



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4133

DATE FILMED 11/19/95 CAMERA NO. 2

CAMERAMAN EES

95043693537

WALLACE, CREECH, SARDA & ZAYTOUN, L.L.P.

JOHN E. WALLACE*
PAUL F. CREECH
PETER J. SARDA
ROBERT E. ZAYTOUN*
RICHARD P. NORDAN
RICHARD T. FOUNTAIN, III
PATRICIA L. WILSON MEDYNSKI

ATTORNEYS AT LAW
UGB PLAZA
3605 GLENWOOD AVENUE, SUITE 990
RALEIGH, NORTH CAROLINA 27612

MAILING:
P.O. BOX 18066
RALEIGH, N.C. 27606
(919) 788-9082
—
FAX
(919) 788-8110

*ALSO ADMITTED IN FLORIDA

November 4, 1994

The Honorable Lawrence N. Noble
General Counsel
Office of the General Counsel
Federal Election Commission
999 E. Street N.W.
Washington, D.C. 20463

MUR 4138

Nov 7 12 05 PM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Re: Violations of the Federal Election Campaign
Act by the Sue Myrick for Congress Committee;
9th District, North Carolina

Dear Mr. Noble:

Enclosed please find for filing a complaint pursuant to
2 U.S.C. 437 from C. Thomas Hendrickson, Chairman of the
North Carolina Democratic Party in regard to the matter
above captioned.

Sincerely,

WALLACE, CREECH, SARDA
& ZAYTOUN, L.L.P.

John R. Wallace

JRW/tlf
LTJW9218.005

Enclosure

95043693538



North Carolina Democratic Party

PO Box 12196 Raleigh, NC 27605 230 Hillsborough St. Raleigh, NC 27605 (919) 821-2777 Fax (919) 821-2141

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

7 12 05 PM '94

October 31, 1994

MUR 4138

The Honorable Lawrence N. Noble
General Counsel
Office of the General Counsel
Federal Election Commission
999 E. Street N.W.
Washington, D.C. 20463

Re: Violations of the Federal Election Campaign
Act by the Sue Myrick for Congress Committee;
9th District, North Carolina

Dear Mr. Noble:

As Chairman of the North Carolina Democratic Party and as a registered voter of North Carolina I am writing pursuant to 2 USC 437(g), to report what I believe to be violations of the Federal Elections Campaign Act (hereinafter "the Act").

It is my belief that the Sue Myrick for Congress Committee, the campaign committee of Suellen Myrick, Republican nominee for election to the United States Congress in the 9th Congressional District of North Carolina has received but failed to report illegal and prohibited corporate contributions.

Respondents

The Respondent Sue Myrick for Congress Committee, James A. Hutchinson, Treasurer, is the principal campaign committee of Suellen Myrick. Respondent Internet, Inc. is a corporation doing business in Charlotte, Mecklenburg County, North Carolina. Respondent Myrick Enterprises, Inc. is a North Carolina corporation which also does business in Charlotte, Mecklenburg County, North Carolina. (Exhibit A) Myrick Enterprises Inc. does business under the assumed name "Myrick Advertising." (Exhibit B)

The Respondents have engaged in violations of the Act as are herein more specifically described.

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Violations

The alleged violations include the unlawful extension of credit by Internet, Inc. to the respondent Myrick Committee, which unlawful extension of credit constitutes an unlawful and prohibited corporate contribution, 2 USC 441b(a) and the failure of the Respondent Myrick committee to report its indebtedness to Internet, Inc., 2 USC 434(a)(2). The violations also include the making of unlawful corporate contributions by the respondent Myrick Enterprises, Inc., d/b/a Myrick Advertising, 2 USC 441b(a) in excessive amounts, 2 USC 441a(f) and the failure of the respondent Myrick committee to report such contributions as have been received from Myrick Enterprises, Inc., 2 USC 434(a)(2).

Background

Ms. Myrick, an Amway distributor works through Yager Enterprises, a holding company for certain enterprises of Dexter Yager. Among the Yager businesses is the Respondent, Internet, Inc. Internet, among other things, apparently produces a variety of tapes for sale and distribution through the Amway network operated by Yager Enterprises. The Yager family has contributed substantial sums to the Myrick Committee in this and in prior election campaigns.

In 1992 Ms. Myrick was a candidate for the Republican nomination to the United States Senate. On information and belief, Ms. Myrick distributed tapes supplied to her by another Yager company, American Influences. Her principal campaign committee during the 1992 Republican primary contest failed to report the purchase of the tapes from American Influences.

Ms. Myrick, in her current congressional campaign, has distributed tapes in exchange for campaign contributions which tapes were produced through Internet. (Exhibit C). These audio cassette tapes are entitled "We the People." It appears from the Respondent committee's reports of contributions and expenditures that the Respondent committee has raised substantial sums through the sale and distribution of such tapes.

The tapes were first delivered and marketed by the Myrick Committee in or about April, 1994 and were distributed at the Diamond Club Convention held in April in Charlotte, North Carolina, an annual Dexter Yager Amway production.

The respondent Myrick Committee purchases its media advertising through Myrick Enterprises, Inc. d/b/a Myrick Advertising. Ms. Myrick is the President of Myrick Enterprises, Inc. (Exhibit A)

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Illegal Extensions of Credit by Internet, Inc.

On information and belief, Internet first invoiced the Myrick Committee on or about May 12, 1994 in the approximate amount of \$37,000.00. At no time prior to October, 1994 has respondent Myrick Committee disclosed the indebtedness to Internet. (Exhibits D and E). Only after publication of news reports did the Myrick Committee for the first time acknowledge an indebtedness to Internet. At no time has the Myrick Committee made any payment to Internet for the production of the tapes despite having cash balance on hand during the period of the existence of the indebtedness.

On information and belief, Internet routinely expects payment within twenty days of invoice in the "ordinary course of business." 11 CFR 116.3(c). That expectation of payment within twenty days is "commercially reasonable" and is in accordance with standards in the trade. An extension of credit for a period in excess of five months is not commercially reasonable and is not in accordance with either Internet's ordinary course of business or the standards of the trade.

On information and belief, but for the news accounts no reporting of the indebtedness would have been made.

Illegal Corporate Contribution By Myrick Enterprises, Inc.

The respondent Myrick Committee has, throughout the campaign, purchased broadcast media time by and through Myrick Enterprises, Inc., d/b/a Myrick Advertising. (Exhibits F, G, H, I and J). On information and belief Myrick Enterprises, Inc. is wholly owned by the candidate Suellen Myrick and/or her husband and Ms. Myrick is the President of Myrick Enterprises.

Respondent committee has employed the services of Myrick Enterprises for the purchase of its broadcast media advertising which purchases to date exceed the sum of \$200,000.00. On information and belief a customary and commercially reasonable commission on such purchases, payable by the broadcast media outlets to Myrick Enterprises, Inc. would be in the amount of 15%. (Exhibit K).

On October 26, 1994 Steve Duncan, Campaign Manager for the respondent Myrick committee disclosed publicly that one half of the commission is being rebated by Myrick Enterprises to the campaign. (Exhibit K) That sum is not reported in any disclosure of contributions and expenditures filed by the respondent committee and, on information and belief, is an unlawful campaign contribution as an unreported and prohibited contribution by Myrick Enterprises, Inc.

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I respectfully request that the Federal Election Commission take immediate measures to investigate and prosecute these violations of the Act. I further request that the commission enjoin the Myrick Congress Committee and corporate respondents from any further violation of the Act. I submit this letter under oath and pursuant to the provisions of 2 USC 437(g)(a)(1) as a formal complaint against the identified Respondents.

I would appreciate your immediate attention to these matters.

Sincerely,



C. Thomas Hendrickson
Chairman
NC Democratic Party

CTH/tlf

STATE OF NORTH CAROLINA

Wake COUNTY

VERIFICIATION

C. Thomas Hendrickson, being duly sworn deposes and says:

That the contents of the foregoing letter are true to his own knowledge, except as to matters stated on information and belief, and as to those matters, he believes them to be true.



C. Thomas Hendrickson

Sworn to and subscribed before me, this

3 day of Nov., 1994.

James P. Demell
Notary Public

My commission expires: June 11, 1996

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0-0100488

RESTATED ARTICLES OF INCORPORATION
OF
MYRICK ENTERPRISES, INC.

FILED
9:00 AM
OCT 13 1994

EFFECTIVE _____
RUFUS L. EDMISTEN
SECRETARY OF STATE
NORTH CAROLINA

Pursuant to Section 55-10-07 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following for the purpose of amending and restating its Articles of Incorporation:

1. The name of the corporation is Myrick Enterprises, Inc.
2. The text of the Restated Articles of Incorporation is attached.
3. These Restated Articles of Incorporation, which contain amendments requiring Shareholder approval, were approved by Shareholder action, and Shareholder approval was obtained as required by Chapter 55 of the North Carolina General Statutes.
4. These Articles will be effective upon filing.

This the 23rd day of September, 1994.

Myrick Enterprises, Inc.

By: Sue Myrick
Sue Myrick, President

EXHIBIT A

95043693543

RESTATED ARTICLES OF INCORPORATION
OF
MYRICK ENTERPRISES, INC.

1. **NAME**. The name of the corporation is Myrick Enterprises, Inc.
2. **PURPOSE**. The sole and only purpose for which the corporation is organized is to engage in the operation of an Amway distributorship.
3. **AUTHORIZED CAPITAL**. The corporation shall be authorized to issue 1,000 shares of common stock with One Hundred Dollars (\$100.00) par value per share.
4. **REGISTERED OFFICE**. The address of the initial registered office of the corporation in the State of North Carolina is 505 North Poplar Street, Charlotte, Mecklenburg County, NC.
5. **REGISTERED AGENT**. The name of its initial registered agent at such address is W. Edward Myrick, Jr.
6. **INITIAL DIRECTORS**. The number of directors constituting the initial Board of Directors shall be three (3); and the names and addresses of the persons who are to serve as directors until the first meeting of shareholders, or until their successors are elected and qualify, are:

<u>Name</u>	<u>Address</u>
Wilbur Edward Myrick, Jr.	3619 Sloan Street Charlotte, NC
Joseph Leslie Phillips, Jr.	210 Stamey Circle Charlotte, NC
Michael J. Rabil	403 Raleigh Savings & Loan Blvd. Raleigh, NC

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7. INCORPORATORS. The names and addresses of the incorporators are:

<u>Name</u>	<u>Address</u>
Wilbur Edward Myrick, Jr.	3619 Sloan Street Charlotte, NC
Joseph Leslie Phillips, Jr.	210 Stamey Circle Charlotte, NC
Michael J. Rabil	403 Raleigh Savings & Loan Blvd. Raleigh, NC

8. INDEMNIFICATION OF OFFICERS AND DIRECTORS. To the fullest extent permitted by Chapter 55, Article 8, Part 5 of the North Carolina General Statutes and all other applicable provisions of the BUSINESS CORPORATION ACT, as the same now exists or may hereafter be amended, the Corporation shall indemnify all persons serving as officers or directors of the Corporations, or in both such capacities, against all liability and litigation expense, including but not limited to reasonable attorneys' fees, arising out of their status as such or their activities in any of the foregoing capacities, regardless of when such status existed or activity occurred and regardless of whether or not they are officers or directors of the Corporation at the time such indemnification is sought or obtained. Without limiting the generality of the foregoing indemnity, such persons may also recover from the Corporation all reasonable costs, expenses, and attorneys' fees in connection with the enforcement of rights to indemnification granted by this Paragraph. The provisions of this paragraph are in addition to, and not in limitation of, the power of the Corporation with respect to, and the rights of any officer, director, employee, or agent of the Corporation to, insurance, elimination of liability, or any other right or benefit which is either required by the BUSINESS CORPORATION ACT or permitted thereby and duly adopted by the Corporation in accordance therewith.

9. PERSONAL LIABILITY OF DIRECTORS. The personal liability of each director of the Corporation is hereby eliminated to the fullest extent that elimination thereof is permitted by North Carolina General Statutes Section 55-2-02(b)(3) and all other applicable provisions of the BUSINESS CORPORATION ACT, as the same now exists or may hereafter be amended.

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N: 07423 PC: 0363/0364 9:0897 6.00
NORTH A CAROLINA REG OF REENS RECK NC
FILED FOR REGISTRATION 09/23/93 14146
CERTIFICATE OF ASSIGNED NAME

EXHIBIT B

The undersigned corporation, proposing to engage in business in Mecklenburg County, North Carolina under an assumed name other than its corporate name, hereby certifies that:

1. The name under which the business is to be conducted is:
Myrick Advertising
2. The name of the owner of such business is:
Myrick Enterprises, Inc.
3. Said Corporation maintains a registered office at:

305 North Poplar Street
Charlotte, NC 28202



WITNESSETH, the Corporation has caused this certificate to be signed in its name by its President and its corporate seal to be hereunto affixed and attested by its Secretary on this 23rd day of August, 1993.

Myrick Enterprises, Inc.
By Joel M. Myrick
President

Attest:
W. B. Myrick, Jr.
Secretary

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, William B. Myrick, Jr., a Notary Public, certify that Joel M. Myrick, Jr. personally came before me this 23rd day of August, 1993, and acknowledged that he/she is the Secretary of Myrick Enterprises, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by its Secretary.

William B. Myrick, Jr.
Notary Public

My Commission Expires: 1-2-97



DEANBY & HAN, TD
DOUGER, MILLER, POLLARD & HANNEY
701 E. TRADE ST.
CHARLOTTE, NC 28202 (404 98)

1/1

0 5 0 1 3 7 8 7 2 1 3

Date of Birth October 28, 1941
 Name Kathryn H. Scoble
 No. _____
 Issued 21st of August 1993
 by [Signature]



SCHEDULE A ITEMIZED RECEIPTS

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in full): Sue Myrick for Congress

A. Full Name, Address and ZIP Code Name of Employer Date Amount
Marilynn Calk Adame 4130 Law Houston, TX 77005 Occupation Unknown 05/17/94 20.00

Receipt for: []Primary []General [X]Other (specify): RUNOFF ; Aggr YTD >\$ 30.00

B. Full Name, Address and ZIP Code Name of Employer Date Amount
Wayne Adamiec Occupation Unknown 05/17/94 10.00

Receipt for: []Primary []General [X]Other (specify): RUNOFF ; Aggr YTD >\$ 10.00

C. Full Name, Address and ZIP Code Name of Employer Date Amount
Deneen L Adams Occupation Unknown 05/17/94 10.00

Receipt for: []Primary []General [X]Other (specify): RUNOFF ; Aggr YTD >\$ 10.00

D. Full Name, Address and ZIP Code Name of Employer Date Amount
Mick Mark Adams Occupation Unknown 05/17/94 10.00

Receipt for: []Primary []General [X]Other (specify): RUNOFF ; Aggr YTD >\$ 10.00

E. Full Name, Address and ZIP Code Name of Employer Date Amount
Patricia L Aguilar 5301 Cabana Dr Schertz, TX 78154 Occupation Unknown 05/17/94 10.00

Receipt for: []Primary []General [X]Other (specify): RUNOFF ; Aggr YTD >\$ 10.00

Subtotal of Receipts This Page (optional) \$ 60.00
Total This Period (last page this line number only) \$

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EXHIBIT C

REPORT OF RECEIPTS AND DISBURSEMENTS
For An Authorized Committee
(Summary Page)

RECEIVED
JUL 15 1994

0310906

CAMPAIGN REPORTING OFFICE

1. NAME OF COMMITTEE (in full)
Sus Myrick for Congress

ADDRESS Check if different than previous rept.
505 N Poplar St

CITY, STATE and ZIP CODE STATE/DISTRICT
Charlotte, NC 28202- NC 9th

2. FEC ID NUMBER
CO0290288

3. IS THIS AMENDMENT?
 YES NO

4. TYPE OF REPORT

April 15 Quarterly Report Twelfth day rpt preceeding RUNOFF
 July 15 Quarterly Report election on 05/31/94 in the State of NC
 Oct. 15 Quarterly Report Thirtieth day report following General
 January 31 Year End Report Election on / / in the State of NC
 July 31 Mid-Year Report Termination Report

This report contains activity for specified Election Primary General Special Runoff

SUMMARY

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5. Covering Period 05/12/94 thru 06/30/94	COLUMN A	COLUMN B
6. Net Contributions (other than loans)	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
(a) Total Contributions (line 11(e)) (other than loans)	95,136.91	344,813.01
(b) Total Contrib. Refunds (line 20(d))	70.00	770.00
(c) Net Contributions (other than loans)	95,066.91	344,043.01
7. Net Operating Expenditures		
(a) Total Operating Expenditure (line 17)	96,042.07	341,490.53
(b) Total Offsets to Operating Expenditures (line 14)	890.80	4,554.30
(c) Net Operating Expenditures	95,151.27	336,936.23
8. Cash on Hand Close of Reporting Period	7,256.78	
9. Debts/Obligations Owed TO the Committee (Itemize on Schedule C &/or Schedule D)	0.00	
10. Debts/Obligations Owed BY the Committee (Itemize on Schedule C &/or Schedule D)	0.00	

For further information contact:
Federal Election Comm
999 E St., NW
Washington DC 20463
800-424-9530
202-376-3120

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

James A Hutchinson Date
Signature of Treasurer 07/15/94

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. 437g.

DETAILED SUMMARY PAGE
of Receipts and Disbursements (Page 2, FEC FORM 3)

Sue Myrick for Congress

Rept From: 05/12/94 To: 06/30/94

I. RECEIPTS

COLUMN A

COLUMN B

11. CONTRIBUTIONS (other than loans) FROM:	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
(a) Individuals Other Than Pol. Committees	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
(i) Itemized (use Schedule A)	54,249.91	XXXXXXXXXXXXXXXXXX
(ii) Unitemized	20,487.00	XXXXXXXXXXXXXXXXXX
(iii) Total contributions from indiv.	74,736.91	323,563.01
(b) Political Party Committees	5,200.00	5,200.00
(c) Other Political Committees (ie: PACs)	15,200.00	16,050.00
(d) The Candidate	0.00	0.00
(e) TOTAL CONTRIBUTIONS (other than loans)	95,136.91	344,813.01
12. TRANSFERS FROM OTHER AUTHOR. COMMITTEES	0.00	0.00
13. LOANS:	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
(a) Made or Guaranteed by the Candidate	0.00	0.00
(b) All Other Loans	0.00	0.00
(c) TOTAL LOANS (add 13(a) and (b))	0.00	0.00
14. OFFSETS TO OPERATING EXPENDITURES	890.80	4,554.30
15. OTHER RECEIPTS (Dividends, Interest, etc)	0.00	0.00
16. TOTAL RECEIPTS (add 11(e),12,13(c),14,15)	96,027.71	349,367.31

II. DISBURSEMENTS

XXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXX

17. OPERATING EXPENDITURES	96,042.07	341,490.53
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES	0.00	0.00
19. LOAN REPAYMENTS:	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
(a) Loans Made or Guaranteed by Candidate	0.00	0.00
(b) Of All Other Loans	0.00	0.00
(c) TOTAL LOAN REPAYMENTS (add 19(a),(b))	0.00	0.00
20. REFUNDS OF CONTRIBUTIONS TO:	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
(a) Individuals Other Than Pol. Committees	70.00	770.00
(b) Political Party Committees	0.00	0.00
(c) Other Political Committees (ie: PACs)	0.00	0.00
(d) TOTAL CONTRIBUTION REFUNDS	70.00	770.00
21. OTHER DISBURSEMENTS	0.00	0.00
22. TOTAL DISBURSEMENTS (17+18+19c+20d+21)	96,112.07	342,260.53

III. CASH SUMMARY

23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	7,341.14
24. TOTAL RECEIPTS THIS PERIOD (from Line 16)	96,027.71
25. SUBTOTAL (add Line 23 and Line 24)	103,368.85
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	96,112.07
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD	7,256.78

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DETAILED SUMMARY PAGE

of Receipts and Disbursements
(Page 2, FEC FORM 3)

Name of Committee (in full)	Report Covering the Period:		
Sue Myrick for Congress	From: 7/1/94	To: 9/30/94	
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			
(1) Itemized (see Schedule A)	53,866.40		11(a)(1)
(2) Unitemized	24,418.47		11(a)(2)
(3) Total of contributions from individuals	78,284.87	401,997.88	11(a)(3)
(b) Political Party Committees		250.00	11(b)
(c) Other Political Committees (such as PACs)	56,255.00	77,255.00	11(c)
(d) The Candidate			11(d)
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11(a)(3), (b), (c) and (d))	134,539.87	479,502.88	11(e)
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES.			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 (b))			13(c)
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	97.63	4,651.93	14
15. OTHER RECEIPTS (Dividends, Interest, etc.)			15
16. TOTAL RECEIPTS (add 11(e), 12, 13(c), 14 and 15)	134,637.50	484,154.81	16
II. DISBURSEMENTS			
17. OPERATING EXPENDITURES	83,567.50	425,058.03	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 (b))			19(c)
20. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees		770.00	20(a)
(b) Political Party Committees			20(b)
(c) Other Political Committees (such as PACs)			20(c)
(d) TOTAL CONTRIBUTION REFUNDS (add 20(a), (b) and (c))		770.00	20(d)
21. OTHER DISBURSEMENTS			21
22. TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)	83,567.50	425,828.03	22
III. CASH SUMMARY			
23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$	7,256.78	23
24. TOTAL RECEIPTS THIS PERIOD (from Line 16)	\$	134,637.50	24
25. SUBTOTAL (add Line 23 and Line 24)	\$	141,894.28	25
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	\$	83,567.50	26
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)	\$6, \$7.,	58,326.78	27

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SCHEDULE D
(Revised 3/80)

DEBTS AND OBLIGATIONS
Excluding Loans

Name of Committee (in full): Sue Myrick for Congress

	Beginning Balance	Amount Incurred	Current Payment	Closing Balance
--	-------------------	-----------------	-----------------	-----------------

A. Full Name, Address and ZIP

CREATIVE RESPONSE CONCEPTS 1150 S WASHINGTON ST ALEXANDRIA , VA 22314-	0.00	2050.00	0.00	2050.00
--	------	---------	------	---------

Nature of Debt (Purpose): MEDIA/PRESS CONSULTATIONS

B. Full Name, Address and ZIP

CREATIVE VIDEO 1465 NORTHSIDE DRIVE ATLANTA , GA 30318-	2916.00	0.00	2916.00	0.00
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Nature of Debt (Purpose): TV PRODUCTION

C. Full Name, Address and ZIP

DIRECTIONAL ENTERPRISES P O BOX 474 LAKE LURE , NC 28746-	10000.00	9000.00	10500.00	8500.00
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Nature of Debt (Purpose): CONSULTING & MANAGEMENT

D. Full Name, Address and ZIP

INTERNET SERVICES CORP P O BOX 412080 CHARLOTTE , NC 28241-2080	37172.10	3334.30	0.00	40506.40
---	----------	---------	------	----------

Nature of Debt (Purpose): TAPE PROD/MUSIC/MATERIALS

E. Full Name, Address and ZIP

SUE MYRICK 505 N POPLAR ST CHARLOTTE , NC 28202-	0.00	2368.39	0.00	2368.39
--	------	---------	------	---------

Nature of Debt (Purpose): CHARGE TO AE/KEMP LUNCHEON

F. Full Name, Address and ZIP

SYLVIA C HUTCHINSON 1430 THERMAL ROAD CHARLOTTE , NC 28212-7155	6200.00	3190.00	4600.00	4790.00
---	---------	---------	---------	---------

Nature of Debt (Purpose): COMPUTER SERVICES

1) SUBTOTALS This Period This Page (optional).....	\$	58,214.79
2) TOTAL This Period (last page this line only).....	\$	58,214.79
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)\$		0.00
4) ADD 2 & 3 and carry to appropriate line of Summary Page.\$		58,214.79

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SCHEDULE B ITEMIZED DISBURSEMENTS

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in full): Sue Myrick for Congress

A. Full Name, Address and ZIP	Purpose of Disbursement	Date	Amount
Myrick Advertising 505 North Poplar Street Charlotte, NC 28202	TV/Media Buy	05/26/94	42,591.63
Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) Runoff			

B. Full Name, Address and ZIP	Purpose of Disbursement	Date	Amount
Myrick Advertising 505 North Poplar Street Charlotte, NC 28202	Radio/Media Buy	05/26/94	3,661.35
Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) Runoff			

C. Full Name, Address and ZIP	Purpose of Disbursement	Date	Amount
Myrick Advertising 505 North Poplar Street Charlotte, NC 28202	Letter Print	05/26/94	506.71
Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) Runoff			

D. Full Name, Address and ZIP	Purpose of Disbursement	Date	Amount
NC DEPT OF REVENUE RALEIGH, NC	NC W/P 4/1 - 6/30/94	06/30/94	1,374.18
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)			

E. Full Name, Address and ZIP	Purpose of Disbursement	Date	Amount
	Office Exp		
Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) Runoff			

F. Full Name, Address and ZIP	Purpose of Disbursement	Date	Amount
	Office Exp	01/06/94	100.00
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)			

G. Full Name, Address and ZIP	Purpose of Disbursement	Date	Amount
	Office Exp	06/15/94	100.00
Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)			

Subtotal of Disbursements This Page (optional).....4 50,603.87
Total This Period (last page this line number only)....4 \$

95043693554

EXHIBIT F



~~704-333-9571~~

ADVERTISING, MARKETING & PUBLIC RELATIONS - 505 N. Poplar Street, Charlotte, North Carolina 28202. Telephone 704-334-8871

Broadcast Order

SMFC-042894
April 26, 1994

TO: WCNC - TV

ATTENTION: Nick Magnini

Starting Tuesday, April 26, 1994 through Monday, May 2, 1994
Run the following Spots: (please see page 2 for Rotation Schedule)

Sue Myrick For Congress	CRIME LR 1994 3	Rotation Schedule Code - S
Sue Myrick For Congress	MRS. F TALKS 1994 6A	Rotation Schedule Code - F
Sue Myrick For Congress	"Gets Things Done" 1994 2	Code - G

As Follows:

Five (5)	6:30a. - 7:00a.	Rush Limbaugh	@	\$40.00 ea.	\$ 200.00
Four (4)	7:30p. - 8:00p.	Wheel Of Fortune	@	\$450.00 ea.	\$1,800.00

Total Spots: Nine (9)
 Total Gross: \$2,000.00
 Total Net: \$1,700.00

18%

EXHIBIT G

95043693555

95043693556

UNITED CAROLINA BANK
CHARLOTTE, N.C. 28202

MYRICK ENTERPRISES, INC.
PH. 394-8871
325 N. POPLAR ST.
CHARLOTTE, NC 28202

7757
08-357889

April 25, 1994

Pay to the order of WCNC - TV One Thousand, Seven Hundred & no/100-----DOLLARS \$ 1,700.00

MYRICK ENTERPRISES, INC.

Suzanne Myrick



EXHIBIT H



ADVERTISING, MARKETING & PUBLIC RELATIONS · 505 N. Poplar Street, Charlotte, North Carolina 28202, Telephone 704-334-8871

Broadcast Order

SMFC-041194
April 11, 1994

TO: WCNC-TV

ATTENTION: Nick Magnini

Starting Wednesday, April 13, 1994 through Tuesday, April 19, 1994
Run the following Spots ~~as follows~~ (Please see Page 2 for Rotation Schedule)

- Sue Myrick For Congress CRIME LR 1994 3 - Rotation CODE = S
- Sue Myrick For Congress FOUR SONS 1994 4 - Rotation CODE = F

As Follows:

Five (5)	M - F 7:00a - 9:00a	The Today Show	@ \$25.00 ea.
Five (5)	M - F 5:30p - 6:00p	First News @ 5:30	@ \$150.00 ea.
Five (5)	M - F 6:00p - 6:30p	News 36 @ 6:00	@ \$170.00 ea.
One (1)	Sat. 6:00p - 6:30p	News 36 @ 6:00	@ \$130.00 ea.
One (1)	TH. 7:30p - 8:00p	Wheel Of Fortune	@ \$450.00 ea.
Three (3)	M - F 11:00p - 11:30p	News 36 Nightcast	@ \$130.00 ea.

Total Spots: Twenty (20)
 Total Gross: \$2,695.00
 Total Net: \$2,290.75

Myrick, Inc. places this order as the agent for _____
 _____ and therefore any contractual obligations
 and liability is between _____ and _____

EXHIBIT I

95043693557

UNITED CAROLINA BANK CHARLOTTE, N.C. 28202

FOR DEPOSIT ONLY
MCNC-TV
Two Thousand, Two Hundred and Ninety & 75/100-DOLLARS \$2,290.75-----

MYNICK ENTERPRISES, INC.
PH 264-6271
202 N. FORUM ST.
CHARLOTTE, NC 28202

APR 11 1994

MYNICK ENTERPRISES, INC.

Austin Payroll

1128
00-027000

8 5 5 3 6 9 3 4 0 5 6

EXHIBIT J

Candidates talk health on radio

Myrick anti-reform; Blake modifies stand

By JIM MORRILL
Staff writer

Republican Sue Myrick repeated her opposition Wednesday to major health-care changes, saying millions of Americans don't want health coverage.

And her opponent, Democrat Rory Blake, appeared to back off his onetime support for guaranteed access to health care for all.

The two 9th Congressional District candidates from Charlotte also argued about how much Myrick's advertising company profits from her campaign.

Their comments came during a broadcast on WFAE (90.7 FM).

On health care, Myrick said she believes the free market — not government — can reduce costs and make any necessary changes.

"I've talked to a lot of people in the (insurance) industry who tell me that they are very definitely working on portability of coverage ... so people can take their insurance from one job to another," she said, adding that the industry also is working to cover "pre-existing" conditions.

Both changes were part of President Clinton's and other health-care reform proposals.

"There are a lot of people — millions of people in this country — who do not want health coverage," she said. "They don't want health insurance. I mean, they really refuse to have it. And I believe we should have universal access ... but I do not believe it's the government's responsibility to provide health-care coverage for

Please see 9th District/next page

everybody in this country."

Asked about health care, Blake said he favors limited changes such as making insurance and pharmaceutical companies more competitive.

"I like the comment about it's not the government's responsibility to provide access to health care," he added. He also said he opposed Clinton's health-care proposals as "a bit more complex than actually what we needed to do."

But earlier in the campaign, Blake said: "Like President Clinton, I support universal access to health care — the best way to ensure the world's highest quality care and to control costs."

Blake went on to criticize the role Myrick's advertising company has taken in the campaign.

Myrick Advertising, of which Sue Myrick is president, handles TV ads and other campaign advertising.

Campaign reports show her campaign paid \$52,377 to Myrick Advertising and Myrick Enterprises, another family company, from May 12 to Sept. 30. Most of the money then went to TV stations to buy time.

"There is ... a real problem with doing business with yourself, putting money from one pocket to another," Blake said. "Mrs. Myrick has been running every other year since 1981 for something. And she's used her public relations and her advertising firms ... as a conduit for money from her campaigns."

In buying TV ads, the standard advertising commission is 15%. That's what invoices at WSOC-TV (channel 9) show Myrick Advertising gets.

On a \$21,425 buy ordered Tuesday, for example, the invoice shows a commission of \$3,213.

Steve Duncan, Myrick's campaign manager, says although invoices show the full 15% commission, Myrick Advertising actually charges the campaign half that, or 7½%. During the debate, Myrick alluded to that.

"When people give me money for campaigns I try and do the best I can with that dollar and save every penny I can," she said. "Why should I go out and pay somebody else more than double to do something that we can do, quite frankly, very well ourselves?"

Corporate campaign contributions are illegal. Ian Sinton, a spokesman for the Federal Election Commission, declined to comment on the specifics of Myrick's case.

"Corporations have to give the same deal to a candidate that they give to anybody else," he said. The bottom line is ... whose money is being reduced? ... She can contribute unlimited amounts of her own money but if it's the

corporate side being reduced, the corporation can't contribute." Blake said his campaign plans to file a complaint with the FEC over what he described as a questionable loan to the Myrick campaign. Myrick owes \$40,000 to Internet Service Inc., a company that sold her audio cassette tapes of patriotic music. They were given to contributors. Blake says the debt should have been disclosed months ago. "That's just a matter for the FEC

to decide," said Myrick. "But everything's legal." Myrick is controlled by the family of Dexter Yeager of Charlotte. It also controls a network of distributors for Arway, the consumer products company. Distributors have contributed heavily to Myrick. Asked about the influence of Arway contributors, Myrick said: "People who know me and who have watched me as mayor pretty much understand that nobody owns me."

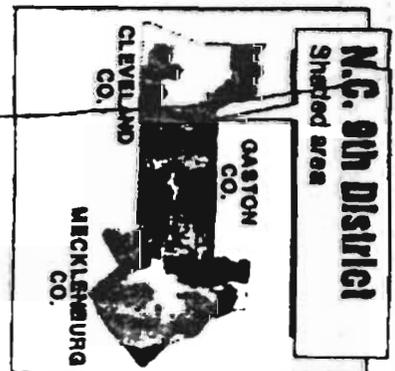


EXHIBIT K



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 15, 1994

C. Thomas Hendrickson, Chairman
North Carolina Democratic Party
P.O. Box 12196
Raleigh, NC 27605

RE: MUR 4138

Dear Mr. Hendrickson:

This letter acknowledges receipt on November 7, 1994, of your complaint which you filed on behalf on the North Carolina Democratic Party alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

Your letter seeks injunctive relief to prevent the Sue Myrick for Congress Committee and other respondents from continuing to engage in the allegedly improper activity. 2 U.S.C. § 437g(a)(6) provides that the Commission may seek such relief at the end of the administrative enforcement process. Accordingly, the Commission will not grant your request for injunctive relief at this time.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 4138. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

95043693560



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 15, 1994

James A. Hutchinson, Treasurer
Sue Myrick for Congress Committee
1430 Thermal Rd.
Charlotte, NC 28212

RE: MUR 4138

Dear Mr. Hutchinson:

The Federal Election Commission received a complaint which indicates that the Sue Myrick for Congress Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4138. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

The complainant seeks injunctive relief to prevent the Sue Myrick for Congress Committee and you, as treasurer, from continuing to engage in the allegedly improper activity. 2 U.S.C. § 437g(a)(6) provides that the Commission may seek such relief at the end of the administrative enforcement process. Accordingly, the Commission will not grant the complainant's request for injunctive relief at this time. The Commission will proceed with the processing of the remainder of the complaint pursuant to 2 U.S.C. § 437g(a).

95043693561

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you 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 authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

cc: Sue Myrick

95043693562



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 15, 1994

William C. Daniels, Jr., Treasurer
Committee to Elect Sue Myrick U.S. Senator
505 North Poplar Street
Charlotte, NC 28202

RE: MUR 4138

Dear Mr. Daniels:

The Federal Election Commission received a complaint which indicates that the Committee to Elect Sue Myrick U.S. Senator ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4138. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you 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 authorizing such counsel to receive any notifications and other communications from the Commission.

95043693563

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

95043693564



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

November 15, 1994

Doyle L. Yaeger, Registered Agent
Internet, Inc.
12201 Steel Creek Rd.
Charlotte, NC 28273

RE: MUR 4138

Dear Mr. Yaeger:

The Federal Election Commission received a complaint which indicates that Internet, Inc. may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4138. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Internet, Inc. in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

The complainant seeks injunctive relief to prevent Internet, Inc. from continuing to engage in the allegedly improper activity. 2 U.S.C. § 437g(a)(6) provides that the Commission may seek such relief at the end of the administrative enforcement process. Accordingly, the Commission will not grant the complainant's request for injunctive relief at this time. The Commission will proceed with the processing of the remainder of the complaint pursuant to 2 U.S.C. § 437g(a).

95043693565

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you 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 authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

95043693506



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 15, 1994

W. Edward Myrick, Registered Agent
Myrick Enterprises Inc.
505 N. Poplar St.
Charlotte, NC 28202

RE: MUR 4138

Dear Mr. Myrick:

The Federal Election Commission received a complaint which indicates that Myrick Enterprises Inc. may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4138. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Myrick Enterprises Inc. in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

The complainant seeks injunctive relief to prevent Myrick Enterprises Inc. from continuing to engage in the allegedly improper activity. 2 U.S.C. § 437g(a)(6) provides that the Commission may seek such relief at the end of the administrative enforcement process. Accordingly, the Commission will not grant the complainant's request for injunctive relief at this time. The Commission will proceed with the processing of the remainder of the complaint pursuant to 2 U.S.C. § 437g(a).

95043693567

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you 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 authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

95043693568

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

SUE MYRICK FOR CONGRESS

P.O. Box 37091, Charlotte, North Carolina 28237

Nov 30 2 54 PM '94

November 29, 1994

The Honorable Lawrence N. Noble
General Counsel
Office of the General Counsel
Federal Election Commission
999 E. Street NW
Washington, D.C. 20463

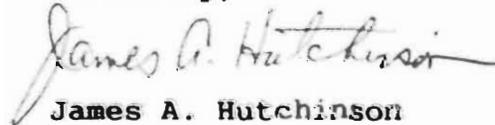
RE: MUR 4138 (Sue Myrick For Congress Committee)

Dear Mr. Noble:

Attached you will find a response to the complaint filed with the Federal Election Commission. I am confident that once you review an actual depiction of what transpired, and not a politically motivated description, you will find that the Sue Myrick for Congress Committee and its personnel acted within the guidelines of the Federal Election Commission. Every attempt was made to follow the regulations and to fully disclose all information as required by the FEC.

Should you need further clarification or explanation, please do not hesitate to contact us. We will continue to cooperate and are most willing to assist in any manner to answer your questions and close this matter to your satisfaction.

Sincerely,



James A. Hutchinson
Treasurer
Sue Myrick For Congress

attachments

cc: Sue Myrick, Congresswoman-Elect
William Daniels, Treasurer: 1992 Senate Campaign
Ed Myrick, Myrick Enterprises, Inc.
file

95043693509

Nov 30 2 54 PM '94

MEMORANDUM TO: CONGRESSWOMAN-ELECT SUE MYRICK
NORTH CAROLINA; 9TH DISTRICT

FROM: STEVE DUNCAN, CAMPAIGN MANAGER
MYRICK FOR CONGRESS

DATE: NOVEMBER 21, 1994

SUBJECT: FEDERAL ELECTION COMMISSION QUESTIONS
CASE: MUR 438

GENERAL HISTORY AND BACKGROUND INFORMATION:

The following is a response to the questions presented by the Federal Election Commission as were raised by the North Carolina Democratic Party, the Mecklenburg Democratic Party and the Rory Blake for Congress Committee (officially known as: "A lot of People for Rory Blake").

As is now known, these complaints were filed in the final days of the campaign by a group of Rory Blake supporters who were in need of any issue to rescue a congressional bid. This complaint was politically inspired and initiated and is without foundation.

It should be noted that the very persons involved in this complaint, themselves have blatantly violated the Federal Election Commission regulations by forming and operating an unregistered Political Action Committee as was identified and reported in the Charlotte Observer. There were direct ties between the leadership of the Rory Blake Campaign and a PAC named, "Southeast Coalition PAC".

These ties included the Chairman of the Rory Blake campaign also serving as the Treasurer for the PAC, and he did, on behalf of the PAC make a radio buy in the PAC name. As was reported, he signed the name, Linda Hart, (Linda Dyer-Hart), without permission, to the media buy and signed her name, without permission, to the check making the purchase. Ms. Hart, also serves a dual role by being the President of the PAC while also participating directly in the fund-raising efforts of the Rory Blake campaign.

These activities raise numerous questions. Yet, our opponents campaign was not the focus of our effort and we did not spend time trying to initiate politically motivated negative actions against them. It may be the responsibility of the Federal Election Commission to investigate these questionable and intentional efforts of the committee named: "A lot of People for Rory Blake".

95043693570

QUESTIONS CONCERNING INTERNET SERVICES AND CASSETTE PURCHASES:

1) The Myrick for Congress campaign did order cassette tapes from Internet Services Corporation, Inc. These patriotic music tapes were given to contributors as a token of our appreciation for their support. This was no different than providing ballcaps, t-shirts or buttons. We just took a new and unique approach, (Which was, as we understand, acceptable as per telephone advisement with the FEC). We did take our first shipment the first of April, but this was only one of a number of shipments to complete our order. Therefore, Internet did not invoice us until sometime in May, once the bulk of the order had been delivered.

2) Upon receiving the invoice from Internet, we filed it for payment according to its due date. The due date on the invoice was June 1, 1994.

3) The filing period for the post election report ended June 30, 1994 and this particular invoice was not yet 30 days old, therefore, we considered it to be nothing more than a current bill.

Items that affected our considerations and payments:

a. We had to continue the election beyond the May 3rd primary which prevented us from immediately raising the necessary funds for repayment of all our invoices. North Carolina requires the primary winner to secure 40% plus one vote to be declared the party nominee and the Myrick campaign was forced into a run-off election, scheduled for May 31 - thus delaying fundraising efforts.

b. Upon winning the run-off election, the campaign had to evaluate all the invoices on hand and determine a cash management plan to repay all invoices in a timely manner. Campaign officials believed that the fundraising would be easier after the election, but these efforts proved to be difficult. Therefore, the campaign was not in a position to repay all bills immediately, while continuing its efforts towards the general election.

1) The cash management plan utilized was to pay the smallest invoices first, according to cash on hand.

2) Once any bill exceeded thirty days, we then determined it to be a justifiable debt and listed it as such at the next reporting cycle. (September 30, 1994 report ending date, October 15 filing date.) We amended our report at that time to show all such invoices that we were unable to pay in full by June 30, 1994.

95043693571

**Federal Election Commission
Response to Complaint
November 21, 1994
Page 3.**

3) We have continued to pay our financial obligations in such a manner, even if we incurred service charges, as is the case with Internet and the cassette tapes.

4) The campaign has been able, through this cash management plan, to successfully pay its obligations and continue normal operations. As the smallest bills were quickly paid in full, the larger invoices were addressed. This method allows us to make larger payments on the larger bills rather than making only minor, incremental payments.

5) These payments have included a \$ 10,000 payment to Internet, which will be officially disclosed on the next FEC post general election report.

9 5 0 4 3 6 9 3 5 7 2
Conclusion: At the appropriate reporting times, according to the schedule provided by the Federal Election Commission, the Myrick campaign disclosed all such obligations as were believed to be reasonable and according to what was believed to follow the regulations of the FEC. Payment decisions were made according to our cash flow and our need to satisfy continuing obligations.

ADVERTISING RATES FROM MYRICK ADVERTISING:

1) The Myrick Agency did receive fees for acting on behalf of the Sue Myrick for Congress campaign. This was in the best interest of the campaign in that it protected the integrity and confidentiality of the advertisement strategy and the quality required and demanded. It would be disadvantageous to contract with others for services that the Myrick Agency can readily provide.

2) The advertising agency did take a reduced rate due to the volume of the purchases. This is a commercially acceptable practice when any client is purchasing the tremendous media volume the Myrick For Congress campaign bought during these three election cycles. (Primary, Run-off and General)

3) The steps used to pay these fees:

a. The Myrick Agency would make media buys on behalf of the Congressional Campaign and the invoice would show the normal 15% (standard percentage) fee. Then, upon billing the Campaign for these purchases, the Myrick Agency would provide a volume discount. The average fee paid by the Campaign Committee was approximately seven and one-half percent. This commercially acceptable discount method is not at all unusual.

b. Neither the Myrick Agency nor any other corporate group provided direct or indirect contributions to the campaign.

c. The candidate and her husband did volunteer some of their personal time and talents to the campaign. Yet, this is allowable and acceptable and does not have to be listed or reported.

Final Note:

Any attempt to also draw in the 1992 Sue Myrick for U.S. Senate Committee only serves to confuse the issues and commingle two separate committee's activities. The Sue Myrick for U.S. Senate Committee did indeed list \$ 210 in contributions in which tapes of Sue Myrick's views on issues were prepared for major contributors, who paid directly for these, at cost. Further review of these receipts and disbursements would be necessary, if required by the FEC, to fully reconstruct these (42) contributions. (42 individual contributions of \$ 5.00 each)

Submitted by: 

Date: 11/29/94

950436935/3

The documents submitted with this statement, a cover letter from the Treasurer of the Sue Myrick for Congress Committee dated November 28, 1994 and memorandum concerning the complaint presented to the Federal Election Commission dated November 21, 1994, bearing the signatures of James A. Hutchinson and Stephen G. Duncan, were signed before me this the 29th day of November, 1994.

Sworn to and subscribed by me this the 29th day of November, 1994.

Barbara T. Hall
Barbara T. Hall; Notary Public

My commission expires: March 14, 1999.

95043693574

STATEMENT

INTERNET SERVICES CORP.
 P.O. BOX 412090
 CHARLOTTE, NC 28241-2090

PAGE: 1

DATE: 11/01/94

TO: M14
 MYRICK, SUE
 SUE MYRICK FOR CONGRESS
 505 N. POPLAR STREET
 CHARLOTTE, NC 28202

DATE	INVOICE	DUE DATE	AMOUNT	PYMT	DTE	PYMT	AMOUNT	TP	BALANCE
05/12/94	833735	06/01/94	25565.55						25565.55
05/12/94	834037	06/01/94	3359.40						3359.40
05/13/94	834452	06/02/94	1025.00						1025.00
05/19/94	835836	06/08/94	7222.15						7222.15
07/27/94	853765	08/16/94	134.35						134.35
09/07/94	865560	09/27/94	2080.75						2080.75
08/31/94	SC1538	09/20/94	559.60						559.60
10/01/94	SC1588	10/21/94	559.60						559.60
10/31/94	SC1635	11/20/94	599.20						599.20

*Shipments
 & Hold*

*Service
 Charge*

11/11/94

PK # 606

Balance Due: \$ 31,105.60

95043693575

1-30	31-45	46-60	61-90	OVER 90	TOTAL DUE
599.20	559.60	2080.75	559.60	37306.45	41105.60

Make Your Vote '94

In 9th, ad pulled, expense report questioned

■ 'Poor taste' of ad cited; Democrats lodge complaint on delayed FEC expense report.

By Jim HORNALL

The U.S. Democratic Party Monday filed a complaint with the Federal Election Commission alleging Republican Sen. Myrick's congressional campaign accepted illegal corporate contributions.

Meanwhile, an anti-Myrick ad yanked off the air for what a radio executive calls its "poor taste" raises questions involving federal election law.

Produced by a Charlotte group called the Southeast Coalition, the ad was placed by the group's treasurer, George Hutchinson. He's also campaign manager for Myrick's Democratic opponent, Rory Blake.

Myrick and Blake are running in the 9th District, which includes most of Mecklenburg and Gaston counties and part of Cleveland County.

Democrats charged that Myrick's campaign got what amounted to illegal contributions from Internet Services Corp. and Myrick Enterprises Inc.

"Sen. Myrick has knowingly misled the voters of the 9th Congressional District," party official David Pasker said at a Charlotte news conference.

Steve Duncan, Myrick's campaign manager, calls the complaint "politically motivated."

"(Blake) is just throwing out statements and charges in a desperate attempt to draw attention to his campaign," said Duncan. "We'd encourage him to look at his political activities a little more closely."

The FEC will investigate the complaint, though not likely until long after next week's election. Such complaints are frequent and can result in fines.

Specifically, the Democratic complaint charges:

■ That Internet extended improper credit to Myrick's campaign.

■ Beginning in April, the Charlotte company provided cassette tapes

of patriotic music, which Myrick sold to raise money. Democrats say Myrick only reported the \$40,506 debt in October, after the media raised questions.

"An extension of credit for a period in excess of five months is not commercially reasonable," state chairman Tommy Hendrickson wrote the FEC.

Duncan says Myrick did not report the debt earlier because, "we determined that it would be improper to list an invoice that was not 90 days old."

However, FEC spokesman Sharon Snyder said debts of that size must be reported on the date they're incurred. Credit to campaigns must be extended as in the "ordinary course of business."

A call to Internet was not returned.

■ That Myrick Enterprises made an illegal contribution to the campaign by discounting its commissions for placing broadcast ads. Duncan has described the company as an umbrella for Myrick's advertising and Amway businesses.

Myrick Enterprises charged the

campaign 716% commission for placing the ads, rather than the customary 15%.

Democrats say the difference amounts to an illegal corporate contribution. Duncan says Myrick Enterprises gives the campaign a volume discount like it would any other big client.

■ That Myrick's 1982 U.S. Senate campaign also received tapes from a company called American Influence. Democrats say that company is affiliated with the Dexter Yager family of Charlotte, which owns Internet. They say Myrick failed to report the contribution.

Duncan said the bill for those tapes was paid. Copies of Myrick's 1982 reports were unavailable.

On a related subject, Jim Mintner, owner of Belmont radio station WCOG (1270 AM), said he pulled an anti-Myrick ad last week.

The 30-second ad featured the voice of a female talk show caller who complained about Myrick's 1970s divorce and her use of an expletive during her 1989 campaign for mayor of Charlotte.

"It just was poor taste," Mintner said.

The ad was placed by Hutchinson on behalf of a group called the Southeast Coalition. Hutchinson describes the group as "an organization of southeast Charlotte Democrats."

To the FEC, such third-party ads fall under the category of "independent expenditures," which are strictly regulated.

The FEC's Snyder said such expenditures can be made for or against a candidate but without the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a

candidate or any agent or authorized committee of such a candidate.

Hutchinson, Blake's manager, says the ad was made independent of the Blake campaign but acknowledges a possible conflict.

"After sleeping on it, and making the spots, and talking to some people, it may appear to be a conflict, so no buys will be made for the Rory Blake campaign by the Coalition," he said.

Asked about the content of the ad, Hutchinson said "I don't think it was in bad taste, no."

But, he added: "In hindsight, it was not a good ad to run."



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 16, 1994

James A. Hutchinson, Treasurer
Sue Myrick for Congress Committee
1430 Thermal Road
Charlotte, NC 28212

RE: MUR 4138

Dear Mr. Hutchinson:

On November 30, 1994, we received your response to the complaint in the above-referenced matter. In your response, you appear to be making allegations of possible FECA violations by A Lot of People for Rory Blake. If that is your intent, your letter does not meet the requirements for a properly filed complaint as required by the Act and Federal Election Commission regulations.

If you desire the Commission to look into the matter discussed in your letter, a formal complaint as described in 2 U.S.C. § 437g(a)(1) must be filed. Requirements of this section of the law, and Commission regulations at 11 C.F.R. § 111.4, which are a prerequisite to Commission action, are detailed below:

(1) A complaint must be in writing. (2 U.S.C. § 437g(a)(1)).

(2) Its contents must be sworn to and signed in the presence of a notary public and shall be notarized. (2 U.S.C. § 437g(a)(1)). The notary must indicate as part of the jurat that such swearing occurred. The preferred form is "Subscribed and Sworn to before me on this ___ day of ___, ___."

(3) A formal complaint must contain the full name and address of the person making the complaint. (11 C.F.R. § 111.4).

(4) A formal complaint should clearly identify as a respondent each person or entity who is alleged to have committed a violation. (11 C.F.R. § 111.4).

(5) A formal complaint should identify the source of information upon which the complaint is based. (11 C.F.R. § 111.4).

(6) A formal complaint should contain a clear and concise recitation of the facts describing the violation of a statute or law over which the Commission has jurisdiction. (11 C.F.R. § 111.4).

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Page 2

(7) A formal complaint should be accompanied by supporting documentation if known and available to the person making the complaint. (11 C.F.R. § 111.4).

Finally, please include your telephone number, as well as the full names and addresses of all respondents.

Enclosed is a Commission brochure entitled "Filing a Complaint." I hope this material will be helpful to you should you wish to file a legally sufficient complaint with the Commission.

If it is not your intent to file a complaint, please notify me in writing. If you have any question, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure

95043693578

BEFORE THE FEDERAL ELECTION COMMISSION **Oct 2 10 52 AM '95**

In the Matter of

)
) Enforcement Priority
)

GENERAL COUNSEL'S REPORT

SENSITIVE

I. INTRODUCTION

This report is the General Counsel's Report to recommend that the Commission no longer pursue the identified lower priority and stale cases under the Enforcement Priority System.

II. CASES RECOMMENDED FOR CLOSING

A. Cases Not Warranting Further Pursuit Relative to Other Cases Pending Before the Commission

A critical component of the Priority System is identifying those pending cases that do not warrant the further expenditure of resources. Each incoming matter is evaluated using Commission-approved criteria and cases that, based on their rating, do not warrant pursuit relative to other pending cases are placed in this category. By closing such cases, the Commission is able to use its limited resources to focus on more important cases.

Having evaluated incoming matters, this Office has identified 34 cases which do not warrant further pursuit relative to the other pending cases ¹ A short description of

1. These matters are: PM 309 (Attachment 1); RAD 95L-12 (Attachment 2); MUR 4118 (Attachment 3); MUR 4119 (Attachment 4); MUR 4120 (Attachment 5); MUR 4122 (Attachment 6); MUR 4123 (Attachment 7); MUR 4124 (Attachment 8); MUR 4125 (Attachment 9); MUR 4126 (Attachment 10); MUR 4130 (Attachment 11); MUR 4133 (Attachment 12); MUR 4134 (Attachment 13); MUR 4135 (Attachment 14); MUR 4136 (Attachment 15); MUR 4137

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each case and the factors leading to assignment of a relatively low priority and consequent recommendation not to pursue each case is attached to this report. See Attachments 1-34. As the Commission requested, this Office has attached the responses to the complaints for the externally-generated matters and the referral for the matter referred by the Reports Analysis Division because this information was not previously circulated to the Commission. See Attachments 1-34.

B. Stale Cases

Investigations are severely impeded and require relatively more resources when the activity and evidence are old. Consequently, the Office of General Counsel recommends that the Commission focus its efforts on cases involving more recent activity. Such efforts will also generate more impact on the current electoral process and are a more efficient allocation of our limited resources. To this end, this Office has identified 11 cases that

do not

(Footnote 1 continued from previous page)
(Attachment 16); MUR 4138 (Attachment 17); MUR 4140
(Attachment 18); MUR 4142 (Attachment 19); MUR 4143
(Attachment 20); MUR 4144 (Attachment 21); MUR 4145
(Attachment 22); MUR 4148 (Attachment 23); MUR 4149
(Attachment 24); MUR 4153 (Attachment 25); MUR 4155
(Attachment 26); MUR 4158 (Attachment 27); MUR 4163
(Attachment 28); MUR 4164 (Attachment 29); MUR 4169
(Attachment 30); MUR 4179 (Attachment 31); MUR 4195
(Attachment 32); MUR 4196 (Attachment 33); and MUR 4205
(Attachment 34).

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warrant further investment of significant Commission resources.² Since the recommendation not to pursue the identified cases is based on staleness, this Office has not prepared separate narratives for these cases. As the Commission requested, in matters in which the Commission has made no findings, the responses to the complaints for the externally-generated matters and the referrals for the internally-generated matters are attached to the report because this information was not previously circulated to the Commission. See Attachments 35-45. For cases in which the Commission has already made findings and for which each Commissioner's office has an existing file, this Office has attached the most recent General Counsel's Report.

This Office recommends that the Commission exercise its prosecutorial discretion and no longer pursue the cases listed below effective October 16, 1995. By closing the cases effective October 16, 1995, CED and the Legal Review Team will respectively have the additional time necessary for preparing the closing letters and the case files for the public record.

2. These matters are: PM 250 (Attachment 35); PM 272 (Attachment 36); MUR 3188 (Attachment 37); MUR 3554 (Attachment 38); MUR 3623 (Attachment 39); MUR 3988 (Attachment 40); MUR 3996 (Attachment 41); MUR 4001 (Attachment 42); MUR 4007 (Attachment 43); MUR 4007 (Attachment 43); MUR 4008 (Attachment 44); and MUR 4018 (Attachment 45).

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III. RECOMMENDATIONS

A. Decline to open a MUR and close the file effective October 16, 1995 in the following matters:

- 1) PM 309
- 2) RAD 95L-12
- 3) PM 250
- 4) PM 272

B. Take no action, close the file effective October 16, 1995, and approve the appropriate letter in the following matters:

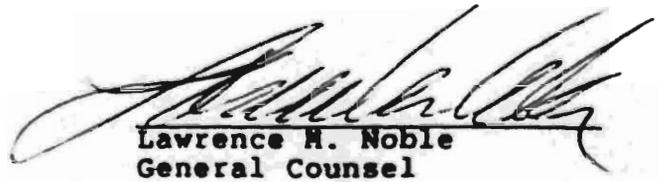
- 1) MUR 3554
- 2) MUR 3623
- 3) MUR 3988
- 4) MUR 3996
- 5) MUR 4001
- 6) MUR 4007
- 7) MUR 4008
- 8) MUR 4018
- 9) MUR 4118
- 10) MUR 4119
- 11) MUR 4120
- 12) MUR 4122
- 13) MUR 4123
- 14) MUR 4124
- 15) MUR 4125
- 16) MUR 4126
- 17) MUR 4130
- 18) MUR 4133
- 19) MUR 4134
- 20) MUR 4135
- 21) MUR 4136
- 22) MUR 4137
- 23) MUR 4138
- 24) MUR 4140
- 25) MUR 4142
- 26) MUR 4143
- 27) MUR 4144
- 28) MUR 4145
- 29) MUR 4148
- 30) MUR 4149

9 5 0 4 3 6 9 3 5 8 2

- 31) MUR 4153
- 32) MUR 4155
- 33) MUR 4158
- 34) MUR 4163
- 35) MUR 4164
- 36) MUR 4169
- 37) MUR 4179
- 38) MUR 4195
- 39) MUR 4196
- 40) MUR 4205

C. Take no further action, close the file effective October 16, 1995 and approve the appropriate letter in MUR 3188.

9/29/95
Date


Lawrence H. Noble
General Counsel

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**Federal Election Commission
Certification: Enforcement Priority
October 17, 1995**

Page 2

- 10) MUR 4119
- 11) MUR 4120
- 12) MUR 4122
- 13) MUR 4123
- 14) MUR 4124
- 15) MUR 4125
- 16) MUR 4126
- 17) MUR 4130
- 18) MUR 4133
- 19) MUR 4134
- 20) MUR 4135
- 21) MUR 4136
- 22) MUR 4137
- 23) MUR 4138
- 24) MUR 4140
- 25) MUR 4142
- 26) MUR 4143
- 27) MUR 4144
- 28) MUR 4145
- 29) MUR 4148
- 30) MUR 4149
- 31) MUR 4153
- 32) MUR 4155
- 33) MUR 4158
- 34) MUR 4163
- 35) MUR 4164
- 36) MUR 4169
- 37) MUR 4179
- 38) MUR 4195
- 39) MUR 4196
- 40) MUR 4205

- 9 5 0 4 3 6 9 3 5 8 5
- C. Take no further action, close the file effective October 17, 1995 and approve the appropriate letter in MUR 3188.

(continued)

Federal Election Commission
Certification: Enforcement Priority
October 17, 1995

Page 3

Commissioners Aikens, Elliott, McDonald, McGarry, and
Thomas voted affirmatively for each of the decisions;
Commissioner Potter was not present.

Attest:

10-20-95
Date

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

95043693566



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1995

C. Thomas Hendrickson, Chairman
North Carolina Democratic Party
P.O. Box 12196
Raleigh, NC 27605

RE: MUR 4138

Dear Mr. Hendrickson:

On November 7, 1994, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the respondents. See attached narrative. Accordingly, the Commission closed its file in this matter on October 17, 1995. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

Attachment
Narrative

95043693587

**NUR 4138
SUE MYRICK FOR CONGRESS COMMITTEE**

C. Thomas Hendrickson, Chairman of the North Carolina Democratic Party, filed a complaint alleging that the Myrick Committee received corporate contributions from Internet, Inc. when the corporation provided the Committee with tapes and the Committee was invoiced for the tapes and neither paid for them nor disclosed a debt owed to Internet. The complaint also alleges that the Committee received corporate contributions from Myrick Enterprises, Inc., a corporation wholly-owned by the candidate and her husband, because one-half of the commission for media purchases was rebated by Myrick Enterprises to the campaign.

In response to the complaint, the Myrick for Congress Committee acknowledges that it ordered tapes from Internet, Inc. and distributed the tapes to contributors as a token of the Committee's appreciation. According to the Committee, the invoice for the tapes was not yet 30 days old by the close of the reporting period for the July Quarterly, June 30, 1994, and therefore was considered a current bill and not reported in the Committee's 1994 July Quarterly Report. The Committee states that due to its financial situation, it had to develop a cash management plan which required that the smallest invoices be paid first. According to the Committee, once a bill exceeded thirty days, it was determined to be debt and was reported as such in the next reporting period. The Committee disclosed its debt to Internet in an amended July Quarterly Report and a \$10,000 payment to Internet, Inc. was later disclosed in an amended Post-Election Report. Additionally, the Committee indicates that the Myrick Agency received fees for handling the media advertising and that the agency took a rate reduced by 7.5%, a commercially acceptable procedure when any client purchases tremendous media volume.

There appears to be no indication of any serious intent to violate the FECA and this matter is less significant relative to other matters pending before the Commission.

95043693538



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1995

James A. Hutchinson, Treasurer
Sue Myrick for Congress Committee
1430 Thermal Road
Charlotte, NC 28212

RE: MUR 4138

Dear Mr. Hutchinson:

On November 15, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Sue Myrick for Congress Committee and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter on October 17, 1995.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

Attachment
Narrative

95043693589

**NUR 4138
SUE MYRICK FOR CONGRESS COMMITTEE**

C. Thomas Hendrickson, Chairman of the North Carolina Democratic Party, filed a complaint alleging that the Myrick Committee received corporate contributions from Internet, Inc. when the corporation provided the Committee with tapes and the Committee was invoiced for the tapes and neither paid for them nor disclosed a debt owed to Internet. The complaint also alleges that the Committee received corporate contributions from Myrick Enterprises, Inc., a corporation wholly-owned by the candidate and her husband, because one-half of the commission for media purchases was rebated by Myrick Enterprises to the campaign.

In response to the complaint, the Myrick for Congress Committee acknowledges that it ordered tapes from Internet, Inc. and distributed the tapes to contributors as a token of the Committee's appreciation. According to the Committee, the invoice for the tapes was not yet 30 days old by the close of the reporting period for the July Quarterly, June 30, 1994, and therefore was considered a current bill and not reported in the Committee's 1994 July Quarterly Report. The Committee states that due to its financial situation, it had to develop a cash management plan which required that the smallest invoices be paid first. According to the Committee, once a bill exceeded thirty days, it was determined to be debt and was reported as such in the next reporting period. The Committee disclosed its debt to Internet in an amended July Quarterly Report and a \$10,000 payment to Internet, Inc. was later disclosed in an amended Post-Election Report. Additionally, the Committee indicates that the Myrick Agency received fees for handling the media advertising and that the agency took a rate reduced by 7.5%, a commercially acceptable procedure when any client purchases tremendous media volume.

There appears to be no indication of any serious intent to violate the FECA and this matter is less significant relative to other matters pending before the Commission.

95043693590



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 23, 1995

William C. Daniels, Jr., Treasurer
Committee to Elect Sue Myrick U.S. Senator
505 North Poplar Street
Charlotte, NC 28202

RE: MUR 4138

Dear Mr. Daniels:

On November 15, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the Committee to Elect Sue Myrick U.S. Senator and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter on October 17, 1995.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

Attachment
Narrative

95043693591

NR 4138
SUE MYRICK FOR CONGRESS COMMITTEE

C. Thomas Hendrickson, Chairman of the North Carolina Democratic Party, filed a complaint alleging that the Myrick Committee received corporate contributions from Internet, Inc. when the corporation provided the Committee with tapes and the Committee was invoiced for the tapes and neither paid for them nor disclosed a debt owed to Internet. The complaint also alleges that the Committee received corporate contributions from Myrick Enterprises, Inc., a corporation wholly-owned by the candidate and her husband, because one-half of the commission for media purchases was rebated by Myrick Enterprises to the campaign.

In response to the complaint, the Myrick for Congress Committee acknowledges that it ordered tapes from Internet, Inc. and distributed the tapes to contributors as a token of the Committee's appreciation. According to the Committee, the invoice for the tapes was not yet 30 days old by the close of the reporting period for the July Quarterly, June 30, 1994, and therefore was considered a current bill and not reported in the Committee's 1994 July Quarterly Report. The Committee states that due to its financial situation, it had to develop a cash management plan which required that the smallest invoices be paid first. According to the Committee, once a bill exceeded thirty days, it was determined to be debt and was reported as such in the next reporting period. The Committee disclosed its debt to Internet in an amended July Quarterly Report and a \$10,000 payment to Internet, Inc. was later disclosed in an amended Post-Election Report. Additionally, the Committee indicates that the Myrick Agency received fees for handling the media advertising and that the agency took a rate reduced by 7.5%, a commercially acceptable procedure when any client purchases tremendous media volume.

There appears to be no indication of any serious intent to violate the FECA and this matter is less significant relative to other matters pending before the Commission.

95043693592



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1995

Doyle L. Yaeger, Registered Agent
Internet, Inc.
12201 Steel Creek Road
Charlotte, NC 28212

RE: MUR 4138

Dear Mr. Yaeger:

On November 15, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Internet, Inc. See attached narrative. Accordingly, the Commission closed its file in this matter on October 17, 1995.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

Attachment
Narrative

95043693593

**NUR 4138
SUE MYRICK FOR CONGRESS COMMITTEE**

C. Thomas Hendrickson, Chairman of the North Carolina Democratic Party, filed a complaint alleging that the Myrick Committee received corporate contributions from Internet, Inc. when the corporation provided the Committee with tapes and the Committee was invoiced for the tapes and neither paid for them nor disclosed a debt owed to Internet. The complaint also alleges that the Committee received corporate contributions from Myrick Enterprises, Inc., a corporation wholly-owned by the candidate and her husband, because one-half of the commission for media purchases was rebated by Myrick Enterprises to the campaign.

In response to the complaint, the Myrick for Congress Committee acknowledges that it ordered tapes from Internet, Inc. and distributed the tapes to contributors as a token of the Committee's appreciation. According to the Committee, the invoice for the tapes was not yet 30 days old by the close of the reporting period for the July Quarterly, June 30, 1994, and therefore was considered a current bill and not reported in the Committee's 1994 July Quarterly Report. The Committee states that due to its financial situation, it had to develop a cash management plan which required that the smallest invoices be paid first. According to the Committee, once a bill exceeded thirty days, it was determined to be debt and was reported as such in the next reporting period. The Committee disclosed its debt to Internet in an amended July Quarterly Report and a \$10,000 payment to Internet, Inc. was later disclosed in an amended Post-Election Report. Additionally, the Committee indicates that the Myrick Agency received fees for handling the media advertising and that the agency took a rate reduced by 7.5%, a commercially acceptable procedure when any client purchases tremendous media volume.

There appears to be no indication of any serious intent to violate the FECA and this matter is less significant relative to other matters pending before the Commission.

95043693594



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1995

W. Edward Myrick, Registered Agent
Myrick Enterprises, Inc.
505 N. Poplar Street
Charlotte, NC 28202

RE: MUR 4138

Dear Mr. Myrick:

On November 15, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Myrick Enterprises, Inc. See attached narrative. Accordingly, the Commission closed its file in this matter on October 17, 1995.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

Attachment
Narrative

95043693595

**NUR 4138
SUE MYRICK FOR CONGRESS COMMITTEE**

C. Thomas Hendrickson, Chairman of the North Carolina Democratic Party, filed a complaint alleging that the Myrick Committee received corporate contributions from Internet, Inc. when the corporation provided the Committee with tapes and the Committee was invoiced for the tapes and neither paid for them nor disclosed a debt owed to Internet. The complaint also alleges that the Committee received corporate contributions from Myrick Enterprises, Inc., a corporation wholly-owned by the candidate and her husband, because one-half of the commission for media purchases was rebated by Myrick Enterprises to the campaign.

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There appears to be no indication of any serious intent to violate the FECA and this matter is less significant relative to other matters pending before the Commission.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4138

DATE FILMED 11/9/95 CAMERA NO. 2

CAMERAMAN EES

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