R. § 114.10(a) that the initial extension of credit must be "in the ordinary course of business", i.e., not beyond normal business or trade practice. Rather a credit transaction which was initially valid may be deemed a contribution unless commercially reasonable collection efforts are made.

Unless the extension of credit by Group III meets the requisites of both 11 C.F.R. § 114.10 and 11 C.F.R. § 100.7(a)(4), that extension of credit would constitute a prohibited corporate contribution in violation of 2 U.S.C. § 441b.

The Committee relies on its contract with Group III, various affidavits and other documents to establish both that the initial extension of credit was in the ordinary course and that commercially reasonable collection efforts were made. The agency contract, dated March 2, 1984, provided: "media invoices are

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sent to clients thirty (30) days after the broadcast date for time that has been purchased on behalf of said client. Payment is due within thirty (30) days of the invoice date." See Attachment 1 at page 41. Facially, this language indicates that monies would be advanced by Group III on behalf of the Committee. To evidence that this extension was in the ordinary course both for this company and for the industry, affidavits from James Dwinell, deputy campaign manager for finance for the Committee; David R. Iwans, president of Group III; Michael R. Mervis, owner of Mervis & Company; Raymond D. Strother, owner of Raymond D. Strother Ltd. were provided. These affidavits maintain that the extension of credit for the purchase of media buys was a normal practice within the media industry. To evidence its customary practice, Mr. Iwans averred that the extension of credit to the Committee "was in accord with Group III's treatment of its non-political clients and was done in good faith." According to Mr. Dwinell, the Committee sought and relied on the opinion of its counsel and assurances of Group III in entering its relationship with Group III. Although additional documentation would more clearly demonstrate the prior business practices of Group III with other clients, commercial or political, this Office believes that the submission by the Respondents does demonstrate that an extension of credit was not an extraordinary practice for this creditor.

Demonstration of commercially reasonable efforts to collect the sums due is also required to preclude the designation of a

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credit transaction as a contribution. The Committee provided a chronology of collection efforts by Group III. See Attachment 1 at pages 42-45. Originally, it appears that through March 1984, Group III was paid within 15 to 30 days of the invoice date. Prior to making advances in April and May of that year, Group III sought a security agreement to establish its priority over other Committee creditors. Group III corresponded with the Committee and sought assurances of legality (the opinion of counsel) and of repayment and sources of funds. See Attachment 1 at pages 46-47. In August 1985, Group III engaged counsel to assist its collection of the outstanding debt. Following negotiations, partial payments and threats of suit, Group III entered a debt settlement agreement with the Committee in March 1987. Group III has also requested the Commission to disapprove this debt settlement agreement pending the Commission's decision on the use of 1988 campaign funds by and the availability of matching funds to the Committee. Based on the information provided, it appears that Group III has diligently sought to collect the sums owed from the Committee.

In the view of this Office, the actions taken by Group III demonstrate commercially reasonable efforts to collect as required by 11 C.F.R. § 100.7(a)(4), and the initial extension of credit appears to have been made in the ordinary course of business as required by 11 C.F.R. § 114.10 to preclude such extension being deemed a contribution. Accordingly, this Office recommends that the Commission take no further action against the Committee with respect to a violation under 2 U.S.C. § 441b(a)

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based on the extension of credit by Group III Communications, Inc. to the Committee. On August 4, 1987, the Commission determined to take no further action against Group III Communications, Inc. in relation to a violation of 2 U.S.C. § 441b(a).

(2) Semper-Moser Associates, Inc.

The discussion regarding the criteria for a valid extension of credit by a corporation is also pertinent to the extension of credit by Semper-Moser Associates, Inc. ("Semper-Moser").

The efforts of Semper-Moser to collect the sums due from the Committee included billings, numerous telephonic and written communications by its employees and counsel, the filing of a lawsuit and obtaining a default judgment, the registration of the default judgment in other U.S. district courts, the attachment and garnishment of bank accounts, and the seizure by federal marshals of 1988 campaign funds among other measures. See Attachment 1 at pages 48-53. These collection efforts commenced in 1984 and have apparently continued until the present. Based on this on-going pattern of collection activity, reasonable efforts to collect this debt are clearly demonstrated in the view of this Office.

Despite such collection efforts, this extension of credit still would constitute an illegal corporate contribution if the initial extension is not demonstrably within Semper-Moser's ordinary course of business. Under its Letter of Agreement, Semper-Moser provided media services to the Committee. Payment for those services was to be made within sixty days of billing and a service fee of 1.5% per month would be applied to any unpaid invoice thirty days after billing.

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In its submissions the Committee relies on the affidavit of James Dwinell, the Committee employee involved in the negotiations with Semper-Moser, and the submission by Semper-Moser. Mr. Dwinell declares that he "never discussed with [Semper-Moser] the terms for extension of credit." Instead he "assumed that the terms of the contract ... were in the normal course of their business, and had no reason to believe otherwise." See Attachment 1 at page 57. The affidavit of Peter J. Semper, President of Semper-Moser, also states that the extension of credit to the Committee was in the ordinary course of the firm's business and that credit on similar terms was extended to its non-political customers of comparable risk. See Attachment 1 at page 58.

These assertions are contradicted by the express language of the Semper-Moser contract with the Committee. See Attachment 1 at page 63. The terms of payment in that contract provided that:

"Two fundamental principles on which the client-agency-medium financial relationship is based are (1) that the advertising agency shall finance its own service, but not the advertising of its clients...

Therefore, we agree to pay media bills for you in advance, contrary to our usual policy, providing you keep your account current within 60 days of billing..." (emphasis added)

Consequently, by the express terms of this agreement the initial extension of credit was not in the ordinary course of business for Semper-Moser. That the initial extension of credit was not in the ordinary course for Semper-Moser is highlighted by a comparison of the terms in Semper-Moser's contract with the Committee and the terms of payment expressed in a contract

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between Semper-Moser and a commercial client. That commercial contract stated:

Pursuant to the customs and standards of our industry, and in the interest of sound practice, you agree to pay our invoices on payment dates stated therein. We, on our part, agree that such payment dates will not procede [sic], by more than ten days, the date on which we must pay the media.

Such invoices would be sent ten days prior to the payment date. The same principle that the agency would not finance the advertising of its clients was expressed in this contract. See Attachment 2.

These contracts clearly demonstrate that the extension of credit to the Committee was not in the ordinary course of business for Semper-Moser. Therefore, such extension of credit outside the ordinary course of business, in the view of this Office, constitutes a corporate contribution, the receipt of which by the Committee is a violation of 2 U.S.C. § 441b(a).

B. Individual Contributions in Excess of Statutory Limitations

Section 431(8)(A)(i), Title 2, United States Code defines the term "contribution" to include any gift, subscription, loan, advance or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. No person may make any contribution to a candidate and his authorized political committees with respect to any election for federal office which exceeds \$1000 in the aggregate. 2 U.S.C. § 441a(a)(1)(A). Nor shall a candidate or political committee knowingly accept any contribution in violation of the limitation of Section 441a(a)(1)(A). 2 U.S.C. § 441a(f).

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The Committee does not dispute the finding that forty-nine (49) individual contributions exceeded the \$1,000 limit, the excessive portions of which contributions totalled \$19,606.97. Rather the Committee stresses that this number is small in comparison to the total number of contributions received and that it exercised good faith to comply with the contribution limit and to resolve all over-limit contributions. The methods used to process contributions were described. One of the Committee's internal compliance guidelines was that "contributions of questionable acceptability, which have not been resolved within fifteen days, must be refunded unless additional investigation time is approved in writing by the Treasurer." Yet the average time in which the Committee took action on excessive contributions, in the form of a refund or reattribution, was 241 days from the date of receipt.

The Committee further argues that its good faith efforts in compliance are demonstrated by the magnitude of contributions processed, in both numbers of contributions (159,553) and dollar value (\$9,906,747), and the relatively few instances of excess contributions, 385 in number (.002%) and \$60,323 (.006%) in amount of required refunds. Further of those items, 273 (71%) were resolved by reattribution to another contributor. Only 112 (29%) required the refund of the excess amount. See Attachment 1 at page 33. The Committee believes that these factors should be considered in reviewing any violation of 2 U.S.C. § 441a(f). In view of the Committee's acknowledgement that contributions in excess of the statutory limitation on individual contributions

were received in violation of 2 U.S.C. § 441a(f), the Office of the General Counsel recommends that the Commission reject the Respondents' request to close the matter on this issue and instead enter into conciliation prior to a finding of probable cause to believe.

C. Expenditure in Excess of a Candidate's Limitation

Section 431(9)(A)(i) of Title 2, United States Code defines the term "expenditure" to include any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value made by any person for the purpose of influencing any election for federal office. The person who advances funds on behalf of a political committee in payment for an expense of the committee is considered to have made an expenditure on behalf of the committee. Furthermore, no candidate shall knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election to the Office of President which, in the aggregate, exceed \$50,000. 26 U.S.C. § 9035(a).

During the 1984 presidential nomination campaign, Mr. Hart agreed with the Committee to limit the use of an American Express credit card issued in his name to qualified campaign purposes if the Committee would pay the charges incurred. During the 1984 primary campaign, Mr. Hart incurred expenses on his American Express account on behalf of the Committee. The outstanding balance due on this account at times exceeded \$20,000.

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On June 28, 1983, Mr. Hart made a direct contribution of \$3,750 to the Committee. On July 27, 1983, he guaranteed a loan of \$45,000 to the Committee, raising his contribution total to \$48,750. Thus as of July 27, 1983, the candidate had made two contributions for the purpose of the Section 9035(a) limitation, leaving a maximum of \$1,250 available under the candidate's personal funds expenditure limitation. However, on thirteen occasions the unpaid balance on the American Express card exceeded the available sum of \$1250.

The Respondents argue that because it was the intention of the Committee and Mr. Hart that this credit card be treated as a card of the Committee, no excessive expenditure by Mr. Hart should be found. Further, according to the Respondents, the "obligations incurred on the card were the obligations of the committee, not personal obligations of Senator Hart. No funds were paid to or on behalf of, or advanced to, the committee by Senator Hart in the use of the card." See Attachment 1 at page 26. The Respondents also argue that it is both "unfair" and "petty" to penalize Senator Hart in the absence of prior Commission guidance. The Respondents further assert that a violation should not be found because the Commission by proposing new regulations in this area has acknowledged "that the existing law does not clearly provide that balances maintained on a candidate's credit cards will count against the candidate's personal limits." See Attachment 1 at page 25.

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These arguments are grounded essentially in the understanding between Mr. Hart and the Committee. Because of that understanding it is alleged that any expenditure incurred on the personal credit card of the candidate, an account issued solely in the name of the candidate and existing prior to the campaign, was the obligation not of the cardholder but of the Committee. Such third party agreement cannot and does not alter the rights and remedies of the creditor, the American Express Company, against its debtor, Mr. Hart. Such agreement can only be viewed as either an agreement to pay the debts of another or a third party beneficiary agreement. It was on the basis of the credit and resources of Mr. Hart that the card was issued, not those of the Committee. Each unpaid balance was the direct personal obligation of the cardholder, i.e., the candidate.

The candidate effectually extended credit to the Committee by expenditures on this credit card which balances were not timely paid; such expenditures should count against the limit under Section 9035. Mr. Hart had only \$1250 of that Section 9035 limit available. The American Express statements for August through December 1983, inclusive, reflected unpaid balances exceeding \$20,000. In light of the unreasonable amount of time<sup>4/</sup> in which the Committee took to pay these American Express bills, which were the personal liability of Mr. Hart, a violation of 26 U.S.C. § 9035(a) is made out.

<sup>4/</sup> Payments on this account were made an average of 266 days late.

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The arguments raised by the Respondents regarding the proposed regulations are inapposite in this matter. Those regulations concern the use of a credit card on which the political committee and the candidate are jointly or jointly and severally liable. In this instance there was no contractual liability to make payments on the Committee. The agreement between Mr. Hart and the Committee was apparently an unwritten "understanding" which agreement to pay the debts of another would not be enforceable under the Statute of Frauds. An exception to that statute or a third party beneficiary theory might permit American Express Company to enforce the agreement. However, the understanding between the candidate and his Committee is insufficient to negate the violation as Mr. Hart was the sole obligor on this credit card who agreed to advance the line of credit represented by that card to the Committee. Therefore, this Office recommends that the Commission reject the Respondents' request to close the matter on this issue and instead enter into conciliation prior to a finding of probable cause to believe.

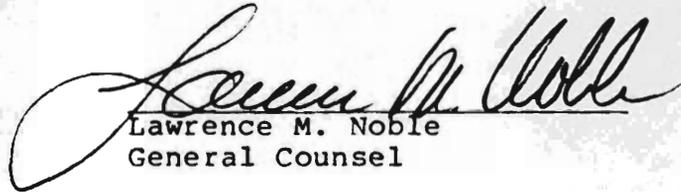
III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

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IV. RECOMMENDATIONS

1. Take no further action against Americans with Hart, Inc. and Michael R. Moore, as treasurer, with respect to a violation under 2 U.S.C. § 441b(a) in connection with an extension of credit by Group III Communications, Inc.
2. Enter into conciliation with Americans With Hart, Inc. and Michael R. Moore, as treasurer, and Gary W. Hart prior to a finding of probable cause to believe.
3. Approve and send the attached proposed conciliation agreement and letter.

10/21/87  
Date

  
Lawrence M. Noble  
General Counsel

Attachments

1. Respondents' Memorandum
2. Commercial contract of Semper-Moser & Associates, Inc.
3. Proposed Conciliation Agreement and letter

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FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20461

MEMORANDUM TO: LAWRENCE M. NOBLE  
ACTING GENERAL COUNSEL  
FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *QM*  
DATE: OCTOBER 22, 1987  
SUBJECT: OBJECTION TO MUR 2175 - General Counsel's Report  
Signed October 21, 1987

The above-captioned document was circulated to the Commission on Wednesday, October 21, 1987 at 4:00 P.M.

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

Commissioner Aikens	_____
Commissioner Elliott	_____ X _____
Commissioner Josefiak	_____ X _____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	_____

This matter will be placed on the Executive Session agenda for October 27, 1987.

Please notify us who will represent your Division before the Commission on this matter.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

MEMORANDUM TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *JM*

DATE: OCTOBER 23, 1987

SUBJECT: OBJECTIONS TO MUR 2175 - General Counsel's Report  
Signed October 21, 1987

The above-captioned document was circulated to the Commission on Wednesday, October 21, 1987 at 4:00 P.M.

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

Commissioner Aikens	_____
Commissioner Elliott	_____ X
Commissioner Josefiak	_____ X
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	_____ X

This matter will be placed on the Executive Session agenda for October 27, 1987.

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

MEMORANDUM TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *JM*

DATE: OCTOBER 23, 1987

SUBJECT: COMMENTS TO MUR 2175 - General Counsel's Report  
Signed October 21, 1987

Attached is a copy of Commissioner Thomas vote  
sheet with comments regarding the above-captioned matter.

Attachment:  
copy of vote sheet

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BALLOT

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**SENSITIVE**



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: WEDNESDAY, OCTOBER 21, 1987 4:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFIK, McDONALD, MCGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY FRIDAY, OCTOBER 23, 1987 4:00

SUBJECT: MUR 2175 - General Counsel's Report  
Signed October 21, 1987

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- ( ) I approve the recommendation
- (✓) I object to the recommendation

COMMENTS: In discussion  
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DATE: 10/23/87 SIGNATURE [Signature]

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.  
PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.  
PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.



3. Approve and send the proposed conciliation agreement and letter attached to the October 21, 1987 report of the General Counsel, subject to amendment

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

Attest:

11-4-87

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

6 November 1987

Donald J. Simon, Esquire  
Sonosky, Chambers & Sachse  
1050 31st Street, N.W.  
Washington, D.C. 20007

RE: MUR 2175  
Gary W. Hart,  
Americans with Hart, Inc.  
and Michael R. Moore,  
as treasurer

Dear Mr. Simon:

On February 24, 1987, the Federal Election Commission found reason to believe that Gary W. Hart violated 26 U.S.C. § 9035(a) and that Americans With Hart, Inc. and Michael R. Moore, as treasurer, violated 2 U.S.C. § 441a(f) and § 441b(a). At your request, on November 3, 1987, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On November 3, 1987, the Commission also determined to take no further action with respect to the extension of credit by Group III Communications, Inc. with regard to a possible violation under 2 U.S.C. § 441b(a).

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please have it signed and returned, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

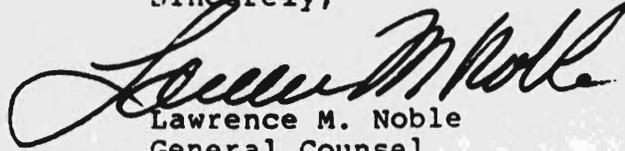
If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with

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*re: sim*

a mutually satisfactory conciliation agreement, please contact Celia Jacoby, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble  
General Counsel

Enclosure  
Conciliation Agreement

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ATTORNEYS AT LAW

# SWANKIN & TURNER

SUITE 105 1424 16TH STREET N.W. WASHINGTON, D.C. 20036 TELEPHONE 202 462-9900

004#4775  
 RECEIVED  
 FEDERAL ELECTION COMMISSION  
 OFFICE OF GENERAL COUNSEL  
 87 NOV -9 PM 4:05  
 DAVID A. SWANKIN  
 JAMES A. TURNER, P.C.  
 JAMES M. BERG, P.C.  
 BETSY E. LEHRFELD, P.C.  
 DEBI H. TUCKER

November 9, 1987

General Counsel  
 Federal Election Commission  
 999 E Street, N.W.  
 Washington, DC 20463

RE: MUR 2175

Dear Mr. Noble:

Please find enclosed herewith three copies of Brief of Respondent Semper-Moser Associates in Response to General Counsel's Brief in the above referenced matter.

Sincerely,

  
 Betsy E. Lehrfeld

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87 NOV -9 PM 12:05

BEFORE THE  
FEDERAL ELECTION COMMISSION

In the Matter of )  
Semper-Moser Associates, Inc. ) MUR 2175

BRIEF OF RESPONDENT SEMPER-MOSER  
ASSOCIATES IN RESPONSE TO THE  
GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

By letter dated April 9, 1987, the Federal Election Commission (the "Commission") notified Semper-Moser Associates, Inc. ("Semper-Moser") that on February 24, 1987 the Commission had found reason to believe Semper-Moser had violated 2 U.S.C. 441b(a). On May 26, 1987 Semper-Moser submitted a Memorandum in Response (the "Memorandum") which included material not previously available to the Commission. By letter dated September 29, 1987, the Acting General Counsel of the Commission notified Semper-Moser that he was prepared to recommend that the Commission find probable cause to believe that a violation of 2 U.S.C. 441b(a) had occurred and included a copy of his brief. Semper-Moser requested an extension of time to respond, to November 9, 1987, which was granted by letter dated October 16, 1987.

II. ANALYSIS

Section 441b of 2 U.S.C. provides that it is unlawful for a corporation to make a contribution in connection with any election for federal office, and, taken with its implementing regulations, defines "contribution" so as to exclude certain activities, among them certain extensions of credit. In order to be excluded

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from the definition of a contribution, such extensions of credit must be "in the ordinary course of the corporation's business and the terms [must be] substantially similar to extensions of credit to nonpolitical debtors which are of similar risk and size of obligation." 11 C.F.R. 114.10(a). In addition, the length of extension of credit cannot be "beyond normal business or trade practice" unless "the creditor has made a commercially reasonable attempt to collect the debt". 11 C.F.R. 100.7(a)(1).

In this instance, Semper-Moser purchased media time for Americans With Hart, the 1984 presidential campaign committee for then-Senator Gary W. Hart ("AWH"), pursuant to an agreement that AWH would reimburse Semper-Moser within sixty days. Beginning almost immediately upon the expiration of the sixty days, Semper-Moser commenced rigorous collection action, which continues to this day. The General Counsel's brief acknowledges that "such an on-going pattern of collection activity precludes the characterization of an extension of credit for a period beyond the normal trade and business practices as a contribution." Brief p. 4.

Therefore, the characterization of the extension of credit turns on whether the initial extension was "in the ordinary course of business". Brief p. 4. In its analysis, the General Counsel's office relies on language contained in the agreement between Semper-Moser and AWH, specifically:

Two fundamental principles on which the client-agency-medium financial relationship is based are (1) that the advertising agency shall finance its own service, but not the advertising of its clients, and (2) that the advertising agency is held by media as liable for payment. Therefore it is essential that we collect from you in time to satisfy our media bills.

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Therefore, we agree to pay media bills for you in advance, contrary to our usual policy, providing you keep your account current within 60 days of billing.

The General Counsel's brief contrasts this language with that in another Semper-Moser contract with a non-political commercial client ("Contract II"). That contract contains the same first paragraph as quoted above, but in place of the second paragraph it reads:

Pursuant to the customs and standards of our industry, and in the interest of sound practice, you agree to pay our invoices on payment dates stated thereon. We, on our part, agree that such payment dates will not procede [sic], by more than ten days, the date on which we must pay the media.

Both contracts also contain the following statement:

Unless specified otherwise in writing agreed to by both parties, a service fee of 1-1/2% per month will be applied to any unpaid invoice thirty days after billing.

The General Counsel's brief concludes that, based on this contract language, it was the ordinary practice of Semper-Moser "to bill the client in advance of any payment to the media, not payment to the media by Semper-Moser with reimbursement from the client. The principle that the agency would not finance the advertising of its clients was apparently the usual policy and practice for Semper-Moser." General Counsel's Brief, p. 6.

This conclusion is not supported by the evidence submitted by Semper-Moser with its Memorandum. That evidence includes billing statements sent to the Contract II client, demonstrating not only that it was the practice for Semper-Moser to purchase substantial amounts of media in advance of payment, but also that in fact Semper-Moser routinely waited thirty to sixty days and

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occasionally longer for payment -- this despite the fact that the Contract II language called for payment prior to purchase.

A. The Contract Language Did Not Reflect Actual Practice

The purpose of the clauses in both contracts clearly was to impress upon the clients the importance of prompt payment, by implying that the agency was "bending over backwards" by advancing funds, even though in fact that was its usual practice. To hold that Semper-Moser, as a consequence of putting language in its contract to encourage prompt payment and impress a new client should be held to have defined its actual practice is not justified where evidence of actual practice exists.

The following examples from payments made under Contract II illustrate the actual practices of Semper-Moser. Page references are to Exhibit C to Semper-Moser's Memorandum.

<u>Page of Exhibit</u>	<u>Month Advertising Purchased and Ran</u>	<u>Date Reimbursed</u>	<u>Amount</u>
017	May 1984	5/29/84	\$53,888.00
021	June 1983	7/8/83	45,445.00
022	April 1983	6/9/83	38,745.50
023	February 1983	5/16/83	35,983.50
024	December 1982	3/17/83	56,602.05
025	November 1982	2/24/83	45,834.05
026	October 1982	1/27/83	48,319.05
027	September 1982	12/22/82	31,733.00
028	August 1982	11/29/82	40,301.50
029	April 1982	7/8/82	41,929.31
030	March 1982	6/24/82	40,954.51
031	December 1981	4/9/82	49,000.75
032	November 1981	3/26/82	44,002.00
033	September 1981	3/19/82	47,447.00

In addition, Semper-Moser extended credit to the Contract II client in amounts substantially in excess of the AWH debt. The balance on overdue accounts, which included media buys, frequently ran between \$200,000 and \$300,000 (Semper Memorandum,

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Exhibit C, pp. 038-055.)

This evidence contradicts the General Counsel's assertion that Semper-Moser did not, as a practice, "intentionally advance funds on behalf of its clients." General Counsel's Brief, p. 6. On the contrary, it demonstrates that this was a regular and usual part of its business practice, regardless of language in its contracts indicating otherwise.

B. The Term "Contrary To Our Usual Practice" Refers to When Service Charges Would Begin

As described in Semper-Moser's Memorandum, in the course of negotiating the agreement with AWH it was agreed that no service charge would be imposed if reimbursement was made within sixty days, since AWH assured Semper-Moser that it would be paying from federal matching funds which would not arrive for approximately forty-five days and AWH did not want to be subject to interest since they were unable to pay sooner. Although not clearly drafted, the intention of this clause was that if, as promised and expected by Semper-Moser, AWH paid within sixty days, there would be no service charge; otherwise -- i.e., if payment was not made within sixty days -- interest charges would be added starting thirty days after the billing date, as per the usual practice.

This history does not support any inference that an illegal corporate contribution was made; rather business was being done in the ordinary course and the particular needs of clients were being served. Had Semper-Moser had any suspicion timely payment would not be made, it could not possibly have afforded to advance these funds.

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Characterizing the 1-1/2% service charge as a "penalty" rather than interest, as Semper-Moser did in its Memorandum, was in order to emphasize that Semper-Moser was not in the business of loaning money to clients in order to make interest income. Rather, it would advance funds for media only as part of its business practices and only on the understanding there would be reasonably prompt repayment.

In addition, the diligent, if not to say heroic, efforts by Semper-Moser to collect its debt, outlined in the General Counsel's Brief, are clearly inconsistent with making a campaign contribution.

AKH filings with the Commission demonstrate that a number of firms purchased media time for AKH, many of whom have never been paid in full; in addition, extensions of credit to AKH on terms substantially more favorable than ordinarily encountered in commerce have been made by financial institutions, all without leading the Commission to find probable cause for a violation. Semper-Moser is a small advertising firm, with no prior experience with political campaigns; it made what it considered to be a sound business decision, in line with its ordinary practices, for which it has suffered the loss of use of approximately \$100,000 for nearly four years, legal costs of pursuing its rights in three federal courts, and now the indignity of being accused of making an illegal contribution to a campaign that has cheated and lied to it. No agency charged with a public trust could possibly view such an outcome as appropriate or justified on this evidentiary record.

33040724675

III. CONCLUSION

The Commission should find there is no probable cause to believe that Semper-Moser violated 2 U.S.C. 441b(a).

Respectfully submitted,



Betsy E. Lehrfeld  
Swankin & Turner  
1424 16th Street, N.W.  
Washington, DC 20036  
(202) 462-8800

Dated: November 9, 1987

88040724676

CERTIFICATE OF FILING

I hereby certify that pursuant to 11 C.F.R. 111.16(c), ten copies of the foregoing Brief of Respondent Semper-Moser Associates in Response to the General Counsel's Brief were filed with the Commission Secretary, and that three copies of the same were filed with the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, DC 20463, this 9th day of November, 1987.

  
Betsy E. Lehrfeld

38040724677

**SENSITIVE**

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**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
 )  
Americans With Hart, Inc. ) MUR 2175  
and Michael R. Moore, )  
as treasurer; Gary W. Hart )

**GENERAL COUNSEL'S REPORT**

On February 24, 1987, the Commission found reason to believe that Americans With Hart, Inc. and Michael R. Moore, as treasurer (the "Committee"), had violated 2 U.S.C. § 441a(f) and § 441b(a), and that Gary W. Hart had violated 26 U.S.C. § 9035(a). The Committee and Mr. Hart are collectively referred to as the "Respondents."

At the Respondents' request on November 3, 1987, the Commission determined to enter into conciliation prior to a finding of probable cause to believe. An agreement in settlement of this matter was directed to the Respondents. That proposed agreement was received by the Respondents' attorneys of record on November 20th after being directed to their new offices. Mr. Simon, the Respondents' attorney, has requested a meeting with the General Counsel staff. We will extend the negotiation period to accommodate that request and will submit a further report with appropriate recommendations to the Commission.

Lawrence M. Noble  
General Counsel

12/1/87  
Date

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

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CC#4887

ATTORNEYS AT LAW

# SWANKIN & TURNER

DAVID A. SWANKIN  
JAMES S. TURNER, P.C.  
FRED GOLDBERG, P.C.  
BETSY E. LEHRFELD, P.C.  
DEBI H. TUCKER

SUITE 105 1424 16TH STREET N.W. WASHINGTON, D.C. 20036 TELEPHONE 202 462-8800

December 7, 1987

Celia Jacoby, Esq.  
Office of General Counsel  
Federal Election Commission  
Washington, DC 20463

RE: MUR 2175

Dear Ms. Jacoby:

Please find enclosed a Supplemental Brief of Respondent Semper-Moser Associates with attachments in response to the questions you asked concerning matters treated in Respondent's Brief.

I hope this material is responsive to your inquiry. Please do not hesitate to contact me if there are further issues you believe should be developed.

Thank you for your attention and courtesy.

Sincerely,

  
Betsy F. Lehrfeld

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of the advertising agency to pay for the space or media time ordered; it is the agency which is liable to the media, not the client. Print media orders are generally required a minimum of two months prior to appearance, broadcast media orders somewhat less in advance. Exhibit B also contains Invoice No. 1022 from Semper-Moser to Thompson Company for these ads, dated October 31, 1980 and showing a payment date of January 9, 1981. In other words, on October 10, 1980 Semper-Moser became obligated to pay for the space, on October 31, 1980 it billed Thompson Company and on January 9, 1981 it received payment. This is a typical scenario; in fact, Semper-Moser almost never received payment from a client prior to becoming obligated to pay media.

3. Exhibit C contains a copy of an invoice from Natural Foods Merchandiser magazine for the Thompson Company's October 1980 ad, in the amount of \$1,190. Handwritten notations show that it was approved for payment in time to get the benefit of the 2% discount for payment within ten days of billing. Reference to Semper-Moser's Invoice No. 1006, Exhibit A, shows Thompson Company did not pay for this ad until November 7, 1980.

4. Exhibit D contains a copy of Semper-Moser's check number 1010, dated November 13, 1980, to Let's Live magazine, in the amount of \$1,830.10. This was in payment of the "Let's Live" item shown on Invoice No. 1008, Exhibit A. The invoice shows the gross cost of the ad, \$2,197.00; the advice portion of the check indicates payment by Semper-Moser of the cost net of its commission, \$1,867.45, less its 2% discount for prompt payment, for a total of \$1,830.10. The invoice, dated October 2, 1980, was not paid

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until November 31, 1980. Again, this is characteristic of Semper-Moser's payment and billing practices.

5. Exhibit E consists of copies of check advice stubs from Thompson Company checks to Semper-Moser, along with copies of the deposit slips when those checks were deposited in Semper-Moser's account, generally within a day or two after receipt. They reflect the practice of Thompson Company, agreed to by Semper-Moser and beginning with the first work performed by Semper-Moser in the latter half of 1980, to pay approximately 60 days after it was billed.

6. Exhibit F is the first page of the summary accounts receivable log for Thompson Company, showing dates of invoices, amounts and dates of payment. At the time of invoicing, the media involved had been ordered and/or purchased, as indicated by the documents in the previous Exhibits, and/or other costs advanced. At the time of Thompson Company's first payment to Semper-Moser, November 7, 1980, approximately \$181,000 was owed to Semper-Moser, of which 15% was agency commission, for a net balance of advance payments and obligations for payment of approximately \$153,850.

7. Exhibit G is also a first summary accounts receivable log for A Natural Concern, another client. It shows again that costs were advanced, in this case for exhibit booth space, brochures and other promotional materials and services, from the beginning of the client-agency relationship. Billing began February 10, 1983 and the first payment was received June 23, 1983. Approximately \$75,000 of payments or obligations incurred were advanced by Semper-Moser prior to receiving the first payment.

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8. Exhibit H shows the first billing to the Council for Responsible Nutrition, another client, in the amount of \$1,562.03. Invoiced May 30, 1981, the client first paid July 14, 1981.

9. Exhibit I shows the first billings to Gasconade Farms, another client. Invoices dated August 3, 1983 through November 18, 1983 were paid April 6, 1984, in the amount of \$4,244.05. Invoices dated April 2, 1984 through June 14, 1984 were paid July 25, 1986, in the amount of \$7,532.26. All costs, less the commission, if any, were expended or obligated prior to billing.

The material contained in the Exhibits hereto and referenced and explained herein demonstrates that it was Semper-Moser's ordinary practice to pay or assume responsibility for payment for purchases of media and other advance costs from the beginning of its relationship with clients. It was on this basis that the media purchases for Americans With Hart were made.

Respectfully submitted,

  
Petsy E. Lehrfeld

Swankin & Turner  
1424 16th Street, N.W.  
Washington, DC 20036  
(202) 462-8800

Attorney for Respondent  
Semper-Moser Associates, Inc.

Dated: December 7, 1987.

88040724683

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LAW OFFICES  
**SONOSKY, CHAMBERS & SACHSE**

SUITE 1000

1250 EYE STREET, N.W.

WASHINGTON, D.C. 20005

(202) 682-0240

MARVIN J. SONOSKY  
HARRY R. SACHSE  
REID PEYTON CHAMBERS  
WILLIAM R. PERRY  
LLOYD BENTON MILLER<sup>®</sup>  
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DOUGLAS B. L. ENDRESON<sup>®</sup>  
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JILL A. DE LA HUNT<sup>®</sup>

ANCHORAGE OFFICE  
SUITE 700  
900 WEST FIFTH AVENUE  
ANCHORAGE, ALASKA 99501  
(907) 258-6377  
TELECOPIER (907) 272-8332

January 5, 1988

OF COUNSEL

LOFTUS E. BECKER, JR.  
ROGER W. DUBROCK<sup>®</sup>

<sup>®</sup>RESIDENT PARTNER, ANCHORAGE OFFICE  
<sup>®</sup>ADMITTED IN WISCONSIN  
<sup>®</sup>ADMITTED IN ALASKA

Celia Jacoby, Esquire  
Office of General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, D.C. 20463

Re: MUR 2175

Dear Ms. Jacoby:

I am writing to inform you that I have resigned as counsel to Senator Gary Hart, Americans with Hart and Michael R. Moore, respondents in the above-captioned MUR. Accordingly, I must withdraw as counsel for respondents in this MUR.

It is my understanding that new counsel for respondents will file an appearance in this matter shortly.

Sincerely,  
  
Donald J. Simon

DJS/cmt  
Copy to:  
Mr. Michael R. Moore  
Mr. Gary W. Hart

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900 THIRD AVENUE  
NEW YORK, NEW YORK 10022  
(212) 893-2772

**ARNOLD & PORTER**

1200 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20036

(202) 872-6700

CABLE: "ARFOPO"

TELECOPIER: (202) 872-6720

TELEX: 89-2733

1700 LINCOLN STREET  
DENVER, COLORADO 80203  
(303) 863-1000

JOHN M. QUINN  
DIRECT LINE: (202) 872-6904

January 12, 1988

Celia Jacoby, Esquire  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

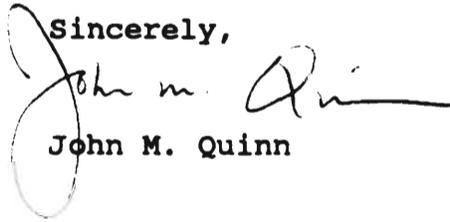
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I am writing to inform you that I have resigned as counsel to Senator Gary Hart, Americans With Hart and Michael R. Moore, respondents in the above-captioned MUR. Accordingly, I must withdraw as counsel for respondents in this MUR.

I understand that new counsel for respondents will file an appearance in this matter shortly.

Sincerely,



John M. Quinn

cc: Mr. Michael R. Moore  
Mr. Gary W. Hart

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BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of )  
Semper-Moser Associates, Inc. ) MUR 2175

**CONFIDENTIAL**

**MAR 22 1988**

**GENERAL COUNSEL'S REPORT**

**EXECUTIVE SESSION**

**I. BACKGROUND**

On February 24, 1987, the Federal Election Commission (the "Commission") found reason to believe that Semper-Moser Associates, Inc. ("Semper-Moser") violated 2 U.S.C. § 441b(a) by its extension of credit to Americans With Hart, Inc., the 1984 authorized presidential campaign committee for Senator Gary W. Hart (the "Hart Committee"). The investigation in this matter was closed, and on September 29, 1987, a brief on the factual and legal issues was mailed to Semper-Moser. Following a requested extension of time to reply, a brief in opposition was filed (Attachment 1). Although counsel for Semper-Moser stated on November 10 and 13 that additional documents would be submitted to support their contentions within one week, such documents were not received until December 1987 (Attachment 2).

**II. ANALYSIS**

The Office of the General Counsel relies principally on the legal analysis expressed in its brief which was circulated to the Commission on September 29, 1987.

Semper-Moser has responded that it did not make a contribution to the Hart Committee by advancing funds to purchase media time. Rather, Semper-Moser claims that its failure to timely collect payments from a commercial client demonstrates that it ordinarily extended credit.

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During conversations with counsel for Semper-Moser, specific information to support that contention was sought by the OGC staff. Among the information requested were (i) guidelines and practices used by Semper-Moser to determine to extend credit, (ii) explanation of the contradictory language in Semper-Moser's contracts with political and commercial clients, (iii) copies of other contracts which explicitly provided credit to commercial clients, using the same, similar or differing language from that used in the Hart Committee contract, and (iv) any evidence that Semper-Moser extended credit to commercial clients who were similarly situated to the Hart Committee, that is, an unknown debtor with no prior credit relationship or other dealings with Semper-Moser. Counsel for Semper-Moser stated that her client could and would provide responses to each of the above items. In particular counsel assured the OGC staff that the language in the Hart Committee contract had been used in other contracts and that representative contracts would be submitted.

In its original and supplemental briefs, Semper-Moser made no attempt to explain the discrepancies in the payment terms of the political and commercial contracts. The commercial contract explicitly required advance payment by the customer and stated that Semper-Moser would not extend credit for its client's advertising. Yet Semper-Moser paid the media purchase costs for its political client, the Hart Committee, and extended credit for sixty days. The language in the Hart Committee contract was clearly inserted to state the conditions of payment, conditions which differed from the creditor's and industry's (in Semper-

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Moser's words) practices - practices which denied credit.

Despite specific requests, no explanation or other materials to demonstrate a company policy to extend credit were provided. Nor were any comparative contracts provided. There is no explanation of the basis on which credit is extended by Semper-Moser or even that credit is routinely extended to non-rated clients who, like the Hart Committee, had no credit history. No statement on standards or factors considered by Semper-Moser in its determinations to extend credit was made. Nor did Semper-Moser refute that a financial relationship had developed prior to its extending credit to the commercial client cited in its brief.

Instead Semper-Moser consistently relies on the actions of its debtor clients to prove its business practices. However, the fact that accounts receivable remained outstanding and subject to collection does not mean that the company intended to extend credit, i.e., intentionally advance funds on behalf of its clients. The creditor's acquiescence to its customer's delay or failure to pay according to the contract terms does not establish a policy to extend credit. The failure of a client to make payments in accordance with the contract terms may have resulted in an extension of credit, but such extension was generated not by the company's actions, but by those of its clients. Nor is it evident that any credit extension would be made to a commercial client in the posture of the Hart Committee, a new client without any credit history. The first apparent extension of credit to the commercial client cited by Semper-Moser occurred nearly one year after the contract date, a period during which a credit relationship was established.

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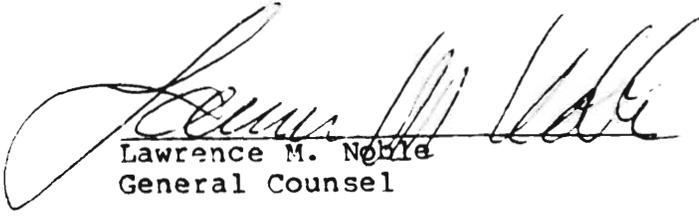
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**IV. RECOMMENDATIONS**

1. Find probable cause to believe that Semper-Moser Associates, Inc. violated 2 U.S.C. § 441b(a).

2. Approve and send the attached conciliation agreement and letter.

Date 3/9/55

  
Lawrence M. Noble  
General Counsel

**Attachments**

- 1. Brief of Semper-Moser
- 2. Supplemental Brief of Semper-Moser
- 3. Proposed Conciliation Agreement
- 4. Letter

Staff Person: Celia Jacoby



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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**SENSITIVE**

**MAR 22 1988**

**EXECUTIVE SESSION**

MEMORANDUM

TO: The Commission  
FROM: Lawrence M. Noble  
General Counsel *[Signature]*  
SUBJECT: MUR 2175 - Errata in General Counsel's Report

The General Counsel's Report which was circulated to the Commission on March 9, 1988 contains a typographical error on page 5. The attached page corrects that error and should be inserted in the report as substituted page 5.

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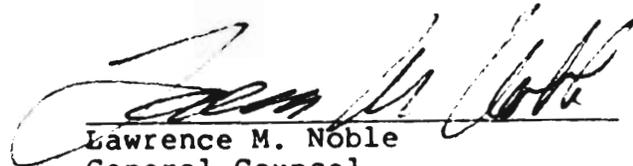
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**IV. RECOMMENDATIONS**

1. Find probable cause to believe that Semper-Moser Associates, Inc. violated 2 U.S.C. § 441b(a).

2. Approve and send the attached conciliation agreement and letter.

3/11/88  
Date

  
Lawrence M. Noble  
General Counsel

**Attachments**

1. Brief of Semper-Moser
2. Supplemental Brief of Semper-Moser
3. Proposed Conciliation Agreement
4. Letter

Staff Person: Celia Jacoby

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Semper-Moser Associates, Inc. ) MUR 2175

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of March 22, 1988, do hereby certify that the Commission decided by a vote of 4-1 to take the following actions in MUR 2175:

1. Find probable cause to believe that Semper-Moser Associates, Inc. violated 2 U.S.C. § 441b(a).
2. Approve and send the conciliation agreement and letter attached to the General Counsel's report dated March 9, 1988.

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

Attest:

3/23/88

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

33040724693



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 25, 1988

James S. Turner, Esquire  
Swankin & Turner  
Suite 105  
1424 16th Street, N.W.  
Washington, D.C. 20036

RE: MUR 2175  
Semper-Moser Associates, Inc.

Dear Mr. Turner:

On March 22, 1988, the Federal Election Commission found that there is probable cause to believe your client, Semper-Moser Associates, Inc. violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with an extension of credit to a political committee.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within 10 days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Celia L. Jacoby, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

Enclosure  
Conciliation Agreement

93040724694



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 24, 1988

plm

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

James S. Turner, Esquire  
Swankin & Turner  
Suite 105  
1424 16th Street, N.W.  
Washington, D.C. 20036

RE: MUR 2175  
Semper-Moser Associates,  
Inc.

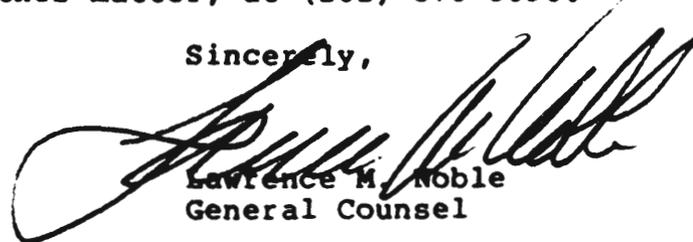
Dear Mr. Turner:

On March 25, 1988, you were notified that the Federal Election Commission found probable cause to believe that your client, Semper-Moser Associates, Inc., violated 2 U.S.C. § 441b(a). On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), the conciliation period in this matter may not extend for more than 90 days, but may cease after 30 days. During a meeting with members of the General Counsel staff on March 31st, you stated that additional materials would be submitted. To date no further submissions from you have been received although more than 30 days have elapsed since that time. Should the conciliation period elapse without a response from you, a recommendation concerning the filing of civil suit will be made to the Commission by the Office of General Counsel.

Should you have any questions, please contact Ms. Jacoby, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble  
General Counsel

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ATTORNEYS AT LAW

# SWANKIN & TURNER

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DAVID A. SWANKIN  
JAMES S. TURNER, P.C.  
BETSY E. LEHRFELD, P.C.  
DEBI H. TUCKER

SUITE 105 1424 16TH STREET N.W. WASHINGTON, D.C. 20038 TELEPHONE 202 462-8000

June 24, 1988

Celia L. Jacoby  
Federal Election Commission  
Washington, DC 20463

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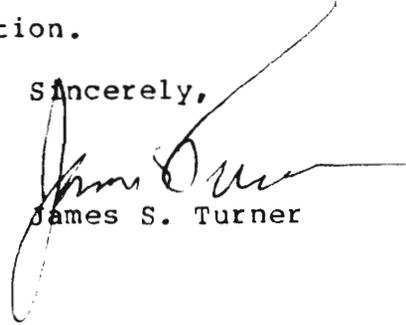
RE: MUR 2175  
Semper-Moser Associates, Inc.

Dear Ms. Jacoby:

On behalf of our client, Semper-Moser Associates, Inc., we hereby request an extension of time to respond further to the General Counsel's proposed conciliation agreement in this matter, until July 20, 1988.

Thank you for your consideration.

Sincerely,



James S. Turner

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 1, 1988

James S. Turner, Esq.  
Swankin & Turner  
1424 16th Street, N.W.  
Suite 105  
Washington, D.C. 20036

RE: MUR 2175  
Semper-Moser Associates, Inc.

Dear Mr. Turner:

This is in response to your letter dated June 24, 1988, which we received on June 27, requesting an extension until July 20, 1988 to respond to the Commission's proposed conciliation agreement. After considering the circumstances presented in your letter and telephone communications, I have granted the requested extension. Accordingly, your response is due by close of business on Monday, July 20, 1988.

If you have any questions, please contact Celia L. Jacoby, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence M. Noble".

Lawrence M. Noble  
General Counsel

33040724697

July 19, 1988

**AFFIDAVIT**

**TO WHOM IT MAY CONCERN:**

My name is Peter J. Semper and I have been in the Advertising/Public Relations consulting business for most of my adult life; the last twenty years in business for myself.

In 1968 when I started the business, the formalities expected now were not considered. For instance, I had no attorney, no CPA or other professionals on call. The low profit nature of the business would not allow such expense except in emergencies.

Most of the 35 or so clients I've had over the years have been small firms that I would attempt to "grow". In almost all cases the business relationship was conducted on a "hand-shake" basis and often financial adjustments had to be made to the original agreement, but these also were usually oral and not written. I did want a written contract if I didn't know the principles of a prospective client or if the activity required my firm making large production or media buyouts for them. In buying certain media such as T.V. and radio time; the NY Times, the Wall St. Journal and others that would not give credit to non-AAAA agencies, I would pay up-front and bill the client to take advantage of the discounts customarily available to my agency for prompt payment. Even though I paid cash for this media my clients routinely took 60-90 and sometimes in excess of 100 days to pay. I used a sample contract from my previous agency to guide me in the contract preparation. Credit terms and other details varied from client to client. For example, I have attached billings from the earlier days that show the informal nature of terms and conditions to these clients. During the 1970's, most of my clients were billed \$100,000.00 - \$150,000.00 per year; but by 1980 one of them had grown to over \$1,000,000.00 in billings and in some cases was over 100 days slow pay. Given the size of the billings, we decided to write a more explicit and detailed contract with this client. However, the relationship continued to be managed in an informal manner with payment often 100 days late; the contract being primarily the basis on which we would go to court for collection purposes if necessary. Which it never was.

Credit to clients is a very personal part of this business. All business requires risk-taking but giving large credit in the advertising business is usually accompanied by a strong contract and a lot of caution. But eventually you must make personal judgments in extending credit and the better you know a prospective client the more likely you are to extend credit, as I did in the case of this client that I knew very well. I didn't

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AFFIDAVIT: Peter J. Semper  
Page two

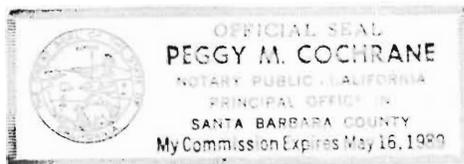
know the Hart people very well at all and due to the transitory nature of a political campaign I tried to write the most air-tight contract of my career. Unlike my other clients, I expected Americans with Hart to pay when the credit was due and was assured by them that they would. Immediately upon their failure to pay I began collection action which I did not do with my other clients.

This contract was created in the same way as all my other contracts in that I negotiated with the appropriate Hart people and as we discussed the campaign and media objectives and the timing, I also expressed my concerns about credit and payment which I was assured would be prompt and to the contract. The process was the same as for my other accounts but because of my concern over the credit and timing of the expenditures, the resulting contract and the procedures to enforce it were more stringent than any I had previously written.

  
PETER J. SEMPER

STATE OF CALIFORNIA )  
COUNTY OF SANTA BARBARA ) ss

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public, in and for said State, on July 19, 1988.



  
Peggy M. Cochrane, Notary Public

33040724699

EXHIBITS\*

A) Three check stubs from my client Islander Yachts; a notoriously slow pay account for me. Although their terms were 30 days, they often exceeded that time as these stubs show. The media and other suppliers such as printers and photographers often were stretched out as much as 90-120 days depending on the cash status of the agency.

B) James B. Lansing Sound Inc. (JBL) An account of ours for more than five years could also be slow pay. This deposit on July 11 was for billings in April and May. 45 and 60 days

C) Innovator Marine Products was very innovative in not paying their last bill and we lost about \$1300.00

D) The Company Store routinely ran up fair-sized bills and were often slow pay by 2 or 3 months. This is a tongue-in-cheek collection letter. As I recall the amount was about \$3000.00.

E) Olefactory Corp. was a start-up company and this letter contract from my employee J. Flower Tauro gives an idea as to the informality of these agreements. Notice there are no credit terms.

F) Sigame Corp. Another typical small client letter agreement.

\* These exhibits are taken from three water-soaked boxes found recently in my house basement. They are the only documents I am able to find which bear on the length of time it took my clients to pay me other than those already submitted.

98040724700

INVOICE DATE	VENDOR INVOICE NUMBER	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
8/30/74	083074	1,213.62		1,213.62
<i>Islander Yachts</i>				
<i>deposited 11/5/74</i>				
<b>TOTALS</b>		<b>1,213.62</b>		<b>1,213.62</b>
NET AMOUNT OF CHECK LAST AMOUNT SHOWN				

INVOICE DATE	VENDOR INVOICE NUMBER	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
5/30/74	5015	4,000.00CR		4,000.00CR
5/30/74	5015	8,056.59		8,056.59
<i>Yachts</i>				
<i>Towards Inv. #5015</i>				
			<i>Rec'd 9/23/74</i>	
<b>TOTALS</b>		<b>4,056.59</b>		<b>4,056.59</b>
NET AMOUNT OF CHECK LAST AMOUNT SHOWN				

INVOICE DATE	VENDOR INVOICE NUMBER	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
7/31/74	5017	1,257.25		1,257.25
<i>deposited 10/29/74</i>				
<i>mes.</i>				
<b>TOTALS</b>		<b>1,257.25</b>		<b>1,257.25</b>
NET AMOUNT OF CHECK LAST AMOUNT SHOWN				

**CHECKING ACCOUNT  
DEPOSIT TICKET  
SECURITY PACIFIC NATIONAL BANK**

Use this ticket only for deposit at branch  
where account is carried.

6157 COM 1784 7-68\* 100 6Y

NAME

*Sempay Moss &  
Associates*

DATE

*11 15 68*

CHECKING ACCOUNT NUMBER

*010 412*

CHECKS BY BANK NUMBER	DOLLARS	CENTS
CURRENCY		
COIN		
If you are depositing more than 4 checks, list them on the reverse. Enter the total here.		
TOTAL	<i>740.68</i>	
CHECKS		
1 AMOUNT		
2		
3		
4		
TOTAL DEPOSIT		

Inv. Date	Reference	Gross Amount	Discount	Prev. Balance	Balance	Remarks
<i>11 15 68</i>	<i>51 5</i>	<i>49.25</i>			<i>49.25</i>	
<i>11 15 68</i>	<i>5405</i>	<i>250.00</i>				
<i>11 15 68</i>	<i>3031</i>	<i>267.87</i>				
<i>11 15 68</i>	<i>3032</i>	<i>272.06</i>		<i>49.25</i>	<i>740.68</i>	

James B. Lansing Sound, Inc. 3249 Casitas Avenue, Los Angeles, Calif. 90039

Voucher **15761**



ADJUSTMENT BUREAU

CREDIT MANAGERS ASSOCIATION OF SOUTHERN CALIFORNIA

ESTABLISHED 1893

2300 WEST OLYMPIC BOULEVARD • LOS ANGELES, CALIFORNIA 90006 • TELEPHONE (213) 381-2661

DECEMBER 18, 1974

In the Matter of )  
 )  
 INNOVATOR MARINE PRODUCTS )  
 (a California corporation) )  
 2935 South Sepulveda Boulevard )  
 West Los Angeles, California )

BULLETIN NO. 4  
31276

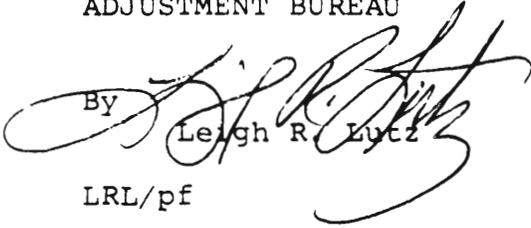
TO THE CREDITORS:

Please be advised that we are not yet in a position to submit an accounting of funds generated through sale of assets of the above, due to the fact that appropriate disbursements have not been made in accordance with the contents of our Bulletin No. 3. We are informed by representatives of the debtor that payments should be made to all necessary parties within a period of about 30 days.

In view of the foregoing, it is requested that creditors advance respective files to the latter part of January, 1975 in anticipation of a final report and accounting.

Yours very truly,

ADJUSTMENT BUREAU

By   
Leigh R. Lutz

LRL/pf

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Semper/Moser & Associates

May 25, 1979

*file*

*(circled)*

The Company Store  
10951 Sorrento Valley Rd, Suite 1/D  
San Diego, Calif. 92121

Attn: Fran Scharps

Dear Fran:

Please send money. IRS about to drag me off to the Bastille and I don't want to be a drag on society.

Best to you and Ben.

Truly yours,

*Peter J. Semper*

Peter J. Semper

PS/ef

*Dear Fran -  
Sorry for all this delay, not intentional  
but I am a procrastinator. If any  
question call me. Regards  
*(Signature)**

83040724704



Semper/Moser & Associates

July 17, 1978

Mr. Rick Barry  
OLEFACTORY CORP.  
2217 Pontius Ave.  
Los Angeles, Calif. 90064

Dear Rick:

This letter will outline our recommendations for a program to generate editorial coverage, advertising and promotions for Olefactory Corporation.

It appears to us that a communications effort directed to the trade publications in a combination of ads and supporting editorial coverage would be most effective and economical at this time. The cost for the effort to gain editorial coverage in the trade and vertical magazines without ads is about the same as paying for fractional space and receiving editorial coverage as a bonus, and ads let us say certain things with a control that editorial coverage doesn't give us.

We will submit an estimate prior to starting on any particular project.

Our cost will be billed to you as follows:

1. We will bill you for S/M creative, supervision and production time at \$25.00 per hour and will deliver time sheets with our billing upon request.
2. Cost of photography, typography, printing, etc, and any items purchased on behalf of Olefactory will be billed at cost plus the standard 20% mark-up.
3. Expenses for legitimate entertainment of editors and others with your prior approval.
4. Out of pocket expenses (auto expense, milage @ 15¢ per mile plus parking, etc.)
5. The standard 15% agency commission of all media.



Mr. Rick Barry  
July 17, 1978  
Page 2

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We are anxious to continue our efforts for Olefactory Rick. Peter and I believe we can do a good job for you and will put to good use all our time and resources in support of Olefactory. We are enthusiastic and ready to go to work.

Yours truly,

J. Flower Tauro

:ft



Semper/Moser & Associates

February 28, 1978

Mr. Jim Marino  
Sigame Corp.  
136 W. 157th St.  
Gardena, Calif. 90248

Dear Jim:

As you requested, this letter will outline our recommendations to develop a program to generate editorial coverage for Sigame Trailers.

38040724707 We believe that a communications effort directed toward special interest magazines such as Off-Road, Automotive, RV and car buff publications as well as hobby and sports oriented books such as those covering the fields of ski, scuba, hunting and fishing etc. should be solicited for special editorial coverage since these markets are the stronger prospective consumers.

With regard to trade publications, we recommend a combination of ads and supporting editorial coverage. The cost for the effort to gain editorial coverage in these magazines without ads is about the same as paying for fractional space and receiving editorial coverage as a bonus. This approach to the trade publications will prove in the long-run to be more effective.

Magazines selected from the following groups will be targeted for editorial and pictorial coverage: Petersen Publishing Group, CBS Publishing Group, Ziff-Davis Magazine Network, Popular Argus Group and various other vertical publications.

Our cost will be billed to you as follows:

1. We will bill you for S/M creative time at \$20.00 per hour and will deliver time sheets with our billing.
2. Cost of photo reproductions, printing etc.
3. Expenses for legitimate entertainment of editors with your prior approval.
4. Out of pocket expenses (auto expense, milage @ 15¢ plus parking, etc.)

We are anxious to continue our efforts for Sigame, Jim. Peter and I believe in your product and that is the reason we have invested our time and resources to help support you. We are enthusiastic about getting started on this next level.

Yours truly,

J. Flower lauro

EXHIBIT F

BEFORE THE FEDERAL ELECTION COMMISSION

FEDERAL ELECTION COMMISSION  
83 JUL -1 11:06

In the Matter of )  
Semper-Moser Associates, Inc. ) MUR 2175

**SENSITIVE**

GENERAL COUNSEL'S REPORT

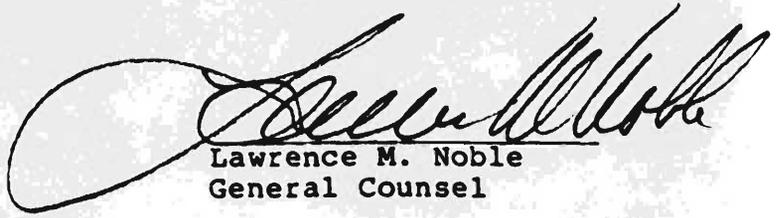
On March 22, 1988, the Federal Election Commission (the "Commission") determined that there is probable cause to believe that Semper-Moser Associates, Inc. ("Semper-Moser") violated 2 U.S.C. § 441b(a). A conciliation agreement was directed to Semper-Moser on March 25. On March 31, counsel for Semper-Moser met with members of the Office of the General Counsel. At that time counsel stated that it would provide documentary support for Semper-Moser's position.

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This Office believes that further efforts by Semper-Moser to conciliate this matter should be entertained

before any recommendation to file suit is made. Accordingly, this Office will extend the conciliation period until July 20, 1988.

6/30/88  
Date

  
Lawrence M. Noble  
General Counsel

Attachment

1. Extension Request
2. Letter

Staff Assigned: C.L. Jacoby

88040724709

G 00# 9721

**BERNARD E. SCHNEIDER**

600 NEWPORT CENTER DRIVE, SUITE 1400  
NEWPORT BEACH, CA 92660

June 29, 1988

Celia Jacoby, Esq.  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

re: MUR 2175

Dear Ms. Jacoby:

Pursuant to our telephone conversation today, this letter is written to confirm our understanding that Bernard E. Schneider has been granted an extension of five (5) days from Monday, July 11th to respond to your correspondence dated June 23, 1988 regarding the above-referenced matter.

Thank you for your cooperation in this matter.

Very truly yours,

Valerie Kessinger,  
Secretary to Bernard Schneider

BES4-01:vk

RECEIVED  
FEDERAL ELECTION COMMISSION  
88 JUL -8 PM 12:54

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004# 9963

RECEIVED  
FEDERAL ELECTION COMMISSION

**BERNARD E. SCHNEIDER**  
600 NEWPORT CENTER DRIVE, SUITE 1400  
NEWPORT BEACH, CA 92660

68 AUG -1 AM 9:35

July 27, 1988

Celia Jacoby, Esq.  
Federal Election Commission  
999 "E" Street, N.W.  
Washington, D.C. 20463

re: MUR 2175

Dear Ms. Jacoby:

Enclosed please find three (3) executed copies of the form of Conciliation Agreement with respect to the above-referenced matter. You will note that Mr. Granger made two interlineations upon his execution of the Agreement on behalf of Americans With Hart, Inc. I believe neither affects the document substantively or contravenes the intention of the parties. Please provide me with two (2) fully executed copies. As soon as I receive the executed copies, I will forward the initial payment of Americans With Hart, Inc. pursuant to the Agreement.

Thank you very much for your cooperation.

Very truly yours,



BES/vk  
Enclosures

RECEIVED  
FEDERAL ELECTION COMMISSION

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BEFORE THE FEDERAL ELECTION COMMISSION

FEDERAL ELECTION COMMISSION  
COMM - C 1014:14

In the Matter of )  
Semper-Moser Associates, Inc. )

MUR 2175

**SENSITIVE**  
**EXECUTIVE SESSION**  
**AUG 09 1988**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On March 22, 1988, the Federal Election Commission (the "Commission") found probable cause to believe that Semper-Moser Associates, Inc. ("Semper-Moser") may have violated 2 U.S.C. § 441b(a) by its extension of credit to Americans With Hart, Inc., the 1984 authorized presidential campaign committee for Gary W. Hart (the "Hart Committee"). Semper-Moser was notified of this determination. Counsel requested a meeting with staff of the Office of the General Counsel.

During that meeting on March 31st, counsel sought advice on the filing of a "motion to reconsider" and to rescind the Commission's determination. Counsel was advised that such a motion is unusual but any additional information would be presented to the Commission. Counsel stated that additional arguments and documents, including other commercial contracts granting credit, would demonstrate that the credit terms granted to the Hart Committee were more restrictive than the terms offered to non-political clients. The meeting concluded with counsel's assurance that such documents and arguments would directly be submitted. The OGC staff also suggested that counsel consider the conciliation agreement to resolve this matter.

By letter dated May 24, 1988, Semper-Moser was advised that the conciliation period was passing without receipt of the

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promised submission (Attachment 1). No further documents were received.

II. DISCUSSION OF CONCILIATION

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III. RECOMMENDATIONS

- 1.
2. Authorize the Office of the General Counsel to file a civil suit for relief in the United States District Court against Semper-Moser Associates, Inc.
3. Approve and send the attached letter.

Date

8/3/88

  
 Lawrence M. Noble  
 General Counsel

Attachments

1. Letter to respondents dated 5-24-88
2. 1st conciliation agreement proposed by respondents
3. 2nd conciliation agreement proposed by respondents
4. Conciliation agreement approved 3-22-88
5. Proposed letter

Staff Assigned: C. L. Jacoby



BEFORE THE FEDERAL ELECTION COMMISSION

FEDERAL RECEIVED

88 AUG 10 2:28

In the Matter of )  
Americans With Hart, Inc. and )  
Kenton C. Granger, as treasurer, ) MUR 2175  
and Gary W. Hart )

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

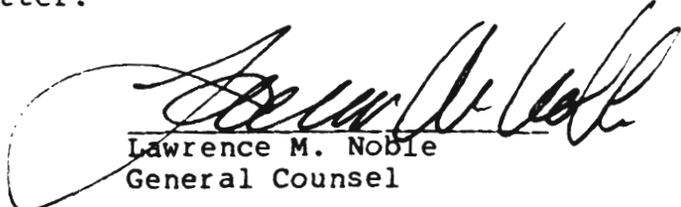
Attached is a conciliation agreement which has been signed by Kenton C. Granger, the treasurer of Americans With Hart, Inc., and by counsel on behalf of Gary W. Hart.

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1. Accept the attached conciliation agreement with Americans With Hart, Inc. and Kenton C. Granger, as treasurer, and Gary W. Hart.
2. Close the file as to these respondents.
3. Approve the attached letter.

Date 8/17/88

  
Lawrence M. Noble  
General Counsel

Attachments

1. Conciliation Agreement
2. Letter to Respondents

Staff Assigned: C.L. Jacoby



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS  
COMMISSION SECRETARY *MWE*

DATE: August 23, 1988

SUBJECT: MUR 2175 General Counsel's Report  
Signed August 17, 1988

The above-captioned document was circulated to the Commission on FRIDAY, AUGUST 19, 1988 at 12 NOON.

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 30, 1988 (Tuesday).

Please notify us who will represent your Division before the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Americans With Hart, Inc. and ) MUR 2175  
Kenton C. Granger, as treasurer, )  
and Gary W. Hart )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 25, 1988, the Commission decided by a vote of 6-0 to take the following actions in MUR 2175:

1. Accept the conciliation agreement with Americans With Hart, Inc. and Kenton C. Granger, as treasurer, and Gary W. Hart, as recommended in the General Counsel's report dated August 17, 1988.
2. Close the file as to these respondents.
3. Approve the letter attached to the General Counsel's report dated August 17, 1988.

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

Attest:

8/26/88

Date

*Marjorie W. Emmons*

Marjorie W. Emmons  
Secretary of the Commission

Received in Secretariat at 12:28 p.m. on August 18, 1988.  
Circulated to Commission at 12:00 noon on August 19, 1988.  
Objection placed matter on the agenda for August 30, 1988.  
Objection withdrawn at 5:14 p.m. on August 25, 1988.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 30, 1988

Bernard Schneider, Esquire  
Buchalter, Nemer, Fields & Younger  
660 Newport Center Drive  
Suite 1400  
Newport Beach, CA 92660

RE: MUR 2175  
Americans With Hart, Inc. and  
Kenton C. Granger, as treasurer,  
and Gary W. Hart

Dear Mr. Schneider:

On August 25, 1988, the Federal Election Commission accepted the signed conciliation agreement (with substituted page 5 as agreed) submitted on behalf of your clients, Americans With Hart, Inc. and Kenton C. Granger, as treasurer, and Gary W. Hart, in settlement of violations of 2 U.S.C. §§ 441a(f) and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, and of 26 U.S.C. § 9035(a), a provision of Chapters 95 and 96 of Title 26, U.S. Code. Accordingly, the file has been closed in this matter as it pertains to your clients. This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

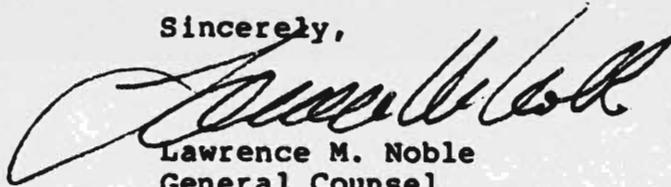
The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

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Bernard Schneider, Esquire  
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Celia Jacoby, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble  
General Counsel

Enclosure  
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Americans With Hart, Inc. ) MUR 2175  
Kenton C. Granger, as treasurer )  
Gary W. Hart )

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (the "Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Americans With Hart, Inc. (the "Committee") and Michael R. Moore, as treasurer, violated 2 U.S.C. § 441a(f) and 2 U.S.C. § 441b(a), and Gary W. Hart violated 26 U.S.C. § 9035(a). On January 28, 1988, Mr. Moore resigned and Kenton C. Granger was named as treasurer of the Committee. Americans With Hart, Inc., Kenton C. Granger, solely in his official capacity as treasurer, and Gary W. Hart are hereinafter collectively referred to as the "Respondents."

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.

§ 437g(a)(4)(A)(i).

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

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

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

1. Respondent, Americans With Hart, Inc., is a political committee within the meaning of 2 U.S.C. § 431(4). The Committee was registered with the Commission as the principal campaign committee for Gary W. Hart for the 1984 presidential primary elections.

2. Respondent, Kenton C. Granger, is the treasurer of Americans With Hart, Inc. and is named as a Respondent solely in his official capacity as treasurer of the Committee.

3. Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any candidate, political committee or other person knowingly to accept or receive any contribution prohibited by that section. Section 441b(a) states that it is unlawful for any corporation to make a contribution or expenditure in connection with any federal election.

4. However, a corporation may extend credit to a political committee in connection with a federal election, provided that the credit is extended in the ordinary course of the corporation's business and the credit terms are substantially similar to extensions of credit to nonpolitical debtors which are of a similar size and risk of obligation. 11 C.F.R. § 114.10(a).

5. During 1984, the Committee contracted with Semper-Moser Associates, Inc. for media services and time-buys. Their signed contract, under the terms of payment, stated "[t]herefore, we agree to pay media bills for you in advance, contrary to our

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usual policy, providing you keep your account current within 60 days of billing..." That contract also stated that "... the advertising agency shall finance its own service, but not the advertising of its clients..." The Commission has concluded that by the terms of the contract, the extension of credit appeared not to be in the ordinary course of business.

6. A candidate or political committee, pursuant to 2 U.S.C. § 441a(f), shall not knowingly accept or receive any contribution in violation of 2 U.S.C. § 441a.

7. Under 2 U.S.C. § 441a(a)(1)(A), no person shall make any contribution to a candidate and his authorized political committee with respect to any election for federal office which exceeds \$1000 in the aggregate. Under the Commission's policies and 11 C.F.R. § 103.3 in effect during the 1984 elections, if the Committee received a contribution from any person in excess of the contribution limit, it was required either to reattribute the contribution to a person who could lawfully make the contribution or to refund the contribution within a reasonable time.

8. The Committee acknowledges that it received contributions from forty-nine individuals whose contributions exceeded the \$1000 limitation under 2 U.S.C. § 441a(a)(1)(A). The aggregate value of the excessive portion of these contributions was \$19,606.97. The Committee either reattributed or refunded to the contributor each one of the 49 excess

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contributions it received. The Committee has supplied documentation to the Commission demonstrating each refund or reattribution. The average time in which the Committee took action on excessive contributions, in the form of a refund or reattribution, was 241 days from the date of receipt. The Committee contends that the refund or reattribution was done within a reasonable time.

9. During 1984 Respondent, Gary W. Hart, was a candidate for the Office of the President of the United States who was eligible under 26 U.S.C. § 9033 to receive payments from the Secretary of the U.S. Treasury.

10. In accordance with 26 U.S.C. § 9035(a), no candidate shall knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election to the Office of the President which, in the aggregate, exceed \$50,000.

11. During the 1984 presidential nomination campaign, Respondent, Gary W. Hart, made contributions in the amount of \$48,750 (\$3,750 in a direct contribution and \$45,000 in a loan or loan guaranty) to Americans With Hart, Inc., his authorized political committee. Therefore, the sum of \$1250 was available to Mr. Hart to make additional expenditures under Section 9035(a) limit.

12. Respondent, Gary W. Hart, used a personal credit card to charge campaign expenses on behalf of the Committee which

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expenditures exceeded \$20,000. This personal credit card was issued solely in Mr. Hart's name prior to the inception of the campaign. The campaign expenditures were charged on this credit card on the basis of an understanding between Mr. Hart and the Committee that the bills for such charges would be forwarded to the Committee for payment and that the Committee would promptly pay the bills. Although the bills were forwarded to the Committee, the Committee on a number of occasions failed to pay the bill within the 30 day period required for payment by the credit card company. Payments on this credit card account during the period in question were made an average of 266 days late. Respondents contend that Gary W. Hart was unaware of the Committee's failure to pay such bills in a reasonable time period. All such bills were eventually paid from Committee funds. Such obligations are expenditures under the Federal Election Campaign Act of 1971, as amended. Because these expenditures were not paid by the Committee in a reasonable time and were the direct obligation of the candidate under the line of credit issued to him by the credit card company, they counted against the candidate's personal expenditure limitation.

V. Respondents, Americans With Hart, Inc. and its treasurer, accepted an extension of credit in excess of \$160,000 and contributions from individuals which exceeded the limitation on contributions, and Respondent, Mr. Hart, made expenditures in excess of \$50,000, contrary to 2 U.S.C. § 441b(a)

and § 441a(f) and 26 U.S.C. § 9035(a), respectively.

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Twelve Thousand Dollars (\$12,000.00), pursuant to 2 U.S.C. § 437g(a)(5)(A); such penalty shall be paid as follows:

(1) An initial payment of \$500.00 shall be due and payable on the first (1st) day of the third (3rd) calendar month after the effective date of this agreement;

(2) Thereafter, in three (3) equal installments of \$500.00 each and one (1) installment of \$10,000.00;

(3) The first installment of \$500.00 shall be due and payable on the first (1st) day of the sixth (6th) calendar month after the effective date of this agreement;

(4) The second installment of \$500.00 shall be due and payable on the first (1st) day of the ninth (9th) calendar month after the effective date of this agreement;

(5) The third installment of \$500.00 shall be due and payable on the first (1st) day of the twelfth (12th) calendar month after the effective date of this agreement.

(6) The final installment of \$10,000.00 shall be due and payable on the first (1st) day of the fifteenth (15th) calendar month after the effective date of this agreement;

(7) Each payment due hereunder shall be due and payable without demand on the first (1st) day of the calendar month in which it becomes due; and

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(8) In the event that any installment is not received by the Commission by the fifth (5th) day of the calendar month in which it becomes due, the Commission may, in its discretion, accelerate the remaining installments and cause the entire amount then outstanding to become due and payable upon ten (10) days written notice to the Respondents. Failure by the Commission to accelerate payment with regard to any overdue installment shall not be construed as a waiver of its rights to accelerate with regard to any other overdue installment.

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

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

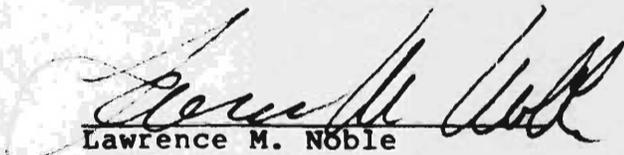
IX. Respondents shall have no more than fifteen (15) calendar months from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and

8 3 0 4 0 7 2 4 7 3 0

no other statement, promise, or agreement, either written or oral, made by any party or by agents of any party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:

  
Lawrence M. Noble  
General Counsel

8/29/88  
Date

FOR THE RESPONDENTS:

  
Americans With Hart, Inc. as the applicant  
by its treasurer, Kenton C. Granger  
personal respondent

7/25/88  
Date

  
Bernard E. Schneider as  
counsel for Gary W. Hart

27 July 1988  
Date

R 9 0 4 0 7 2 4 7 3 1



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**CLOSED**

MEMORANDUM

TO: MARJORIE W. EMMONS  
SECRETARY TO THE COMMISSION

FROM: SCOTT E. THOMAS  
COMMISSIONER *ST*

SUBJECT: WITHDRAWAL OF OBJECTION

DATE: AUGUST 25, 1988

I, herewith, withdraw my objection in MUR 2175, Americans With Hart, Inc. and Kenton C. Granger, as treasurer, and Gary W. Hart, General Counsel's Report of August 17, 1988, and cast my approval in the matter.

89040724732



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 15, 1988

Roger E. Warin, Esquire  
Steptoe & Johnson  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036

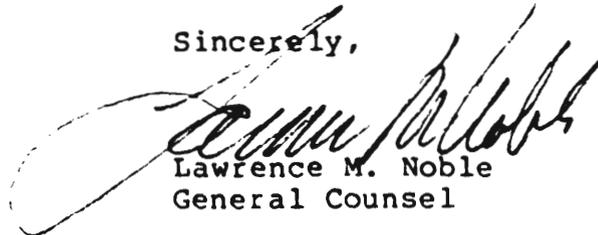
RE: MUR 2175  
Group III Communications, Inc.

Dear Mr. Warin:

This is to advise you that the entire file in this matter has now been closed and will become a 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 Celia Jacoby, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble  
General Counsel

93040724733



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 15, 1988

Bernard E. Schneider, Esquire  
600 Newport Center Drive  
Suite 1400  
Newport Beach, California 92660

RE: MUR 2175  
Americans With Hart, Inc. and  
Kenton C. Granger, as  
treasurer, and Gary W. Hart

Dear Mr. Schneider:

This is to advise you that the entire file in this matter has now been closed and will become a 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 Celia Jacoby, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence M. Noble".

Lawrence M. Noble  
General Counsel

38740724734

88 OCT 19 AM 10:53

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Semper-Moser Associates, Inc. ) MUR 2175

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (the "Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that Semper-Moser Associates, Inc. (the "Respondent") violated 2 U.S.C. § 441b(a).

NOW, THEREFORE, the Commission and the Respondent, having duly entered into conciliation pursuant to 2 U.S.C.

§ 437g(a)(4)(A)(i), hereby agree as follows:

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

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

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Respondent, Semper-Moser Associates, Inc., is a corporation organized and existing under the laws of the State of California.

2. Americans With Hart, Inc. is a political committee within the meaning of 2 U.S.C. § 431(4), and was registered with the Commission as the principal campaign committee for Gary W. Hart for the 1984 presidential primary elections.

88040724735

88 OCT 19 PM 3:48

FEDERAL ELECTION COMMISSION RECEIVED

3. Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any corporation to make a contribution or expenditure in connection with a federal election. Section 441b(a) also states that it is unlawful for any candidate, political committee or other person knowingly to accept or receive any contribution prohibited by that section.

4. However, a corporation may extend credit to a political committee in connection with a federal election, provided that the credit is extended in the ordinary course of the corporation's business and the credit terms are substantially similar to extensions of credit to nonpolitical debtors which are of a similar size and risk of obligation. 11 C.F.R. § 114.10(a).

5. During 1984, Respondent contracted with Americans With Hart, Inc., to provide time-buys and media services in connection with the 1984 presidential primary elections.

6. Respondent extended credit to Americans With Hart, Inc., which credit, by the terms of its contract, was not extended in the ordinary course of business. Accordingly, such credit extension is deemed a corporate contribution.

V. Pursuant to 2 U.S.C. § 441b(a), corporations are prohibited from making contributions in connection with any federal election. Respondent's extension of credit to a political committee outside the ordinary course of business violated 2 U.S.C. § 441b(a). Respondent has contended that it had not violated the aforesaid provision of the statute. However, Respondent no longer makes such contention.

8 9 0 4 0 7 2 4 7 3 6

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Five Thousand Dollars (\$5,000.00) pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

(1) One advance payment of \$1,000.

(2) Four consecutive monthly installments of \$1,000 each, beginning thirty (30) days after the effective date of this agreement.

(3) In the event that any installment payment is not received by the Commission by the fifth day after the day on which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondent. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments. Respondents shall have no more than one hundred twenty (120) days from the day the agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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

99040724737

civil action for relief in the United States District Court for the District of Columbia.

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

IX. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:

  
\_\_\_\_\_  
Lawrence M. Noble  
General Counsel

11/8/88  
\_\_\_\_\_  
Date

FOR THE RESPONDENT:

  
\_\_\_\_\_  
Name  
Position

10/14/88  
\_\_\_\_\_  
Date

8  
3  
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4  
2  
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0  
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3  
8

CLOSED

SEMPER/MOSER ASSOCIATES, INC.  
265 DAWLISH PLACE 805-969-4552  
SANTA BARBARA, CA 93108

4206

October 14 19 88 90-3735/1222

PAY TO THE ORDER OF Federal Election Commission

\$ 1000.00

One thousand and no/100's ----- DOLLARS

LOS ANGELES REGIONAL HEAD OFFICE  
**Metrobank**  
A National Association  
10600 Wilshire Blvd. - Los Angeles, CA 90024

*Peter J. Semper*

FOR

⑈004206⑈ ⑆122237353⑆ 68100210261⑈

CGC# 701

MEMORANDUM

TO: DEBRA A. TRIMIEW

TO: CECILIA LIEBER

FROM: CECILIA LIEBER

FROM: DEBRA A. TRIMIEW

CHECK NO. 4206 [A COPY OF WHICH IS ATTACHED] RELATING TO

MUR 2175 AND NAME Semper-Moser Associates, Inc.

(Jacoby) WAS RECEIVED ON 10/19/88. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

- /  / BUDGET CLEARING ACCOUNT { 95F3875.16 }
- / / CIVIL PENALTIES ACCOUNT { 95-1099.160 }
- / / OTHER \_\_\_\_\_

SIGNATURE Debra A. Trimiew

DATE 10/20/88

88 OCT 19 PM 3:46

FEDERAL ELECTION COMMISSION RECEIVED

072



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble  
General Counsel

Richard B. Bader  
Associate General Counsel

Ivan Rivera  
Assistant General Counsel

SUBJECT: Pre-Litigation Proposed Conciliation Agreement in  
FEC v. Semper-Moser Associates, Inc. (MUR 2175)

3 9 0 4 0 7 2 4 7 4 0

DISCUSSION

Memorandum To The Commission  
Pre-Litigation Proposed Conciliation Agreement in  
FEC v. Semper-Moser Associates, Inc. (MUR 2175)  
Page 2

RECOMMENDATIONS

1. Accept the proposed conciliation agreement with Semper-Moser Associates, Inc.
2. Approve the attached proposed notification letter.

Attachments:

1. Proposed conciliation agreement.
2. Semper-Moser check.
3. Proposed notification letter.

83040724741

BEFORE THE FEDERAL ELECTION COMMISSION

*Amador*

In the Matter of )  
 )  
Pre-Litigation Proposed Conciliation )  
Agreement in FEC v. Semper-Moser )  
Associates, Inc. (MUR 2175). )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 7, 1988, the Commission decided by a vote of 6-0 to take the following actions in the above-captioned matter:

1. Accept the proposed conciliation agreement with Semper-Moser Associates, Inc., as recommended in the General Counsel's memorandum report to the Commission dated November 3, 1988.
2. Approve the proposed notification letter, as recommended in the General Counsel's memorandum report dated November 3, 1988.

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

Attest:

11/7/88

Date

*Marjorie W. Emmons*

Marjorie W. Emmons  
Secretary of the Commission

Received in the Office of Commission Secretary:	Thurs.,	11-3-88,	9:31
Circulated on 48 hour tally basis:	Thurs.,	11-3-88,	11:00
Deadline for vote:	Mon.,	11-7-88,	11:00

98040724742



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 9, 1988

James S. Turner, Esquire  
Swankin & Turner  
Suite 105  
1424 16th Street, N.W.  
Washington, D.C. 20036

RE: MUR 2175  
Semper-Moser Associates, Inc.

Dear Mr. Turner:

This is to notify you that on November 7, 1988, the Commission voted to accept the signed conciliation agreement you previously submitted in settlement of the above-captioned matter. A copy of that agreement, which has now been executed on behalf of the Commission, is enclosed for your files.

This concludes the Commission's consideration of this matter. The original signed copy of the conciliation agreement will now be forwarded, together with other portions of the Commission's permanent file in MUR 2175, to the Commission's Public Disclosure Division for placement on the public record. See 11 C.F.R. § 4.4. Should you wish to submit any additional 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.

Thank you again for your cooperation. Should you have any questions, please contact me immediately at (202) 376-8200.

Sincerely,

Charles W. Snyder  
Attorney

Enclosure.

83040724743



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 15, 1988

James S. Turner, Esquire  
Swankin & Turner  
1424 16th Street, N.W.  
Suite 105  
Washington, D.C. 20036

RE: MUR 2175  
Semper-Moser Associates, Inc.

Dear Mr. Turner:

This is to advise you that the entire file in this matter has now been closed and will become a 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 Celia Jacoby, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence M. Noble".

Lawrence M. Noble  
General Counsel

93040724744

OGC#1120

RECEIVED  
FEDERAL ELECTION COMMISSION

DAVID A. SWANKIN  
JAMES S. TURNER, P.C.  
BETSY E. LEHRFELD, P.C.  
DEBI H. TUCKER

**SWANKIN & TURNER** 88 NOV 21 AM 9:11

SUITE 105 1424 16TH STREET N.W. WASHINGTON, D.C. 20036 TELEPHONE 202 462-8800

November 18, 1988

Charles W. Snyder  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

RE: MUR 2175  
Semper-Moser Associates, Inc.

Dear Mr. Snyder:

This letter is to confirm the extension of time for submitting additional legal or factual materials on the above-captioned matter until November 28, 1988, as we discussed today by phone.

Thank you for your assistance.

Sincerely,



Alan Dumoff

RECEIVED  
FEDERAL ELECTION COMMISSION  
88 NOV 21 PM 12:39

93040724745



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2175

DATE FILMED 11-18-88 CAMERA NO. 3

CAMERAMAN PC

88040724746



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE FILE IN

MUR 2175

89040725230

PER:  
SER:

COMMISSION

**BERNARD E. SCHNEIDER**

660 NEWPORT CENTER DRIVE, SUITE 1400  
NEWPORT BEACH, CA 92660

83 SEP 25 AM 11:34

OGR  
458  
OGC 504

RECEIVED  
FEDERAL ELECTION COMMISSION

88 SEP 19 AM 10:21

September 14, 1988

CERTIFIED MAIL

Celia Jacoby,  
Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463

re: MUR 2175 - Americans With Hart, Inc. and  
Kenton C. Granger, as Treasurer and Gary  
W. Hart

Dear Ms. Jacoby:

Enclosed please find a check in the amount of \$3,325 representing the initial payment, and each of the three installments as well as \$1,325 of the final installment due pursuant to VI(1)(3)(4)(5)(6) of the Conciliation Agreement entered into by and among the parties with respect to the above-referenced MUR proceeding. Accordingly, a final payment in the amount of \$8,675 will be due and payable on November 25, 1989.

Please contact me immediately if you have any disagreement with my calculation of the amount and date of the final payment.

Very truly yours,

BES.

Enclosure

89040725231

**PERSON CLOSED**

**LAW OFFICES OF  
BUCHALTER, NEMER, FIELDS, & YOUNGER**  
(A PROFESSIONAL CORPORATION)  
PH. 213-626-6700  
700 S. FLOWER ST., STE. 700  
LOS ANGELES, CA 90017

LOS ANGELES MAIN OFFICE  
WELLS FARGO BANK, N.A.  
LOS ANGELES, CA 90071  
16-24/1220

R 58537

PAY	*****3,325**	DOLLARS AND	00	CENTS	DATE			CHECK NUMBER	CHECK AMOUNT
					08	22	88	58537	\$3,325.00

TO THE ORDER OF

Federal Election Commission

BUCHALTER, NEMER, FIELDS & YOUNGER  
REGULAR ACCOUNT

*Clifford J. Younger*

⑈0000058537⑈ ⑆122000247⑆4600 070858⑈

OGC # 509

88 SEP 27 AM 11:53

RECEIVED  
FEDERAL ELECTION COMMISSION

MEMORANDUM

TO: DEBRA A. TRIMIEW TO: CECILIA LIEBER

FROM: CECILIA LIEBER FROM: DEBRA A. TRIMIEW

CHECK NO. 58537 { A COPY OF WHICH IS ATTACHED } RELATING TO  
MUR 2175 AND NAME Americans w/Hart, Inc.

WAS RECEIVED ON 9/27/88 <sup>(Sawyer)</sup>. PLEASE INDICATE THE ACCOUNT INTO  
WHICH IT SHOULD BE DEPOSITED:

- / / BUDGET CLEARING ACCOUNT { 95F3875.16 }
- / ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }
- / / OTHER \_\_\_\_\_

SIGNATURE Debra A. Trimiew DATE 9/27/88



FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE FILE IN

MUR 2175

8 3 0 4 0 7 3 5 2 0 9

06C 1801

# CLOSED

### SEMPER/MOSER ASSOCIATES, INC.

265 DAWLISH PLACE 805-969-4552  
SANTA BARBARA, CA 93108

4244

2/7/89

90-3735/1272

PAY TO THE ORDER OF

Federal Election Commission

\$ 1000.00

One thousand and 00/100's

DOLLARS

LOS ANGELES REGIONAL HEAD OFFICE

### Metrobank

A National Association  
10900 Wilshire Blvd., Los Angeles, CA 90024

FOR MUR 2175

⑈004244⑈ ⑆122237353⑆ 68100210261⑈

01025370

06C 1861

### MEMORANDUM

TO: DEBRA A. TRIMIEW

TO: CECILIA LIEBER

FROM: CECILIA LIEBER

FROM: DEBRA A. TRIMIEW

19 FEB 16 AM 11:23

CHECK NO. 4244 [ A COPY OF WHICH IS ATTACHED ] RELATING TO

MUR 2175 AND NAME Semper - Moser Associates, Inc.

(Jacob) WAS RECEIVED ON 2/16/89. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

- / / BUDGET CLEARING ACCOUNT { 95F3875.16 }
- / ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }
- / / OTHER \_\_\_\_\_

SIGNATURE Debra A. Trimiew

DATE 2/16/89



FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE  
PUBLIC RECORD IN (CLOSED) MUR 2175

9 7 0 4 0 7 6 5 9 9 5

OGC 3336

BERNARD E. SCHNEIDER  
660 NEWPORT CENTER DRIVE SUITE 1400  
NEWPORT BEACH CA 92660

RECEIVED  
FEDERAL ELECTION COMMISSION  
59 JUL -5 AM 10:29

June 26, 1989

CERTIFIED MAIL

Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463

re: MUR 2175- Americans With Hart, Inc. and  
Kenton C. Granger, as Treasurer and Gary  
W. Hart

Dear Sirs:

Enclosed please find a check in the amount of \$3,420 due pursuant to paragraph VI of the Conciliation Agreement entered into by and among the parties with respect to the above-referenced MUR proceeding. We have previously paid \$3,325. Accordingly, a final payment in the amount of \$5,255 will be due and payable on November 25, 1989.

Please contact me immediately if you have any disagreement with my calculation of the amount and date of the final payment.

Very truly yours,

BES. 

Enclosure

BES/vk:F8750-0001/38

660924068

**BUCHALTER, NEMER, FIELDS & YOUNGER**

1145

A PROFESSIONAL CORPORATION  
 CLIENT RETAINER ACCOUNT  
 700 S. FLOWER ST., STE. 700 213-626-6700  
 LOS ANGELES, CA 90017

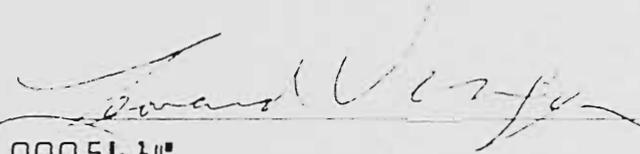
June 28 1989

16-24/1220/709

PAY TO THE ORDER OF FEDERAL ELECTION COMMISSION \$ 3,420.00

The sum of 3420 and 00/100 DOLLARS

PRIVATE BANKING GROUP  
**WELLS FARGO BANK**  
 333 SOUTH GRAND AVENUE, LOS ANGELES, CA 90071



⑈001145⑈ ⑆ 22000247⑆0709 00054⑆⑈

**BUCHALTER, NEMER, FIELDS & YOUNGER**

DETACH AND RETAIN THIS STATEMENT  
 THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW  
 IF NOT CORRECT PLEASE NOTIFY US PROMPTLY - NO RECEIPT DESIRED

DELUXE FORM DVC-3 V-4

INVOICE		DESCRIPTION	TOTAL AMOUNT	DEDUCTIONS		NET AMOUNT
DATE	NO.			DISCOUNT	FREIGHT	
F3750-0001		MUR 2175-Partial final payment with respect to MUR proceeding.				3,420.00

v.4

50099201122



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THE FOLLOWING DOCUMENTATION IS ADDED TO  
THE PUBLIC RECORD IN CLOSED MUR 2175.

90040703860

766 5451

**BERNARD E. SCHNEIDER**  
660 NEWPORT CENTER DRIVE, SUITE 1400  
NEWPORT BEACH, CA 92660

RECEIVED  
FEDERAL ELECTION COMMISSION  
WASHINGTON

90 FEB 20 PM 1:54

**CLOSED**

February 13, 1990

VIA TELECOPY AND MAIL

Noreiga E. James  
Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463

re: MUR 2175  
Americans With Hart, Inc., et al.

FEDERAL ELECTION COMMISSION  
90 FEB 20 PM 3:50

Dear Mr. James:

To confirm our two telephone conversations of the last few days, Americans With Hart, Inc. will be in the position to pay the remaining \$5,255 due to the Commission on or prior to February 28, 1990. The delay in payment resulted from a lack of funds.

Please call should you have any questions.

Very truly yours,



90040703061

RECEIVED  
FEDERAL ELECTION COMMISSION JUN

**BERNARD E. SCHNEIDER**  
600 NEWPORT CENTER DRIVE, SUITE 200  
NEWPORT BEACH, CA 92660

98 FEB 28 PM 12:27

**CLOSED**

February 21, 1990

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Noriega E. James  
Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463

re: MUR 2175  
Americans With Hart, Inc., et al.

Dear Mr. James:

Enclosed please find our check in the amount of \$5,255 representing the final payment to the Commission of the fine payable pursuant to the Conciliation Agreement dated July 25, 1988.

Very truly yours,



Enclosure

BES/vk:F8750-0001.49

0004070306

066 5562

FEDERAL ELECTION COMMISSION

**BUCHALTER, NEMER, FIELDS & YOUNGER**

90 MAR -1 PM 12:48

1113

A PROFESSIONAL CORPORATION

CLIENTS TRUST ACCOUNT

700 S. FLOWER ST., STE. 700 213-628-6700

LOS ANGELES, CA 90017

Feb. 21 1990

18-24/1220/709

PAY TO THE ORDER OF Federal Election Commission

\$ 5,255.00

**The sum of 5255 dol's 00 cts**

DOLLARS

PRIVATE BANKING GROUP

**WELLS FARGO BANK**

333 SOUTH GRAND AVENUE, LOS ANGELES, CA 90071

MEMORANDUM

TO: DEBRA A. TRIMIEW

TO: CHERYL T WILLIAMS

FROM: CHERYL T WILLIAMS

FROM: DEBRA A. TRIMIEW

CHECK NO. 1113 [A COPY OF WHICH IS ATTACHED] RELATING TO

MJR 2175 AND NAME Americans Will Hurt You et al

(James)  
WAS RECEIVED ON 3/1/90. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER \_\_\_\_\_

SIGNATURE Salvador B. ...

DATE 3/1/90

00040707000



FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

Microfilm  
 Public Rcds  
 Press

THE FOLLOWING DOCUMENTATION IS ADDED TO  
THE PUBLIC RECORD IN CLOSED MUR 2175.

6/7/94

94043522848



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 7, 1986

MEMORANDUM

TO: CHARLES N. STEELE  
GENERAL COUNSEL

THROUGH: JOHN C. SURINA  
STAFF DIRECTOR

FROM: ROBERT J. COSTA  
ASSISTANT STAFF DIRECTOR  
AUDIT DIVISION

SUBJECT: AMERICANS WITH HART, INC. - MATTERS  
REFERRABLE TO THE OFFICE OF GENERAL COUNSEL

On May 7, 1986, the Commission approved for referral to your office four matters resulting from the audit of Americans With Hart, Inc. (See Attachments 2 through 5.)

If you have any questions regarding these matters, please contact Ray Lisi or Rick Halter at 376-5320.

Attachment as stated

94043522849

Receipt of Apparent Excessive Contributions From Individuals

The Act provides, at 2 U.S.C. § 441a(a)(1)(A) that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

A review of the Committee's contribution records disclosed that the Committee received contributions from 49 individuals which were in excess of the individual's contribution limitation. The excessive portions totalled \$19,606.97. This amount included unrefunded contributions, contributions attributed to other individuals without obtaining the signature of those individuals, and contributions not reattributed or refunded within a reasonable period of time after the date of receipt. The Committee Treasurer stated that he would forward to the Audit staff a response detailing the Committee's efforts in handling excessive contributions.

The interim report recommended that the Committee provide evidence that the contributions were not excessive or issue refund checks and provide copies (both front and back) of the negotiated refund checks.

On September 4, 1985, the Committee submitted documentation relating to the reattribution or refund of the excessive portions of contributions totaling \$17,659.90. This documentation includes copies of refund checks or signed statements from individuals whose signatures on the statements affirm an interest in the account on which the original contribution was made. The Committee's response included documentation for the remaining excessive contributions totaling \$1,947.07, however, the Audit staff deemed it inadequate for the following reasons: 1) a reattribution of an excessive contribution to an apparent corporation (\$25); 2) lack of signed statements for four contributions totaling \$1,298.57; and 3) the lack of the copy of the reverse side of 2 refund checks totaling \$623.50.

In addition, our review revealed that of the \$17,659.90 reattributed above, three statements show a reattribution to individuals with different surnames than the original contributor, and in one case, the contribution was reattributed to an individual with a different surname who resides in a different state. (See Exhibit B).

94043522850

It should be noted that none of the reattributions or refunds took place within a reasonable time period as prescribed by the Commission approved Materiality Thresholds. On the average it took the Committee 241 days from the date of receipt of the contribution to take action (i.e., refund, reattribute).

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel.

94043522851



FOR PRESIDENT

17 October 1984

Dear Ms. Derby:

Thank you for your generous contribution to Gary Hart's presidential campaign. From his tremendous victory in New Hampshire, and throughout the ups and downs of the primary campaign, we know that our successes have been made possible by people like you.

We need your additional help before we can accept the full amount of the contribution received from you. Because federal campaign law limits the contributions which may be made by an individual to \$1,000, we are allowed to attribute only \$100.00 of the contribution described below to you. We very much need the entire contribution which you sent to us, and can keep it all, if it is possible for you to attribute a portion of the gift to another person or persons.

If the statement at the bottom of this page is true for this contribution, please sign it and obtain the signatures of the other persons to whom the contribution may be attributed. Please note that no more than \$1,000 may be attributed to any one person.

Sincerely  
*Patti Sampers*  
Patti Sampers  
Campaign Staff

We certify that the contribution of \$1,000, dated 4/23/84, and drawn on check # of the account identified as Marie B. Derby, represents a joint contribution and is drawn on an account which contains or represents the personal funds belonging to the undersigned in the amounts indicated:

Name:	Address:	Amount
Marie B. Derby Occupation: small business Signature: <i>Marie B. Derby</i>	937 Sandpiper Ln Vero Beach Fla 32963 Company name: Self	\$ 750.00
<i>Jewell</i> Name: <i>Jewell</i> Occupation: <i>...</i> Signature: <i>Jewell</i>	Address: <i>...</i> Vero Beach Fla 32960 Company Name:	\$ 250.00
Name: Occupation: Signature:	Address: Company name:	\$

Please note that the signature of each contributor is required. If you have any questions please call us at (303) 388-5555. \$1,000

94043522852

# GARY HART

WASHINGTON, D.C.  
July 8, 1985

Mr. Frank M. Exner  
10333 Olive Avenue, #122  
Peoria, AZ 85345

Dear Mr. Exner,

pursuant to your recent conversation with my staff concerning reattribution of excess contributions, we ask that you complete the verification below and return it as soon as possible to our office. Please note that both your signature and that of the person to whom you are reattributing the excess amount are needed.

Thank you for your cooperation in this matter and again, many thanks for your generous contribution.

Sincerely,

*Michael Novelli / sm*

Michael Novelli  
Chief Financial Officer

.....  
This is to certify that the contributions of \$345 and \$600 to Americans with Hart, Inc. deposited on March 2, 1984 and July 13, 1984, respectively, from the account identified as Frank M. Exner represents personal funds belonging to the undersigned in the amounts indicated below.

Name: Mr. Frank M. Exner  
Address: 10333 Olive Avenue, #122  
Peoria, AZ 85345

Amount

Signature: *Frank M. Exner*

—

Name: Elizaebth Cady  
Address: 218 W. Davis  
Yellow Springs, OH

\$945

Signature: *Elizaebth Cady*

Business: \_\_\_\_\_

Occupation *Teacher*

94043522853

August 3, 1984

Dear Mr. Gene Panella

Thank you for your generous contribution to Gary Hart's presidential campaign. From his tremendous victory in New Hampshire, and throughout the ups and downs of the primary campaign, we know that our successes have been made possible by people like you.

We need your additional help before we can accept the full amount of the contribution received from you. Because federal campaign law limits the contributions which may be made by an individual to \$1,000, we are allowed to attribute only ~~none~~ of the contributions described below to you. We very much need the entire contribution which you sent to us, and can keep it all, if it is possible for you to attribute a portion of the gift to another person or persons.

If the statement at the bottom of this page is true for this contribution, please sign it and obtain the signatures of the other persons to whom the contribution may be attributed. Please note that no more than \$1,000 may be attributed to any one person.

Sincerely

*Patti Sampers*  
Patti Sampers  
Campaign Staff

We certify that the contribution of \$750, dated 5/29/84, and drawn on check #3935 of the account identified as *Gene Panella*, represents a joint contribution and is drawn on an account which contains or represents the personal funds belonging to the undersigned in the amounts indicated:

Name: <i>Gene Panella</i>	Address: <i>2346 Phoenicia Rd</i>	Amount: <i>(\$3938 = \$750)</i>
Occupation: <i>Equipment Leasing &amp; Rental</i>	<i>Stockton, Calif.</i>	<i>\$1000</i>
Signature: <i>Gene Panella</i>	Company name: <i>95207</i>	<i>4/8/84 = 250</i>
		<i>\$1000</i>

Name:	Address: <i>2379 Lyle</i>
Occupation: <i>Billy Scrogals</i>	<i>Arde, Stockton, Calif.</i>
Company Name:	

Name:	Address:	\$
Occupation:		\$
Signature:	Company name:	

Please note that the signature of each contributor is required. If you have any questions please call us at (303) 388-5555. *\$1000-*

*\*and \$250, dated 4/8/84, is drawn on check # 3820 of the*

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Apparent Corporate Contributions

Section 441b of Title 2, United States Code, states in relevant part, that it is unlawful for any corporation to make a contribution in connection with any election to any political office and for any candidate, political committee or other person knowingly to accept or receive any contribution prohibited by this section.

Section 100.7(a)(4) of Title 11, Code of Federal Regulations states that the extension of credit by any person for a length of time beyond normal business or trade practice is a contribution, unless the creditor has made a commercially reasonable attempt to collect the debt. A debt owed by a political committee which is forgiven or settled for less than the amount owed is a contribution unless such debt is settled in accordance with the standards set forth at 11 CFR 114.10.

Section 114.10 (a) of Title 11, Code of Federal Regulations, states, in part, that a corporation may extend credit to a political committee in connection with a Federal election provided that the credit is extended in the ordinary course of the corporation's business. In addition, 11 C.F.R. § 114.10(c) states, in relevant part, that the corporation and/or the debtor must file a statement of settlement with the Commission including the initial terms of credit, the steps the debtor has taken to satisfy the debt, and remedies pursued by the creditor. This statement must be filed prior to the termination of the reporting status of the debtor and the settlement is subject to Commission review.

A review of the Committee's expenditure records and debts and obligations disclosed outstanding balances owed to three incorporated media firms totalling \$711,441.86.

One media firm received full payment for all TV and radio spot buys purchased on behalf of the Committee; however, \$162,679.77 in production, overhead, and travel costs incurred by the firm had not been paid at the completion of the audit fieldwork. The Committee disclosed a debt owed to the media firm on its 1985 October 15 Quarterly Report of \$152,464.95. The difference of \$10,214.82 appears to represent an amount in dispute between the vendor and the Committee.

94043522855

The second firm purchased TV and radio buys totalling \$848,500 on behalf of the Committee. A balance of \$400,000 remained outstanding to this vendor at the close of the fieldwork. The difference of \$448,500 was paid upon receipt of the vendor invoice. In addition, the Committee owes \$36,184.51 to the same vendor for promotional items (i.e., bumperstickers, buttons, etc.). The unpaid TV and radio spots ran in May, 1984 and the promotional material was billed during March and April, 1984. The Committee's 1985 October 15 Quarterly Report discloses a \$436,184.51 debt owed to the vendor.

The third vendor purchased \$106,000 in TV/radio spots on behalf of the Committee during March, 1984, and as of the close of the fieldwork had not received payment from the Committee. The vendor sent monthly billings to the Committee including a finance charge of 1-1/2% per month on the unpaid balance as well as other miscellaneous charges (e.g. delivery, telephone, and other collection expenses). The latest billing available from the vendor, dated 8/8/84, showed a balance due of \$112,577.58. The Committee disclosed a debt to the vendor of \$105,412.80 on its 1985 October 15 Quarterly Report.

A review of media purchases for other candidates participating in the 1984 Presidential election disclosed that it was the practice for those media firms to require payment for media spot buys in advance of placement.

Based on the information noted above, it appeared that the media vendors made and the Committee received contributions prohibited by 2 U.S.C. § 441b totaling \$1,159,941.86. Of this amount, \$961,077.58 were funds advanced for spot buys and \$198,864.28 represented promotional materials, production, overhead, and travel costs.

In addition to the debts noted above, it appeared that the Committee had agreed to settle a debt with an incorporated print media consultant without having the settlement reviewed by the Commission. The debt was comprised of \$10,000 in consulting fees for January and February, 1984, \$88,097.71 representing a 15% commission for placement and \$3,352 for handling charges on production for a total of \$101,449.71. In a memorandum dated April 12, 1984, from the media firm to the Committee, the firm proposed a settlement of \$39,990.85. This figure included a reduction of the commission by 50% to \$44,048.85, a waiver of the \$3,352.00 fee for handling charges on production and applying \$14,058 in commissions due from a newspaper to the debt.

94043522856

In an October 12, 1984, memorandum to the Audit staff, the media vendor stated that the balance of the debt at that time was \$29,990.85. The Treasurer of the Committee stated at the exit conference that he was not aware of the circumstances surrounding the proposed settlement and that the details had been handled by the Committee's campaign director and the Committee's finance director.

The interim audit report recommended that the Committee provide evidence to the Audit staff to demonstrate that these extensions of credit are not contributions pursuant to 11 C.F.R. § 100.7(a)(4). Further, it was recommended with respect to the print media consultant with which the Committee made an apparent debt settlement, that the Committee comply with the debt settlement procedures as prescribed by 11 C.F.R. § 114.10(c).

In its response, the Committee presents arguments that each of the firms in question had extended the credit in the normal course of business and that the firms have made commercially reasonable attempts to collect the debts. To support these arguments, the Committee submitted affidavits from officers of two of the media firms in question and one from an officer of a media firm not involved in this matter. In each case, the affidavits clearly state that the extension of credit for a reasonable period of time to a political campaign, the size and risk of the Committee, was in the ordinary course of business for the media firms.

With respect to the reasonableness of the debt owed to the first media firm (\$162,679.77), the Committee contends that based upon the volume of business transacted, the size of the current debt is "relatively modest". The response points out that it was only at the end of the campaign that the Committee failed to make payments.

Regarding the debt owed to the second media vendor (\$436,184.51), an affidavit from its Vice President asserts that the Committee promptly paid in full the media firm's initial billings and based on this payment record, it was reasonable to extend additional credit for the purchase of media spots.

94043522857

For the third media vendor (\$112,577.58), the Committee addresses an affidavit\* which was not included with the response. However, the response did include an affidavit from the deputy campaign manager which states that it was his understanding that the terms of the contract proposed by the vendor were in the normal course of business. The terms of the contract according to the documentation reviewed by the Audit staff were media buys in March of 1984 totaling \$106,000 and finance charges of 1-1/2% per month until the account is paid in full. To date, no payment on this account has been made.

With respect to the apparent debt settlement with an incorporated print media consultant, the Committee's response contends that a debt settlement has not been entered into but rather that there exist a dispute between the Committee and the vendor as to size of the debt. In the response, the Committee claims that the amount which is claimed as a receivable by the vendor (\$101,449.71)\*\* has never been recognized by the Committee as the actual amount due to the vendor. Rather, the Committee contends that the vendor is owed substantially less (\$31,055.86) as disclosed in the 1985 October 15 Quarterly Report.

Based on the review of the Committee's response and our review of other media firms' payment arrangements with respect to the other 1984 primary candidates, the Audit staff is of the opinion that the extension of credit by the three media vendors for media buys does not appear to be in the ordinary course of business. The arguments and affidavits included in the response do not alter the fact that it has been the Audit staff's experience that media firms require payment in advance (from the Committee) for the purchase of air time (TV/radio).

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\* This document was received 9 days after the due date for the response, and was not considered for purposes of this discussion (see Exhibit C for copy).

\*\* See Exhibit D for a copy of correspondence to Rick Halter (Deputy Assistant Staff Director for the Audit Division) from the bookkeeper of the vendor which to date is the only documentation made available to verify the total amount of charges.

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With respect to production and other non-air time expenses, the Audit staff feels that the Committee has sufficiently documented that these expenses (\$198,864.28) were billed on a regular billing cycle and that advance payment was not required of the committee. Therefore, it is the opinion of the Audit staff that the Committee has demonstrated that the \$198,864.28 representing extensions of credit for these expenses is not a contribution under 11 C.F.R. § 100.7(a)(4).

As for the apparent debt settlement with the print media consultant, the Audit staff is of the opinion that a debt settlement was not entered into by the Committee and the consultant and therefore, a violation of 11 CFR § 114.10(c) did not occur.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel.

94043522859

5 SEP 13 P 4: 36

LAW OFFICES  
**SONOSKY, CHAMBERS & SACHSE**

1050 31ST STREET, N.W.  
WASHINGTON, D.C. 20007  
(202) 342-9131

ANCHORAGE OFFICE  
SUITE 1800  
DENALI TOWERS NORTH  
2880 DENALI STREET  
ANCHORAGE, ALASKA 99503  
(907) 338 6377

MARVIN J. SONOSKY  
HARRY R. SACHSE  
REG. PEYTON CHAMBERS  
WILLIAM E. PERRY  
LLOYD BERTON MILLER  
DONALD J. SIMON  
DOUGLAS S. L. ANDERSON

KEVIN A. GRIFFIN  
MARY V. BARNEY  
LOUISE LYNCH

OF COUNSEL  
LOFTUS E. BECKER, JR.

PRESIDENT PARTNER ANCHORAGE OFFICE  
ADMITTED IN WISCONSIN

September 13, 1985

BY MESSENGER

Mr. Robert J. Costa  
Assistant Staff Director  
Audit Division  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

Re: Interim Audit Report of  
Americans With Hart

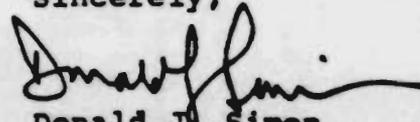
Dear Mr. Costa:

Enclosed with this letter are supplementary materials in support of the response to the interim audit report filed by the Americans With Hart Committee on September 4. These materials include an Affidavit of Peter J. Semper, which is referenced at page 20 of the Committee's response, and the written reattributions of excess contributions for Eleanor Goodspeed and James Chase, both of which are referenced at page 6 and Attachment 6 to the Committee's response. The materials also contain a copy of the Committee's refund check to Robert Klein, which has now cleared the bank.

We regret being unable to submit this material at the time of our response. I trust the audit staff will consider these materials along with the attachments we submitted with the Committee's response.

Thank you.

Sincerely,



Donald J. Simon  
Counsel for Americans  
With Hart

DJS/cmt  
Enclosure

94043522860

AFFIDAVIT OF PETER J. SEMPER

Peter J. Semper being duly sworn, states as follows:

1. I am Peter J. Semper and I reside at 1341 Vienna Way, Venice, CA 90291.
2. I am employed as President at Semper/Moser Associates, Inc., 1744 W. Washington Boulevard, Venice, CA 90291.
3. Semper/Moser is a full service advertising agency.
4. I am familiar with the billing and credit practice of Semper/Moser, and with the account of Americans with Hart.
5. Semper/Moser Associates provided media services to the Hart Committee. The Committee was to pay for media purchases, commissions and our services, and reimburse us for spot buys and other expenses within 60 days of our invoices for the services and advances.
6. This arrangement was in the ordinary course of Semper/Moser's business and in accord with its treatment of non-political clients of similar risk.
7. The Committee now owes Semper/Moser \$ 132,054.15 in unpaid invoices.

*Peter J. Semper*

State of California )  
County of Los Angeles) ss.

On September 4, 1985, before the undersigned, A Notary Public for the State of California, personally appeared Peter J. Semper, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.



*Mary Ann Charters*  
Mary Ann Charters, Notary Public  
My Commission Expires August 18, 1989

94043522861

**GARY HART**  
WASHINGTON, D.C.

July 8, 1985

Mr. James D. Chase  
2962 Sioux Run  
Des Moines, IA 50321

Dear Mr. Chase,

Pursuant to your recent conversation with my staff concerning reattribution of excess contributions, we ask that you complete the verification below and return it as soon as possible to our office. Please note that both your signature and that of the person to whom you are reattributing the excess amount are needed.

Thank you for your cooperation in this matter and again, many thanks for your generous contribution.

Sincerely,

*Michael Novelli*  
Michael Novelli  
Chief Financial Officer

\*\*\*\*\*

This is to certify that the contribution of \$150 to Americans with Hart, Inc. deposited on April 25, 1984 from the account identified as James D. Chase represents personal funds belonging to the undersigned in the amounts indicated below.

	<u>AMOUNT</u>
Name: James D. Chase	
Address: 2962 Sioux Run Des Moines, IA 50321	--
Signature: <i>James D. Chase</i>	
Name: Peter C. Percival	\$150
Address: 1000 Carrier Building Des Moines, IA 50309	
Signature: <i>Peter C. Percival</i>	
Business: _____	Occupation: _____

9404322862

This is to certify that the contribution of \$700 to Americans with Hart, Inc., deposited on April 20, 1984 from the account identified as Elinor Goodspeed represents personal funds belonging to the undersigned in the amounts indicated below:

	Amount
Name: Elinor Goodspeed	
Address: 1401 N Street, N.W., #601 Washington, D.C. 20005	\$600

Signature: *Elinor Goodspeed*

Name: Madelyn Coleman	
Address: 3629 Ordway St., N.W. Washington, D.C. 20016	\$100

Signature: *Madelyn Coleman*

Business: \_\_\_\_\_ Occupation: *Retired*

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AMERICANS WITH HART, INC.

PH. 202-675-6000

311 MASSACHUSETTS AVE., N.E.  
WASHINGTON, D.C. 20002

2833

Robert Klein

08-22-85 004 20 0530

777777777

9/1 1985

1571

\$ 523<sup>50</sup>...

five hundred twenty three & 50/100

DOLLARS



FOR refund contribution

A J Van Hove

⑈002833⑈ ⑆054000072⑆ ⑆260 25 ⑆

⑈0000052350⑈

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**Martila & Kiley, Inc.**

84 State Street, Boston, MA 02109  
1617) 523-1525

Mr. Rich Halter  
F.F.C.

Dear Mr. Halter,

October 12, 1984

For our advertising work we are compensated by receiving the normal 15% commission for placement. In our work for the Hart Campaign, we went far beyond our normal practice of simply placing the ads. We were actively involved in the creative work which included the design, layout and mechanicals for the ads.

We also made sure that all the materials needed for the ads were delivered to the newspapers.

The accompanying schedule for our commissions is for \$88,097.91, which is based on the normal 15% commission for placement.

As per our settlement agreement with the Hart Campaign on April 12, 1984, we are awaiting payment of \$28,990.33 for commissions. This amount is arrived at by taking one half of the \$88,097.91 which is 7½% for advertising placement minus \$14,058.00 in commissions paid to us by the New York Times.

Sincerely,

*Mary Dennis*

Mary Dennis  
Bookkeeper

94043522866

**Marttila & Kiley, Inc.**  
84 State Street, Boston, MA 02109  
(617) 523-1525

James  
Skrothe? - 160,000  
Coddell - 125,000  
Nashille - 40,000

MEMORANDUM

TO: Pudge Henkel, Eli Segal, James Dwinell; cc: John McEvoy  
FROM: John Marttila  
RE: Money Owed Marttila & Kiley  
DATE: April 12, 1984

EL

94043522867

-----

Once again, I must bring to your attention the serious amount of money that is owed our company for our work during the past several months. We have tried repeatedly to get the campaign leadership to focus on this issue, to no avail. There are two primary considerations:

1. First, since we haven't received any compensation, our company is under severe financial pressure. Also, the creative people who have done the work for the Hart campaign have received only a fraction of the money owed them. Consequently, our relationship with these individuals has been strained to the near breaking point. In total, we owe them nearly \$20,000;

2. Second, because we have received no money, our company and the campaign now stand in serious violation of the FEC law regarding corporate contributions to campaigns.

The purpose of this memo is to briefly outline:

1. The services for which our company is normally compensated;
2. A brief description of the relationship which normally would have covered this degree of involvement;
3. The amount of money which would have been owed to us under this normal agreement;
4. Our recommended settlement.

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MARTILA & KILEY PROFESSIONAL SERVICES

Our company is a marketing firm which has specific capabilities in:

1. Strategic/management consulting;
2. Survey research;
3. Advertising.

Since different people within our company perform each of these services, we are paid separately for each of them. Our fees for strategic and management consulting are based upon the amount of time we spend on the project at a billing rate of \$1,250 per day. Our fees for polling conform to standard industry practice; i.e., a specified amount per interview depending upon the size of the sample and the length of the questionnaire. For our advertising work, we are compensated by receiving the normal 15 percent commission for placement.

As a practical matter, we frequently have clients who contract for one or two of our services but not necessarily for all three. In those instances where clients contract for all three, we generally perform the services of survey research and strategic planning for one agreed upon monthly retainer; and we are paid separately for the advertising work from the commissions. Since we have always created the advertising material as well as place it, we have always been compensated at the 15 percent rate.

94043522869

A TYPICAL RELATIONSHIP WHICH WOULD HAVE COVERED  
OUR RELATIONSHIP WITH THE HART CAMPAIGN

As we have suggested in previous memos, our proposed business relationship for our involvement with the Hart campaign would have included a monthly retainer for our strategic/management consulting and survey research; and commissions for the advertising. Of course, since this relationship was never formalized, this is only a conceptual approach.

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Actually, we were planning to make some adjustment to this normal approach depending upon the level of advertising for a particular month; e.g., during January and February when there was no advertising, we would have received a consulting fee. During the month of March when there was a considerable amount of advertising, we would have included all of the consulting work we provided for the campaign as well as the poll, within the commissions for the advertising work. The proposal I gave to Pudge after Illinois was an attempt to identify ways in which we could help the campaign, and identified possible different methods of compensation. As a practical matter, we believe the method of compensation would have changed on a monthly basis depending upon the level of the print advertising we were producing for the campaign.

STRATEGIC CONSULTING/MANAGEMENT CONSULTING

The \$10,000 due us covers the months of January and February per the January 27th memo. Since the advertising expenditures were so large during the month of March, we would not have charged any fees for our management and strategic consulting.

As consultants to the campaign in March, our company made an absolutely massive commitment to the campaign. Virtually all of my time as well as Debbie Katz' time was devoted exclusively to the Hart campaign during the month of March. Additionally, Tom Kiley, who normally only supervises survey research, also participated in this activity. Between Debbie, Tom, and me, my guess is that we put in a minimum of 45 person days during the month of March on the campaign.

Beyond the three of us, one of our staff people, Paul Carton, spent two weeks in Puerto Rico negotiating the special relationship with the Popular Democratic Party. Paul was also asked by Doug Rosen- Wilson to spend three or four days in New York to help out with some planning for the New York Hispanic community. Our participation with the Popular Democratic Party on behalf of the Hart campaign was a particularly risky business proposition for us. We have an existing business agreement with the PPD which is expected to generate more than \$100,000 between now and November. Against the advice of most of his advisors, Rafael Hernandez Colon agreed to participate in

*was sent  
down*

94043522871

2)

the Presidential primary campaign on behalf of Gary. Because of the recent difficulties of the Hart campaign, many of his advisors are calling his participation a mistake and our leadership on this issue is becoming a source of considerable controversy. There is a very real possibility that our sponsorship of the pro-Hart activity within the PPD may adversely affect our business relationship.

Thus, in total, we invested nearly 60 person days on the Hart campaign during the month of March. Without being self-serving, we <sup>threw</sup> ~~through~~ ourselves into the campaign without much regard for normal business practice or compensation. Indeed, we actually pulled back from two of our existing clients for a net loss to the company of more than \$10,000 in strategy and management consulting fees. All things considered, we gave the campaign an enormous amount of time in this area.

#### SURVEY RESEARCH

We conducted one poll of Massachusetts for the Hart campaign. Currently, we have been reimbursed for the out-of-pocket expenses associated with this survey but were not compensated for any of our time. Given the scope of the commissions for the month of March, we would not have charged any money for our time.

94043522872

ADVERTISING

As you will see from the attached invoice, the 15 percent commissions due on the entire placement would be \$88,097.71. James Dwinell informed me that Ray Strother is only receiving 7½ commission and at one point suggested 7½ as a proper level of compensation for our work. At the time I pointed out that we were not only doing the creative work but we were also placing the advertising as well. Consequently, while we would have been willing to negotiate on this number, I don't believe we would have been willing to negotiate for much less than 10 percent commissions. Actually, we probably would have developed some sort of sliding scale from 15 percent down to 7½ percent depending upon volume.

We produced an extraordinary amount of print advertising during the month of March. To accomplish this level of work, we employed four different groups of creative teams and added two full-time employees to conduct the newspaper research for the campaign and place the advertising, as well. In short, it was a massive commitment of our company's resources.

In addition to the 15 percent commission, most advertising agencies charge a standard mark-up of 17.65 percent for handling all of the routine typography, veloxes, etc. This mark-up is a standard part of our contract and in this particular instance, that amount would have come to \$3,352.00.

94043522873

As we have mentioned previously, we currently owe the creative people who have performed the work for us during the past month and a half nearly \$20,000. Additionally, there are other Hart out-of-pocket staff expenses which have been accumulated in staffing up for the media research and placement as well as for extra hours, extra days and week-ends of our own staff's time. We guess that the "hard" personnel costs associated with all of this advertising effort is approximately \$30,000. Without any exaggeration, our company was consumed by this activity seven days a week, into the wee hours of the morning, for most of the month of March.

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OUR PROPOSED SETTLEMENT

We believe we should receive the full \$10,000 committed for the months of January and February per the January 27, 1984 agreement.

For our consulting, the poll, and the creation and placement of the advertising for the month of March (through the New York primary) we recommend a final settlement of \$44,048.85. This number conforms to James Dwinell's recommended 7½ percent figure. We would waive the \$5,352.00 17.65 percent mark-up on all the production as part of this settlement.

Currently, The New York Times has \$14,058 in commissions which we expect by mid-May. Subtracting this figure from the total amount owed would leave a total of \$39,990.85 which would still be due us.

All things considered, given the tremendous amount of time we invested in the campaign and the huge amount of real expenses we have assumed, we believe this settlement figure to be a reasonable and generous one. We reduced it to the lowest possible level in the expectation that we could receive prompt payment.

1. NY Times Commission  
2. Personal expenses - People's Hotel meals

94043522875

Apparent Excessive Expenditures By Candidate

Section 9035 of Title 26, United States Code states, in relevant part, that no candidate shall knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election to the office of President in excess of, in the aggregate, \$50,000. Just as an advance of personal funds for goods or services on behalf of a committee with an expectation of repayment is a contribution for purposes of applying the contribution limits an advance by a candidate on behalf of his or her own campaign would be an expenditure for purposes of applying the expenditure limits of 26 U.S.C. Section 9035. Although, in the case of the use of a credit card, the advance technically occurs in the legal sense when the card is tendered in payment for the goods or services, again the Audit Division as a matter of practice has identified for Commission consideration those instances where an excessive contribution may exist as a result of claims for travel and subsistence reimbursement having gone unpaid for more than 30 days from the date the claim was submitted to the committee or where credit card bills submitted directly to the campaign committee have gone unpaid beyond the payment due date.

As a result of review work performed, the Audit staff identified five credit card accounts, charges against which were for qualified campaign expenses. It appears that three accounts were maintained solely by the Candidate, while the other two were in the name of the Candidate and the Committee.<sup>1/</sup> These accounts were used to charge various expenses (travel, food and lodging), during the period April, 1982 through July, 1984. A review of accounts indicated that for two accounts a portion of the charges were not campaign-related. The Committee made payments to the issuing institutions for campaign expenses, and the Candidate made payments for items of a personal nature. Based on the records available relative to the other three accounts, it appears that all charges were for qualified campaign expenses and that all payments applied originated from the Committee. Before a detailed discussion of each account, several significant facts regarding the Candidate's expenditure limitation are discussed below.

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<sup>1/</sup> According to the account request, the Committee and Candidate would be held jointly and severally responsible for all transactions made on the account(s).

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On January 10, 1983, U.S. Senator Gary W. Hart became a candidate for nomination for election to the office of President 2/. The Candidate made a contribution, in the amount of \$3,750.00, to the Committee on June 28, 1983 by check. The Committee deposited this check in its campaign account on June 30, 1983. Approximately one month later, on July 27, 1983, the Candidate guaranteed a loan of \$45,000 to the Committee, bringing his contribution total to \$48,750. Therefore, as of July 27, 1983, the Candidate had "used up" all but \$1,250 of the \$50,000 limitation provided by 26 U.S.C. § 9035(a) as a result of the two contributions detailed above.

A review of disclosure reports filed by the Committee did not show that any portion of the \$3,750 had been refunded as of October 31, 1984. With respect to the \$45,000 guarantee, on February 14, 1984, the Candidate obtained a release from the guarantee and on the same date obtained a \$45,000 loan, secured by a second mortgage on real property. The proceeds of this loan were loaned to the Committee on February 14, 1984.3/ In summary, during the period from July 27, 1983 through October 31, 1984, the Candidate was permitted to expend no more than \$1,250 before exceeding the \$50,000 limitation at 26 U.S.C. § 9035(a).

Detailed below is an analysis of charges made to credit card accounts of the Candidate (Items (1), (2), and (3)), as well as an analysis of charges made to credit card accounts which were apparently held in both the Candidate's and the Committee's name (Item 4/5).

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- 2/ A Statement of Candidacy (FEC Form 2), dated January 5, 1983 was received by the Commission on January 10, 1983.
- 3/ According to the 1985 October 15 Quarterly Report the loan was paid in full on 9/23/85.

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(1) This account was used for both campaign-related and non-campaign-related expenses. Payments on this account were made by the Committee and the Candidate. Charges were made to this account, based on records available, during the period April, 1982 through July 23, 1984. Payments were credited to this account on a relatively regular basis, with the balance owed being paid generally within 30 days of the date of the statement. Further, no significant amount of credit was extended during the period July 23, 1983 through July 23, 1984. It is the Audit staff's opinion that this account, used for both the campaign-related expenses and the personal expenses of the Candidate should not be viewed as material in calculating a possible excessive expenditure by the Candidate.

(2) This account was active during the period April, 1982 through September 1984, according to records reviewed during audit fieldwork. The amount of charges on this account was significant, and as of the statement dated August 8, 1983, the balance owed amounted to \$23,197.03. Although, there were credits applied to the account for unused transportation tickets, no payment was made against the \$23,197.03 balance until January 8, 1984 in the amount of \$4,000.00 via Committee check. The issuer of this credit card indicated on the statement that payment in full was to be made upon receipt of the statement, and to avoid any delinquency charges, payment in full was to be received approximately 22 days from the statement date.

It was not until the payment of June 19, 1984, that the August 8, 1983 balance of \$23,197.03 was finally liquidated. It should be noted that charge activity occurred beyond August 8, 1983 and according to the statement dated November 7, 1983, the account had been cancelled by the issuing authority.

On several occasions, account balances in excess of \$1,250 were not paid by the Committee within the time limits prescribed by the issuing institution. To the extent that these balances were the personal obligation of the candidate and were in excess of the \$1,250 allowance remaining at the time, the candidate was in excess of the \$50,000 expenditure limit. Specifically:

- a. As of the August 30, 1983, due date, an account balance of at least \$22,108.53 was still owing (\$23,197.03 minus the \$1,088.50 credit to account subsequently allowed for the period of August 9, 1983, through September 8, 1983);

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- b. As of the September 30, 1983, due date, an account balance of at least \$23,190.56 was still owing;
- c. As of the October 29, 1983, due date, an account balance of at least \$23,511.32 was still owing (\$24,245.32 minus \$734 credit);
- d. As of the November 29, 1983, due date, an account balance of at least \$24,321.83 was still owing (\$24,546.83 minus \$225 credit);
- e. As of the December 29, 1983, due date, an account balance of at least \$24,929.88 was still owing;
- f. As of the January 31, 1984, due date, an account balance of at least \$17,453.13 was still owing (\$21,453.13 minus \$4,000 payment by check dated January 30, 1984);
- g. As of the March 1, 1984, due date, an account balance of at least \$17,889.46 was still owing;
- h. As of the March 31, 1984, due date, an account balance of at least \$10,398.70 was still owing (\$18,398.70 minus payments of \$4,000 and \$4,000 by checks dated March 6 and 29, respectively);
- i. As of the May 1, 1984, due date, an account balance of at least \$7,398.70 was still owing (\$10,398.70 minus \$3,000 payment by check dated April 26, 1984);
- j. As of the May 31, 1984, due date, an account balance of at least \$7,398.70 was still owing;
- k. As of June 30, 1984, an account balance of at least \$4,398.70 was still owing (\$5,398.70 minus \$1,000 payment by check dated June 19, 1984);
- l. As of July 31, 1984, an account balance of at least \$2,898.70 was still owing (\$4,398.70 minus \$1,500 payment by check dated July 11, 1984);
- m. As of August 31, 1984, an account balance of at least \$2,000 was still owing (\$2,898.70 minus \$898.70 payment by check dated August 31, 1984);

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Thus for example, as of the December 29, 1983 due date, after subtracting the candidate's remaining allowance of \$1,250 the candidate appears to have been in excess of the \$50,000 expenditure limit by at least \$23,679.88.

(3) Records available for review pertaining to this account indicated that both personal and campaign-related charges were made during the period March, 1983 through August 7, 1984. Payments on this account were made by the Committee and the Candidate. Payments were credited to this account on a regular basis, with the balance owed being paid generally within 30 days of the date of the statement. Based upon a review of the statements in hand, covering activity after July 27, 1983, it appears that no significant campaign-related activity occurred in this account. Therefore, it is the Audit staff's opinion, that this account should not be considered in determining a possible excessive expenditure by the Candidate.

(4)/(5) This account was opened in September, 1983, and on March 27, 1984 the balance transferred to a new account number. Based on the account request form contained in Committee records, this account was in the names of both the Candidate and the Committee. Each were "to be held jointly and severally responsible for all transactions made on the account(s)." Based on statements available from October, 1983 through October 8, 1984, all charges were for qualified campaign expenses and all payments on account were made from Committee accounts.

Using calculations like those in section (2), supra, the account balance still owing on the various payment due dates was at least:

\$ 140.00 on October 28, 1983  
\$5,074.54 on November 27, 1983  
\$5,790.81 on December 27, 1983  
\$ 534.69 on January 27, 1984  
\$1,461.72 on February 27, 1984  
\$2,276.27 on April 27, 1984  
\$1,817.91 on May 27, 1984  
\$1,468.91 on June 29, 1984  
\$1,496.47 on July 27, 1984  
\$1,529.65 on August 27, 1984  
\$1,355.59 on October 2, 1984

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Adding the foregoing balances to the corresponding balances in section (2), the amount of the apparent excessive expenditures increases. For example, on or about December 27, 1983, the amount of the apparent excessive expenditures reaches \$29,470.69 (\$24,929.88 balance owing on December 28, 1983, in section (2), plus \$5,790.81 balance owing on December 27, 1983, minus available allowance of \$1,250).

The interim report recommended that information be provided to demonstrate that the credit card usages and arrangements did not constitute an excessive contribution by the candidate. The report further recommended that the Committee produce whatever information it has, including evidence of written or oral agreements concerning the rights and obligations of persons involved in the issuance of the credit cards in question.

In its response, the Committee included an affidavit from the Vice President of the bank which issued the credit card denoted as (4/5). This affidavit indicates that the credit card was issued with the intent that it was to be a Committee card, not a personal card of the candidate. Further, the affidavit affirms that the card was "backed by the Committee's line of credit with (the bank) which in turn was secured principally by the Committees' expectation of federal matching funds." The affidavit further asserts that "it was the understanding of (the bank) that in the event the Committee failed to make payments on the credit card, the bank would look to the line of credit for satisfaction and not to the personal funds of (Senator Hart). In the bank's view, (Senator Hart was not a guarantor) on this card, which was solely an account of, and obligation of, the Committee." <sup>4/</sup>

4/ On 7/27/83 a \$350,000 line of credit was issued by First American Bank which was later increased to \$750,000 on 9/8/83. At no time did the outstanding balance exceed the amount specified by the line of credit with full repayment occurring on 3/9/84. It is not clear from a reading of the Committee's response that since the line of credit with the bank was terminated on 3/9/84 as evidenced by an executed release agreement and accompanying U.C.C. Terminations relating to the bank's security agreements with the Committee, to whom the issuing institution would look if the Committee failed to make a payment on the credit card. However, beginning with the April 2, 1984 statement through the October 8, 1984 statement, balances which were not paid by the statement due date ranged from \$2,276.27 to \$1,376.52 which in the Audit staff's opinion are not significant.

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The Committee also submitted affidavits from the candidate, the deputy campaign manager, and the assistant deputy campaign manager all of which state that the credit card in question was a card belonging to the Committee, not a personal card of the candidate. In the Audit staff's opinion, the Committee has provided sufficient evidence that this credit card account(s) was not a personal account(s) of the candidate but rather a Committee obligation and that the charges on this account(s) do not constitute excessive expenditures by the Candidate.<sup>5/</sup>

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With respect to the credit card denoted as (2), the response states that "Senator Hart reached an understanding with Committee personnel that he would use this card as a Committee card, and only for campaign charges. When bills were received by his Senate staff, they were automatically forwarded to the Committee for payment." According to Senator Hart's affidavit, "(a)t no time did I use my personal funds to pay for any qualified campaign expenditures incurred on this card. All such expenditures were the sole obligation of the Committee, not of myself, personally."

The Committee did not provide an affidavit or other sworn document from a representative of the issuing institution asserting that the candidate had no liability on this card. Based on this and the fact that the credit card account was a preexisting account applied for, granted to, and solely in the candidate's name, the Audit staff is of the opinion that any and all balances remaining outstanding after the payment due date constitute an excessive contribution on the part of the candidate to the extent that the balances exceed \$1,250.00, the portion of the contribution limitation to which the candidate was still entitled.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel.

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<sup>5/</sup> In the application letter, dated 6/27/83, relative to the initial \$350,000 line of credit, the Committee's campaign manager stated that the line of credit would be used ".... and (to) secure credit cards for Senator Hart and myself." The line of credit agreement was consummated on July 27, 1983, and as noted above the application for the credit card was dated August 18, 1983.

Apparent Excessive Contribution By Member  
of Candidate's Immediate Family

Section 441a(a)(1)(A) of Title 2, United States Code states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

The term contribution as defined at 11 C.F.R. § 100.7(a)(1) includes a gift, subscription, loan (except for a loan made in accordance with 11 C.F.R. § 100.7(b)(11)), advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.

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A person's use of personal funds, whether in the form of cash, check, or credit, to purchase goods or services on behalf of a political committee with the understanding that the committee later will provide reimbursement technically is an advance and hence a "contribution" within the meaning of the statute. See Advisory Opinion 1984-37, n.2, I Fed. Election Camp. Fin. Guide (CCH), Paragraph 5784 (Sept. 26, 1984) "[A]n advance of funds for services rendered to a candidate with an expectation of repayment, like a loan, is a contribution." In the case of the use of a credit card, payment for the goods or services is tendered upon presentment of the card by the card holder, and the advance on behalf of the committee dates from that transaction. This is so even though the credit card issuer subsequently will bill the credit card holder who, in turn, ordinarily then will pay the credit card issuer. From the moment the card holder uses the card, he or she incurs a legal obligation in the amount of the charge, and from that moment the committee on behalf of which the goods or services were purchased has received the benefit of the charge.

Even though the advance technically can be calculated from the moment a credit card has been used, the Audit Division in practice generally has identified for Commission consideration those instances where claims for travel and subsistence reimbursement have gone unpaid for more than 30 days from the date the claim was submitted to the committee or where credit card bills submitted directly to the campaign committee have gone unpaid beyond the payment due date. See, e.g., Memorandum to the Commission dated July 2, 1980, "Citizens for LaRouche - Letter of Threshold Audit Findings," Attachment I, p.2 (used as the basis for MUR 1253). This practice identifies those situations that best warrant application of the contribution or expenditure limitations of the Act and at the same time recognizes the practical difficulties campaigns and the Commission have in monitoring campaign worker expenses.

The Candidate's spouse made application for a credit card amount in a letter dated August 18, 1983. According to this letter, both the Candidate's spouse and the Committee were to be held jointly and severally responsible for all transactions on the account(s). Statements made available for Audit staff review show that beginning on September 29, 1983, charge transactions were made for qualified campaign expenses. Although the credit line on this account was \$6,000, balances per statements amounted to a high of \$24,724.07, as of January 2, 1984. The Committee made all payments on this account; however, in the case of the November 2, 1983 balance of \$5,811.74 and the December 2, 1983 balance of \$17,524.02, payment in full did not occur until January 6, 1984, which was 40 days and 10 days respectively, beyond the due date for payment.

On January 31, 1984, a second credit card account was issued to the Candidate's spouse into which the balance in the above account was transferred. Statements for this account were obtained for the period January, 1984 through March 2, 1984. On March 27, 1984, this account balance was transferred to a third account. Statements for this account were reviewed for the period March, 1984 through October 8, 1984. With respect to charges in the last two accounts, it should be noted that the February 2, 1984 balance of \$3,504 which had a due date for payment of February 27, 1984 was not paid in full until March 16, 1984, 18 days after the due date. Statement balances beginning with the April 2, 1984 statement through the October 8, 1984 statement were all less than \$1,000.

As detailed above, on three separate occasions, account balances in excess of \$1,000 were not paid by the Committee within the time limits prescribed by the issuing institution. To the extent that these account balances were the personal obligation of the candidate's spouse and were in excess of the spouse's \$1,000 contribution limit, the Committee was in receipt of an excessive contribution until sufficient reimbursement was made. Specifically, as of November 27, 1983 (the payment due date for the November 2, 1983, statement), an account balance of at least \$3,614.74 was still owing (\$5,811.74 minus the \$291.00 payment of November 23, 1983, and minus a \$1,906 credit to the account subsequently allowed for the period of November 3, 1983, through December 2, 1983); as of December 27, 1983 (the payment of at least \$16,336.02 was still owing (\$17,524.02 minus a \$1,188 credit to the account subsequently allowed for the period December 3, 1983, through January 2, 1984); as of February 27, 1984 (the due date for the February 2, 1984, statement), an account balance of at least \$2,298.00 was still owing \$3,504 minus the \$175.00 payment of February 22, 1984, minus the \$1,031

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credit to the account subsequently allowed for the period of February 3, 1984, through March 2, 1984). Thus, after subtracting the \$1,000 contribution allowance available to the candidate's spouse, the amount of the apparent excessive contribution on the three payment due dates noted above was, respectively, \$2,614.74, \$15,336.02, and \$1,298.00.

In the interim audit report, it was recommended that, within 30 days of receipt of this report, the Committee provide information to demonstrate that the aforementioned credit card usages and arrangements by the candidate's spouse did not constitute excessive contributions. The Committee should produce whatever information it has, including evidence of written or oral agreements, concerning the rights and obligations of persons involved in the issuance of the credit cards in question.

In its response to the interim report, the Committee set forth its position that the obligations incurred on the credit cards, issued in the name of Mrs. Hart and the Committee, were obligations of the Committee, not personal obligations of Mrs. Hart. The Committee notes that no funds were paid to or on behalf of, or advanced to, the Committee by Mrs. Hart in her use of the credit cards, and therefore, no illegal contribution was made by Mrs. Hart.

In support of its position, the Committee submitted affidavits from Mrs. Hart, Mr. James Dwinell, (Deputy Campaign Manager for Finance), and Mr. Joseph Lagomarcino (Vice-President of First American Bank of Washington). In brief, Mrs. Hart in her affidavit, as well as Mr. Dwinell, in his affidavit, stated that the credit cards in the name of Mrs. Hart and the Committee were to be used for campaign activities. Further, the Committee would be responsible for paying all bills, and that Mrs. Hart would be neither principally nor secondarily liable for payment of any campaign expenses incurred on the credit cards. Mr. Dwinell stated that the Committee had an express understanding with the Bank issuing the credit card that the Bank would look ultimately to the Committee's line of credit 1/ at the same Bank for payment on these accounts.

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The affidavits of Mr. Lagomarcino echoed the statements made by Mr. Dwinell and specifically stated that "In the banks' view, Senator and Mrs. Hart were not guarantors on this card, which was solely an account of, and obligation of, the Committee."

It is the opinion of the Audit staff that the Committee has demonstrated sufficiently that the obligations in question with respect to Mrs. Hart's activities are Committee obligations solely and thus do not represent excessive contributions by the Candidate's spouse.

Recommendation

In accordance with the request made in the General Counsel's analysis of the proposed final audit report, the matter is referred to the Office of General Counsel.

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1/ On 7/27/83 a \$350,000 line of credit was issued by First American Bank which was later increased to \$750,000 on 9/8/83. At no time did the outstanding balance exceed the amount specified by the line of credit with full repayment occurring on 3/9/84. It is not clear from a reading of the Committee's response, that since the line of credit with First American Bank was terminated on 3/9/84 and Mr. Lagomarcino executed the Release Agreement and accompanying U.C.C. Terminations relating to his bank's security agreements with the Committee, to whom would the issuing institution look if the Committee failed to make a payment on the credit card. However, as noted above, statement balances beginning with April 2, 1984 statement through October 8, 1984 statement were all less than \$1,000. Further, as noted in Attachment 4, page 7 of 7, at Fn.5/, although the application letter did not mention a credit card for Mrs. Hart being secured by the line of credit, it is not unreasonable to conclude that the stated reference to the candidate in the letter could extend to a credit card for Mrs. Hart.